

Informal Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title:	Agenda								
Date:	Wednesday 27 July 2016								
Time:	5.00 pm								
Venue:	Conference Chamber West West Suffolk House Western Way Bury St Edmunds								
Full Members:	<p style="text-align: center;">Chairman Sarah Broughton</p> <p style="text-align: center;">Vice Chairman Patricia Warby</p> <p><u>Conservative Members (8)</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Sarah Broughton</td> <td style="width: 33%;">Karen Richardson</td> </tr> <tr> <td>Carol Bull</td> <td>Peter Thompson</td> </tr> <tr> <td>Beccy Hopfensperger</td> <td>Paula Wade</td> </tr> <tr> <td>Betty Mclatchy</td> <td>Patricia Warby</td> </tr> </table> <p><u>Charter Member (1)</u> David Nettleton</p> <p><u>UKIP Member (1)</u> Barry Robbins</p>	Sarah Broughton	Karen Richardson	Carol Bull	Peter Thompson	Beccy Hopfensperger	Paula Wade	Betty Mclatchy	Patricia Warby
Sarah Broughton	Karen Richardson								
Carol Bull	Peter Thompson								
Beccy Hopfensperger	Paula Wade								
Betty Mclatchy	Patricia Warby								
Substitutes:	<p><u>Conservative Members (3)</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Jeremy Farthing</td> <td style="width: 33%;">David Roach</td> </tr> <tr> <td>Ivor Mclatchy</td> <td></td> </tr> </table> <p><u>Charter Member (1)</u> Diane Hind</p> <p><u>UKIP Member (1)</u> John Burns</p>	Jeremy Farthing	David Roach	Ivor Mclatchy					
Jeremy Farthing	David Roach								
Ivor Mclatchy									
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:	Four Members								
Committee administrator:	Christine Brain Democratic Services Officer (Scrutiny) Tel: 01638 719729 Email: christine.brain@westsuffolk.gov.uk								

5.00pm	Informal discussions with Forest Heath District Council's Performance and Audit Scrutiny Committee on the three substantive items listed under Items 5 to 7 inclusive, to be held in Conference Chamber West .
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 Conference Chamber West .

All Members of Forest Heath's Performance and Audit Scrutiny Committee have been invited to attend to enable informal discussions on the reports listed in Items 5 to 7 inclusive below to take place between the two authorities:

COUNCILLORS

Conservative
Members (8)

Michael Anderson
Rona Burt
Christine Mason

Chris Barker
Louis Busuttil
Colin Noble

John Bloodworth
Louise Marston

West Suffolk
Independent (1)

Simon Cole

UKIP (1)

Peter Ridgwell

On the conclusion of the informal discussions, Forest Heath District Council's Performance and Audit Scrutiny Committee will withdraw from Conference Chamber West to Conference Chamber East to hold their formal meeting and St Edmundsbury's Performance and Audit Scrutiny Committee will continue its meeting in **Conference Chamber West** as follows:

Public Information

Venue:	West Suffolk House Western Way Bury St Edmunds Suffolk IP33 3YU	Tel: 01284 763233 Email: democratic.services@westsuffolk.gov.uk Web: www.westsuffolk.gov.uk
Access to agenda and reports before the meeting:	Copies of the agenda and reports are open for public inspection at the above address at least five clear days before the meeting. They are also available to view on our website.	
Attendance at meetings:	The Borough Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public.	
Public speaking:	<p>Members of the public who live or work in the Borough are invited to put one question or statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.</p> <p>A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start.</p> <p>There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chairman's discretion.</p>	
Disabled access:	<p>West Suffolk House has facilities for people with mobility impairments including a lift and wheelchair accessible WCs. However, in the event of an emergency use of the lifts is restricted for health and safety reasons.</p> <p>Visitor parking is at the car park at the front of the building and there are a number of accessible spaces.</p>	
Induction loop:	An Induction loop is available for meetings held in the Conference Chamber.	
Recording of meetings:	<p>The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded).</p> <p>Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.</p>	

Agenda

Procedural Matters

Part 1(A) - Public

1. Substitutions

Any Member who is substituting for another Member should so indicate, together with the name of the relevant absent Member.

2. Apologies for Absence

3. Minutes

1 - 8

To confirm the minutes of the meeting held on 25 May 2016 (copy attached).

4. Public Participation

Members of the public who live or work in the Borough 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 information discussions held with Forest Heath District Council's Performance and Audit Scrutiny committee on Items 5 to 7 below, Members are reminded that no further debate shall take place. However, Members are requested to either formally note/resolve Items 5 to 7 below)

5. Balanced Scorecards Quarter 1 Performance Report 2016-2017

9 - 24

Report No: **PAS/SE/16/013**

(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/16/015)

6. West Suffolk Strategic Risk Register Monitoring Report - June 2016

25 - 40

Report No: **PAS/SE/16/014**

(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/16/016)

7. Work Programme Update

41 - 46

Report No: **PAS/SE/16/015**

(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/16/017)

Part 1(B) - Public

- | | |
|--|----------------|
| 8. Annual Performance Report for The Apex 2015-2016 | 47 - 54 |
| Report No: PAS/SE/16/016 | |
| 9. Financial Performance Report (Revenue and Capital) - Quarter 1 - (April to June 2016) | 55 - 76 |
| Report No: PAS/SE/16/017 | |
| 10. Annual Treasury Management Report 2015-2016 and Investment Activity (April to June 2016) | 77 - 92 |
| Report No: TMS/SE/16/003 will be considered by the Treasury Management Sub-Committee on 18 July 2016. The Chairman/Head of Resources and Performance will update the Committee verbally on any issues or recommendations arising from the consideration of this report. | |

Part 2 – Exempt

NONE

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Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

**Notes of Informal Discussions held on Wednesday 25 May 2016 at
5.00pm in Conference Chamber West, at West Suffolk House,
Western Way, Bury St Edmunds**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton, Beccy Hopfensperger, Betty McLatchy, David Nettleton, Karen Richardson, Barry Robbins, Peter Thompson, Paula Wade and Patricia Warby.

Forest Heath District Council (FHDC)

Councillor Louis Busuttil
(Chairman for the informal discussions)

Councillors Simon Cole, Louise Marston, Christine Mason, Bill Sadler and Peter Ridgwell.

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

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

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

- (1) Internal Audit Annual Report (2015-2016) and Outline Internal Audit Plan (2016-2017).
- (2) Balanced Scorecards and Quarter 4 Performance Report 2015-2016.
- (3) West Suffolk Strategic Risk Register Quarterly Monitoring Report – March 2016.
- (4) Work Programme Update.

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

The Chairman of St Edmundsbury's Performance and Audit Scrutiny Committee welcomed all those present to West Suffolk House, Bury St Edmunds and advised on

the format of the proceedings for the informal joint discussions and subsequent separate meetings of each authority, prior to handing over to the Chairman of Forest Heath's Performance and Audit Scrutiny Committee, who would be chairing the informal joint discussions.

Members noted that each Council permitted public participation at their Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating these Constitutional requirements, it was proposed that public speaking should be permitted prior to the start of the informal discussions to enable any questions/statements to be considered by both Performance and Audit Scrutiny Committees on items 1 – 4 above. On this occasion however, there were no questions/statements from members of the public.

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

1. **Internal Audit Annual Report (2015-2016) and Outline Internal Audit Plan (2016-2017)**

(Councillor Beccy Hopfensperger arrived at 5.06pm during the consideration of this item).

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

The report summarised the work undertaken by Internal Audit during the year across West Suffolk (Appendix A) and provided details of the Outline Internal Audit Plan for 2016-2017 (Appendix C). The report also showed progress made during the year in developing and maintaining an anti-fraud and anti-corruption culture and publicised actions taken where fraud or misconduct had been identified (Appendix D). Finally, the report also showed the work undertaken to fulfil the requirement for an annual review of the effectiveness of internal audit, including relevant completed checklists (Appendix B).

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

Members scrutinised the report and asked questions to which officers responded. In particular members discussed the definition of large write-offs, which members were advised was defined in the Council's Constitution.

2. **Balanced Scorecards Quarter 4 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 fourth 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 fourth 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, four service areas were now achieving over 90% performance on invoices paid within 30 days.

Members considered the report and did not raise any issues.

3. **West Suffolk Strategic Risk Register Quarterly Monitoring Report – March 2016**

The Service Manager (Resources and Performance) presented the fourth quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its recent meeting in March 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 March 2016 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.

Members considered the report and did not raise any issues.

4. **Work Programme Update**

The Head of Resources and Performance presented the report, which provided information on the current status of each Committee’s Work Programme for 2016-2017.

Members considered the report and did not raise any issues.

On the conclusion of the informal joint discussions at 5.16pm, Members of Forest Heath District Council’s Performance and Audit Scrutiny Committee withdrew from Conference Chamber West to Conference Chamber East to hold their formal meeting.

The Chairman then formally opened the St Edmundsbury Borough Council’s Performance and Audit Scrutiny Committee in Conference Chamber West at 5.30pm.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Wednesday 25 May 2016** at **5.30pm** in **Conference Chamber West**, at **West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Chairman Sarah Broughton
Vice Chairman Patricia Warby

Beccy Hopfensperger
Betty Mclatchy
Karen Richardson
Peter Thompson

Paula Wade
David Nettleton
Barry Robbins

By Invitation:

Ian Houlder, Portfolio Holder for Resources and Performance
Ivor McLatchy

86. **Substitutions**

There were no substitutes declared.

87. **Apologies for Absence**

Apologies for absence were received from Councillor Carol Bull.

88. **Minutes**

The minutes of the meeting held on 28 January 2016, were unanimously accepted by the Committee as an accurate record and signed by the Chairman.

89. **Public Participation**

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

90. **Internal Audit Annual Report (2015-2016) and Outline Internal Audit Plan (2016-2017)**

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/16/006.

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

With the vote being unanimous, it was

RESOLVED: That:

- (1) The Internal Audit Plan for 2016-2017, attached as Appendix C to Report No: PAS/SE/16/006, be approved.
- (2) The conclusion drawn in respect of the annual review of the effectiveness of internal audit, be endorsed.
- (3) The contents of the Annual Internal Audit Report 2015-2016 and the Managing the Risk of Fraud, Theft and Corruption Report, as set out in Appendices A and D to Report No: PAS/SE/16/006, be noted.

91. Balanced Scorecards and Quarter 4 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/16/007.

Members had scrutinised the report and there being no decision required, the Committee **noted** the Council's performance using the Balanced Scorecards for Quarter 4, 2015-2016.

92. West Suffolk Strategic Risk Register Quarterly Monitoring Report - March 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/16/008.

Members had scrutinised the report and there being no decision required, the Committee **noted** the contents of the Quarter 4 West Suffolk Strategic Risk Register monitoring report.

93. 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/16/009.

There being no decision required, the Committee **noted** the contents of the work programme for 2016-2017.

94. Financial Outturn Report (Revenue and Capital) 2015-2016

The Committee received Report No: PAS/SE/16/010, which updated Members on the 2015-2016 outturn revenue and capital position. Attached at Appendix A was the revenue outturn position as at 31 March 2016, which

currently showed an overall underspend of £36,000. An analysis of revenue variances for 2015-2016 was attached as Appendix B.

Attached as Appendix C was the Council's capital outturn position. The Council had spent £3,696,812 of its capital budget of £6,006,790 as at 31 March 2016, which showed a net underspend of £2,309,978.

Append D to the report set out a summary of the earmarked reserves for the year 2015-2016.

The Committee scrutinised the report and asked questions to which officers duly responded. In particular members discussed the off-street parking income and questioned how the Committee had the outturn position, could officers confirm how the car parking compared to that included in the February 2016 budget report for 2016/17, to which officers agreed to provide a written response.

There being no decision required the Committee **noted** the 2015-2016 outturn revenue and capital outturn positions as set out in Appendices A and C to Report No: PAS/SE/16/010.

95. **Ernst and Young - Certification of Claims and Returns Annual Report (2014-2015)**

The Committee received Report No: PAS/SE/16/011, which updated members on the outcome of the annual audit of grant claims by Ernst and Young (EY) as detailed in their Certification of Claims and Returns Annual Report 2014-2015, attached as Appendix A.

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

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

96. **Ernst and Young - Presentation of the External Audit Plan and Fees 2015-2016 and 2016-2017 Indicative Fees**

The Committee received Report No: PAS/SE/16/012, which set out how EY intended to carry out their responsibilities as the Council's external auditors (Appendix A). The purpose of the report was to provide the Committee with a basis to review EY's proposed approach and scope for the 2015-2016 audit along with the planned fees to complete the work. The report also provided the Committee with a basis to review the 2016-2017 indicative fees (Appendix B).

Mark Hodgson (Executive Director from EY presented this report, which summarised EY's assessment of the key risks which drive the development of an effective audit of the Council, and outlined their planned audit strategy in response to those risks. Officers would be working with EY over the coming months to ensure that these risks were managed and where possible, come to an agreement over the treatment prior to the issuing of the Annual Governance Report and Audit Opinion, due to be issued by EY by September 2016. Mark drew member's attention to the financial statement risks; the value for money conclusion; EY's audit process and strategy; and the indicative audit fee for 2016-2017 and how the scale fee was based.

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

The Meeting concluded at 5.52pm

Signed by:

Chairman

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Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Balanced Scorecard and Quarter 1 Performance report 2016-17	
Report No:	PAS/SE/16/013	
Report to and dates:	Performance and Audit Scrutiny Committee	27 July 2016
Portfolio holder:	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	This report sets out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2016-17 and an overview of performance against those indicators for the first quarter of 2016-17.	
Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to review the Council's performance using Balanced Scorecards for Quarter 1, 2016-17 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:		None	

Documents attached:	Appendix A – Resources and Performance Balanced Scorecard Appendix B – Families and Communities Balanced Scorecard Appendix C – Human Resources, Legal and Democratic Balanced Scorecard Appendix D – Planning and Growth Balanced Scorecard Appendix E – Operations Balanced Scorecard Appendix F – Housing Balanced Scorecard
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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 1 2016/17 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 1 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 previous financial year, against these indicators, almost all service 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, for the first time all six service areas achieved over 90% performance on invoices paid within 30 days for the month of June, with two service areas being over 95%.

		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	(£20,731.00)	-	M	Cumulative		See budget monitoring for more details.	SATISFACTION	Number of formal complaints	9	No Target	B	Period only		All relating to ARP	
		Year end forecast variance (under) / over spend against budget - SEBC	£ 329,893.00	-	M	Cumulative		See budget monitoring for more details.		Number of formal compliments	0	No Target	B	Period only			
		Income generated from SLAs	(£45,970.07)	(£116,916.00)	M	Cumulative		Most SLA income relating to ARP will be received at the end of the year	CUSTOMERS	ORGANISATIONAL	Organisational year end forecast variance (under) / over spend against budget - FHDC *	£ 865.00	-	M	Cumulative		See budget monitoring for more details.
		% return on the investment of reserves and balances - FHDC	0.99	1.50	Q	Cumulative		Due to increase in short term investments			Organisational year end forecast variance (under) / over spend against budget - SEBC *	(£176,017.00)	-	M	Cumulative		See budget monitoring for more details.
		% return on the investment of reserves and balances - SEBC	0.87	0.90	Q	Cumulative		Please enter a comment to explain variance			Total income generated by organisation £ *	(£7,275,995.74)	(£7,005,907.97)	M	Cumulative		
	FINANCE & PERFORMANCE	% of non-disputed invoices paid within 30 days	98.26	95.00	M	Period only		115 invoices processed in June.	% of total non-disputed invoices paid within 30 days *	93.17	95.00	M	Cumulative		1,318 invoices processed in June.		
		% of debt over 90 days old	17.97	10.00	M	Cumulative		FHDC debt £0.00 - 0.00% over 90 days. SEBC debt £1,769.50 - 17.97% over 90 days.	% of total debt over 90 days old *	62.25	10.00	M	Cumulative		FHDC debt £111,792.86 - 63.70% over 90 days. SEBC debt £446,661.31 - 61.89% 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 currently being developed	OUTCOMES	ARP	% Collection of Council Tax - FHDC	29.12	29.08	M	Cumulative		The amount collected as at end of June 2016 is £7,743,192
	ICT	% of ICT Helpdesk calls completed 'on time' as defined in SLAs	94.76	90.00	Q	Period only		% Collection of Council Tax - SEBC			29.60	29.43	M	Cumulative		The amount collected as at end of June 2016 is £16,428,716	
	ARP	Days taken to process Housing Benefit new claims and changes - FHDC	7.40	8.00	M	Period only		% Collection of Business Rates - FHDC			29.86	28.49	M	Cumulative		The amount collected as at end of June 2016 is £6,647,284	
		Days taken to process Housing Benefit new claims and changes - SEBC	6.80	8.00	M	Period only		% Collection of Business Rates - SEBC			30.75	31.08	M	Cumulative		The amount collected as at end of June 2016 is £14,532,913	
								Business Rate Growth - FHDC			22,947,002	22,143,933	M	Cumulative		This is the forecast business rates figure. FHDC will receive 40% share of growth, which will be £321,204 based on this forecast.	
								Business Rate Growth - SEBC	47,382,408	45,886,675	M	Cumulative		This is the forecast business rates figure. SEBC will receive 40% share of growth which will be £598,293 based on this forecast.			

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	June 2016
	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 MTF5 theme such as behaving more commercially or being an investing authority.	Probability - 3; Impact - 4	Probability - 2; Impact - 4	June 2016
	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	June 2016
	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 - 3; Impact - 4	June 2016
	WS7a	Technological	ICT integration	Integration of ICT across services and systems not being achieved.	Probability - 4; Impact - 4	Probability - 3; Impact - 4	June 2016
	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	June 2016
	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	June 2016
	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	June 2016
	WS18	Customer / Financial / Professional	Managing poor performance	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	June 2016

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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	7,709.00	-	M	Cumulative		See budget monitoring for more details.	CUSTOMERS	SATISFACTION	% Customer satisfaction with customer service - overall journey	50.00	80.00	Q	Period only		The drop in customer satisfaction is due to feedback regarding Garden Waste charges and difficulties with the Housing Options Homelink website in May / June.
		Year end forecast variance (under) / over spend against budget - SEBC	11,253.00	-	M	Cumulative		See budget monitoring for more details.			Number of formal complaints	0	No target	B	Period only		
		% of non-disputed invoices paid within 30 days	94.34	95.00	M	Cumulative		53 invoices processed in June.			Number of formal compliments	8	No target	B	Cumulative		Customer Services - 8
		% 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	35,488	29,500	M	Period only		Aim to maximise.	OUTCOMES	CUSTOMER SERVICES	% of issues resolved at first point of contact with Customer Services - telephone	95.00	80.00	M	Cumulative		
		Number of unique page views to the West Suffolk councils website	110,445	150,000	M	Period only		Aim to maximise.			% of issues resolved at first point of contact with Customer Services - face to face	84.00	80.00	M	Cumulative		
		Number of online forms completed	3,201	1,250	M	Period only		Online totals have increased due to the popularity of the Garden Waste subscription scheme.									
		Number of page views to the West Suffolk intranet	371,421	123,500	M	Period only		The top 10 Intranet pages have all seen an increase.									
	CUSTOMER SERVICES	% of telephone calls answered	83.00	90.00	Q	Period only		The was a 44% increase in the total number of calls received in Q1 in comparison to the same period last year (Q1 2015-16, 38,162 calls received / Q1 2016-17, 54,916 calls received). The uplift in calls was due to the unprecedented interest in the Garden Waste subscription service, EU referendum queries and queries due to difficulties with the Housing Options Homelink website in May / June.									
	Number of face to face contacts (not including visitor management)	5,443	6,000	M	Period only												

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
	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	June 2016
	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	June 2016
	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	June 2016
	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	June 2016
	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	June 2016
	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	June 2016

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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	(£14,166.00)	-	M	Cumulative		See budget monitoring for more details	CUSTOMERS	SATISFACTION	Number of formal complaints	0	No target	B	Period only		No complaints in this period.
		Year end forecast variance against budget - SEBC	(£12,512.00)	-	M	Cumulative		See budget monitoring for more details			Number of formal compliments	0	No target	B	Period only		No compliments in this period.
		% of non-disputed invoices paid within 30 days	100.00	95.00	M	Cumulative		40 invoices processed in June.		% on-line electoral registration *	98.00	95.00	A	Cumulative			
		% of debt over 90 days old	100.00	10.00	M	Cumulative		3 Invoices in total, all in dispute. FHDC debt £2,740.69 - 100.00% over 90 days. SEBC debt £1,041.60 - 100.00% over 90 days.		Customer Services % of answered calls - elections	75.00	90.00	Q	Cumulative		The Customer Service Team handled the equivalent of one years Elections call volumes in one quarter. (2015-16 yearly Elections volumes, 7,535 / Q1 2016-17 7,557). The uplift in calls due to the unprecedented interest in the EU referendum.	
	STAFF	Average number of sick days lost per FTE per annum*	6.81	6.50	Q	Cumulative											
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
INTERNAL PROCESSES	HR	Time taken to complete recruitment process - advert to offer (days)	21.76	35.00	Q	Period only			OUTCOMES	HUMAN RESOURCES	% Voluntary staff turnover *	9.06	7-12	Q	Cumulative		
								% successful staff appointments *			100.00	85.00	Q	Cumulative			
										HEALTH & SAFETY	Reported incidence of injuries, diseases and dangerous occurrences *	0	10	Q	Cumulative		No reported incidents

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
	WS4	Professional	Staff retention (professional staff / technical staff). Staff	Lack of staff skills, experience and capacity could prevent delivery of services and high levels of performance. Failure to have	Probability - 5; Impact - 4	Probability - 3; Impact - 4	June 2016
	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	June 2016
	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	June 2016
	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	Probability - 4; Impact - 4	Probability - 2; Impact - 3	June 2016
	WS20	Physical	Implementation of the Corporate Health and Safety	Failure to ensure the safety and well being of staff. Failure to provide safe and healthy environment for visitors and the	Probability - 2; Impact - 5	Probability - 1; Impact - 5	June 2016

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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	£ 92,976.00	0.00	M	Cumulative		See budget monitoring for more details.	CUSTOMERS	SATISFACTION	Number of formal complaints	15	No target	B	Period only	Planning - 13, Licensing - 1, Land Charges - 1		
		Year end forecast variance (under) / over spend against budget - SEBC	£ 129,314.00	0.00	M	Cumulative		See budget monitoring for more details.			Number of formal compliments	27	No target	B	Period only	Building Control - 4, Planning - 14, Land Charges - 2, Enforcement - 3, Regulatory - 4		
		Spend on professional fees in relation to planning appeals	£ 7,000	No Target	M	Cumulative		Various expenditure, anticipating higher costs in quarter 2 due to appeals in the pipeline.										
		Income received against budget	(£691,848.00)	(£696,885.75)	M	Cumulative		Currently on target for income received in the first quarter.										
		% of non-disputed invoices paid within 30 days	98.26	95.00	M	Cumulative		115 invoices processed in June.										
		% of debt over 90 days old	45.51	10.00	M	Period only		FHDC total debt £4,647.50 - 59.82% over 90 days. SEBC total debt £3,109.53 - 24.12% 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	89.00	60.00	M	Period only		FHDC - 2 applications determined, 2 in time - 100%. SEBC - 7 applications determined, 6 in time - 85.71%	OUTCOMES	ARP	New and existing businesses benefitting from the Council's Business Grant schemes	0	Data missing	Q	Cumulative	No grants were made in this quarter due to the money allocated to MENTA being fully utilised.		
		% of minor planning applications determined within 8 weeks	77.00	65.00	M	Period only		FHDC - 11 applications determined, 9 in time - 81.82%. SEBC - 15 applications determined, 11 in time - 73.33%			Renewable energy generated on Council properties (KWh)	185,112	No Target	Q	Cumulative	The 13% reduction on the equivalent 2015/16 generation figure is predominantly weather related.		
		% of other planning applications determined within 8 weeks	78.00	80.00	M	Period only		FHDC - 24 applications determined, 22 in time - 91.67%. SEBC - 87 applications determined, 65 in time - 74.71%			Number of solar PV rent-a-roof schemes delivered	0	No Target	Q	Cumulative	No sites have come forward for this quarter		
	PLANNING ENFORCEMENT	Number of new enforcement cases opened	44	No Target	M	Period only		There were 28 cases opened in SEBC and 16 cases opened in FHDC			% of food businesses receiving a top food hygiene rating (rating of 5)	79.00	60.00	Q	Cumulative			
		Number of enforcement cases closed	27	No Target	M	Period only		There were 17 cases closed in SEBC and 10 cases closed in FHDC										
		Total number of enforcement cases open	282	No Target	M	Period only		There were 187 open cases in SEBC and 95 open cases in FHDC										

PROJECTS	Name	Project Lead	Project Stage	Project Status	Approval details	Approved	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
	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	June 2016
	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	June 2016
	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	June 2016
	WS12	Partnership	Loss of a key employer (for example USAFE, Racing Industry, Greene King, WS Hospital, Centre Parcs, British Sugar) - See WS2 for USAFE	Failure to retain major employers in the area and the economic impact that it would have	Probability - 3; Impact - 5	Probability - 2; Impact - 5	June 2016
	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	June 2016

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FY 2016 - 2017

WEST SUFFOLK - OPERATIONS BALANCED SCORECARD

Appendix E

MONTH Jun 16

QUARTER

Apr 16 - Jun 16

HALF YEARLY

Oct 15 - Mar 16

* These indicators are at organisational level

ANNUAL

Apr 15 - Mar 16

		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
RESOURCES	FINANCIAL	Year end forecast variance against budget - FHDC	£ 15,048.00	-	M	Cumulative		See budget monitoring for more details.	CUSTOMERS	SATISFACTION	Number of formal complaints	9	No target	B	Period only	Waste - 1, Parks - 3, Property - 4, Parking - 1	
		Year end forecast variance against budget - SEBC	(£556,345.00)	-	M	Cumulative		See budget monitoring for more details.			Number of formal compliments	43	No target	B	Period only	Landscapes - 3, Waste - 32, Parking - 1, Property - 4, Parks - 3	
		Income from entire property portfolio	(£979,814.56)	(£963,347.00)	M	Cumulative				% of calls answered - Waste	85.00	90.00	Q	Period only		This drop in performance is due to the Customer Service Team having to answer an additional 5,500 calls for the Garden Waste subscription scheme in Q1 alongside increased call volumes for Elections and Housing.	
		Income from waste & street scene services	(£1,584,016.11)	(£1,420,974.00)	M	Cumulative				% of calls answered - Apex Box Office	87.00	90.00	Q	Period only		A 44% increase in the total number of calls received by the Customer Service Team for Q1 in comparison to the same period last year has resulted in a drop in the call answer rate for the Apex.	
		% of non-disputed invoices paid within 30 days	92.71	95.00	M	Cumulative		974 invoices processed in June.									
		% of debt over 90 days old	61.80	10.00	M	Period only		FHDC debt £97,969.29 - 60.49% over 90 days. SEBC debt £431,976.78 - 62.09% over 90 days.									
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
INTERNAL PROCESSES	WASTE MANAGEMENT	Number of household bins not collected as scheduled -per 10,000 properties	6.17	8.25	M	Period only			OUTCOMES	WASTE MANAGEMENT	% of household waste recycled and composted	41.82	51.00	Q	Cumulative	Reduction in % recycled due to less compostable waste being collected - target to be reviewed.	
																Residual household waste lower in Q1 of 2016/17 compared to the same period in 2015/16 (140kg compared to 144kg).	
											PROPERTY	% of industrial units that are vacant	6.67	8.25	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
		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
	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	June 2016

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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	(£10,251.00)	-	M	Cumulative		See budget outturn report for more details.	CUSTOMERS	SATISFACTION	Number of formal complaints	7	No target	B	Period only		Housing Standards 1, Housing Options 6
		Year end forecast variance (under) / over spend against budget - SEBC	£ 14,323.00	-	M	Cumulative		See budget outturn report for more details.			Number of formal compliments	1	No target	B	Period only		Housing Options
		DFG mandatory grants paid £	£ 14,653.00	£ 210,300.00	M	Cumulative		The HIA service didn't 'go live' until 1 May 16 . Work is ongoing to monitor/improve the performance, along with the approach to delivery and securing of sufficient funding.		SERVICE	Customer Services % of answered calls - housing	80.00	90.00	Q	Cumulative		48% uplift in Housing calls for Q1 in comparison to the same period last year has resulted in a drop in the answering rate (Q1 2015-16, 3,485 calls received / Q1 2016-17, 5,158 calls received). The uplift in calls was due to difficulties with the Housing Options Homelink website in May / June and increased call volumes for the Garden Waste subscription service and EU referendum.
		% of non-disputed invoices paid within 30 days	90.20	95.00	M	Cumulative		51 invoices processed in June.			% Private Rented Sector properties with rent at or below the Local Housing Allowance Rate	4.00	4.00	Q	Cumulative		
		% of debt over 90 days old	79.54	10.00	M	Cumulative		FHDC debt £6,412.14 - 100.00% over 90 days. SEBC debt £6,637.90 - 59.78% over 90 days.									
	STAFF	Cases per member of staff - Housing Options	24.00	20-30	M	Period only		Within target range despite increasing complexity and new computer system being introduced									
Cases per member of staff - Housing Standards		42.00	50-60	Q	Cumulative		Monitoring is ongoing so that cases are managed effectively, updated and closed within appropriate timeframes, to enable the team to deliver.										
		Current Value	Target	Frequency	Type	Trend	Comments			Current Value	Target	Frequency	Type	Trend	Comments		
INTERNAL PROCESSES	HUMAN RESOURCES	Average time taken to make decisions on homelessness applications (days)	16	14	Q	Period only		No change from last quarter. Currently looking at processes to see whether the target of 14 is actually achievable due to increasing complexity of cases and the need for further checks.	OUTCOMES	HOUSING OPTIONS	Numbers in Bands A & B	883	1,300	M	Cumulative		Within target range.
		Additional housing units registered with WSLP	13	15	Q	Period only		Securing additional units continues to prove to be difficult due to pressure in the private rented sector. Project review currently underway			Household numbers in B&B	2	10	M	Cumulative		B&B is only used for very short term emergencies since increase in temporary accommodation available to the council.
	STRATEGIC HOUSING	Empty properties brought back into use through Council intervention	5	2	Q	Period only		A number of properties are now being considered for further enforcement actions, with the background work being carried out to facilitate this.		STRATEGIC HOUSING	Number of new affordable homes delivered available for occupation	51	55	Q	Cumulative		Completion dates for the units at Barrow were expected to be this quarter but only 2 were sold. The remaining 4 should be next month.
		% of units that are affordable on S106 sites	30.00	30.00	Q	Period only		We continue to secure 30% target figure		HOUSING STANDARDS	Private sector Properties brought up to standard	17	15	Q	Cumulative		All private rented houses reflecting timely enforcement actions following work that has been ongoing to make homes safe for tenants.

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
	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	June 2016
	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	June 2016
	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	June 2016
	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	June 2016

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Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	West Suffolk Strategic Risk Register Quarterly Monitoring Report – June 2016	
Report No:	PAS/SE/16/014	
Report to and date/s:	Performance and Audit Scrutiny Committee	27 July 2016
Portfolio holder:	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.holder@stedsbc.gov.uk	
Lead officer:	Joanne Howlett Service Manager - Finance 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 <u>RECOMMENDED</u> that Members scrutinise the updated West Suffolk Strategic Risk Register at Appendix 1 and refer any major issues requiring attention to Cabinet.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
Consultation:	• Not Applicable	
Alternative option(s):	• Not Applicable	

Implications:			
Are there any financial implications? <i>If yes, please give details</i>		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? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Are there any equality implications? <i>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)
See individual assessments against each risk as detailed in Appendix 1.			
Ward(s) affected:		All Wards	
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 2016/2017	

1. Key issues and reasons for recommendation

1.1 Key Issues and Summary

- 1.1.1 The West Suffolk Strategic Risk Register is updated regularly by the Risk Management Group. The Group is comprised of service representatives, including Health and Safety, supported by a Director and the Portfolio Holder for Resources, Governance and Performance. Heads of Service may be required to provide further information as requested by the Group.
- 1.1.2 At its most recent assessment in June 2016, the Group reviewed the Target Risk, the risk level where the Council aims to be, and agreed a Current Risk assessment. These assessments form the revised West Suffolk Strategic Risk Register at **Appendix 1**.
- 1.1.3 Part of this assessment included the consideration of the controls and actions in place to address the individual risks. Where Target Risk levels are lower than the Current Risk assessment, further action is either being taken or planned in order to treat the risk and meet the target.
- 1.1.4 Some individual controls or actions have been updated and those that were not ongoing and had been completed by June 2016 have been removed from the register.

1.2 New or Amended Risks

- 1.2.1 Following consideration by the group, it was felt that the Probability rating allocated to the Residual Risk of WS7, Poor Project Management, be increase from 2 to 3.

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 EU Referendum

- 1.4.1 Although at the time of writing this report the full impact of the decision to leave the EU is not known, minor amendments have been made to some of the existing actions and controls to address immediate concerns. However, the group will continue to monitor the situation as it develops over the next quarter, amending existing and / or adding new risks where necessary. These changes will be reported at the next meeting in the normal manner.

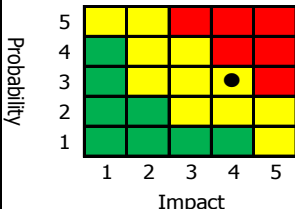
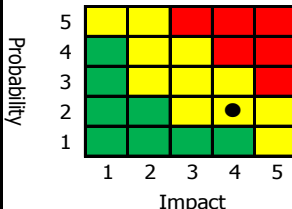
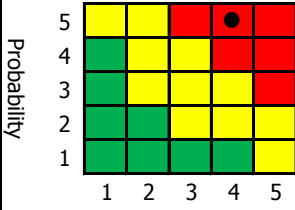
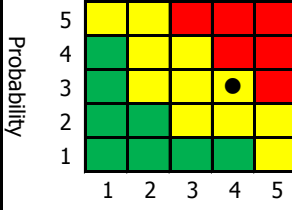
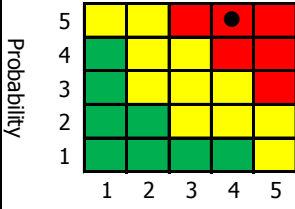
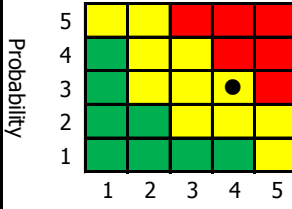
1.5 Reason for Recommendation

- 1.5.1 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.
- 1.5.2 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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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).		C	1) Monthly monitoring reports (revenue and capital) to budget holders. Quarterly revenue and capital monitoring reports to PASC.	Head of Resources & Performance	N/A	N/A	
							C	2) Business rate retention income and localising of Council tax being monitored monthly by Finance and ARP	Head of Resources & Performance	N/A	N/A	
							C	3) Regular meetings between budget holders and Resources and Performance business advisors/partners	Service Managers / Business Partners / Advisers	N/A	N/A	
							C	4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	N/A	N/A	
							A	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 Completed	
							A	6) Strengthen the overall Performance Management Framework. E.g. Balanced Scorecards, PDRs, (also see WS18).	Head of Resources & Performance	Apr-15	01/03/2016 Completed	
							C	7) Monitoring of investment decisions and original business cases targets/outcomes through an Officer group.	Head of Resources & Performance	N/A	N/A	
WS1 B	10-Jul-14	Financial	Head of Resources and Performance	Poor financial planning	Failure to deliver a sustainable Medium Term Financial Strategy, especially in view of continued financial uncertainty around areas such as Comprehensive Spending Review, localisation of Business Rates, 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		A	1) Budget preparation for 2017/18 - 2019/20 ,re-focus on MTFS, and uncertainty regarding Business Rate Retention in 2020 continues to challenge all six MTFS themes. Proposals include LT peer scrutiny.	LT	N/A	31/03/2016 Completed	
							C	2) Demand trends and financial implications validated as part of budget setting. Using monitoring reports to identify trends.	Service Managers / Business Partners / Advisers	N/A	N/A	
							C	3) Medium Term Financial Strategy update - including review of assumptions, sensitivity analysis and review of reserve and balance levels	Head of Resources and Performance	N/A	N/A	
							C	4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	N/A	N/A	
							C	5) Monitor Government statements on future of local government funding	LT	N/A	N/A	
							C	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	N/A	N/A	
							C	7) Use of data and intelligence in forecasting future scenarios.	LT	N/A	N/A	
							C	8) Keep a careful eye on Brexit implications re European funding and service delivery	LT	N/A	N/A	
WS2	10-Jul-14	Customer	Head of Families & Communities	Maintain and promote our public image, maintain effective communications	Councils being portrayed in the media (including social media) in a way 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.).		C	1) Monitor media coverage through daily media alerts and, where appropriate, provide a robust response.	Comms Team	N/A	N/A	
							C	2) Proactively engage with social media to disseminate informative news about West Suffolk and address errors or misrepresentation	Comms Team	N/A	N/A	
							C	3) Train and support staff and Members in proactive communications and dealing with media.	Comms Team	N/A	N/A	

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					This could also potentially impact on our ability to recruit staff in competitive market.		C	4) Deliver a communications work programme which focuses on proactive communications.	Comms Team	N/A	On-going	
				A			5) Ensure that appropriate communications planning and support are identified for strategic projects as per individual project plans	Comms Team	Aug-14	On-going		
				C			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.	Policy Team	N/A	N/A		

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WS3	10-Jul-14	Customer	Head of Families & Communities	Failure to deliver channel shift (Customer Access Strategy)	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.		C	1) Continue to develop new web presence with full digital by default capability.	Head of Families & Communities	N/A	N/A	
							C	2) Clear and consistent public communications to explain changes to services and establish realistic expectations of service levels.	Service Manager (Corporate Communications)	N/A	N/A	
							C	3) Continuing development to ensure web site remains fit for purpose.	Head of Families & Communities	N/A	N/A	
							C	4) Anglia Revenues Partnership, (ARP), project to rewrite and redesign website now underway. Customer service support to be provided to ensure there is an effective customer journey.	Head of Families & Communities, Head of Resources and Performance	N/A	Completed	
							A	5) Anglia Revenues Partnership, (ARP), Strategic (Transformation) Plan outlining the future role of ARP to be developed.	Director (JC)	Jul-16	Mar-17	
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.		A	1) Continue to develop corporate training programme in place (including induction) for staff and members	HR Business Partner	Jun-14	On-going	
							A	2) To review Workforce/OD Strategy to include recruitment; succession planning; talent management and pay and reward	HR Business Partner	Jun-14	On-going	
							C	3) Regular evaluate outcome of Performance Reviews to identify talent management to inform succession planning	Head of HR, Legal and Democratic Services	N/A	N/A	
							C	4) Consistent and regular communication to staff, including opportunities for feedback. New intranet now rolled out to facilitate this objective.	Service Manager (Corporate Communications)	N/A	N/A	
							A	5) Annual workforce monitoring data presented to the West Suffolk Joint Staff Consultative Panel; no significant issues raised.	Head of HR, Legal & Democratic Services / HR Business Partner	Jun-14	On-going	
							A	6) Salary bench marking being undertaken – monitor and determine areas which are becoming increasingly difficult to recruit high calibre of candidates and develop recruitment strategy	Head of HR, Legal and Democratic Services	Jun-14	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.		C	1) Understand and communicate priorities and expectations through Strategic Plan and MTFs	LT	N/A	Oct-17	
							C	2) Assign dedicated corporate project resources to support new projects as they arise.	LT	N/A	N/A	
							A	3) Review and align service and skilled resources available to the strategic plan including communicate resources.	LT	Jun-14	On-going	
							C	4) Regular monitoring and update discussions with portfolio holders on the corporate project plan progress	LT	N/A	N/A	

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								C	5) Regular monitoring of Balanced Scorecards to include complaints, compliments and trends.			
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.		A	1) Maintain and develop an efficient project management framework and team (led by Service Manager Corporate Policy).	Service Manager Corporate Policy	Jun-14	On-going	
							A	2) Development and ongoing oversight of corporate project plan, to avoid concurrent demands on support services	Service Manager Corporate Policy	Jun-14	On-going	
							A	3) Training of all staff involved in project work in core project management skills	L&D team	Jun-14	On-going	
							C	4) Project support and resources to be included in further project business cases, including ICT support	LT	N/A	N/A	
							C	5) Early identification of Corporate capacity / priorities as part of business plan / project initiation. Review of project workstream to assist with prioritisation.	LT	N/A	N/A	
							C	6) Carry out Project Health Checks.	LT	N/A	N/A	
WS7a	10-Jul-14	Technological	Head of Resources and Performance	ICT integration	Integration of ICT across services and systems not being achieved. Failure to keep Business Applications aligned.		A	1) Maintain alignment of ICT infrastructure and corporate systems through corporate project plan	Infrastructure Support Manager	Jun-14	On-going	
							A	2) Continued Business Applications integration / alignment – including, Customer Access solution, Waste Management, GIS system, Agresso Financial Management System (phase 2), Planning Idox System - through corporate project plan	Project Managers & Service Manager (ICT)	Jun-14	System updates and improvements continue to be made	
							C	3) Regular review of both integration programmes through corporate projects plan.	Service Manager Corporate Policy/ LT	N/A	N/A	
							C	4) Monthly testing of the Council PSN compliance including the checking and monitoring of new and existing staff. No tolerance approach adopted.	Infrastructure Support Manager	N/A	N/A	
							A	5) Development of a West Suffolk Information Strategy and links to the wider public sector integration agenda (Transformation Challenge Award). Recruitment of ICT Manager.	Service Manager (ICT)	Jun-14	Dec-16	
WS8	10-Jul-14	Political Social	Head of Families & Communities	Failure to deliver; Families & Communities agenda	Opportunities being missed to create or influence the provision of: (i) a thriving voluntary sector and active communities who take the initiative to help the most vulnerable (ii) people playing a greater role in determining the future of their communities (iii). improved wellbeing, physical and mental health (iv) accessible countryside and green spaces		C	1) Initial Families & Community Strategy now complete. Continuous development and review of strategy to ensure that it remains fit for purpose.	Service Manager (Families & Communities)	N/A	N/A	
							C	2) Continue to develop the Families and Communities Officers role and new ways of working with councillors and the wider team.	Service Manager (Families & Communities)	N/A	N/A	
							A	3) Locality budgets and Community Chest funds available. Ensure both are used effectively and as intended.	Service Manager (Families & Communities)	Oct-13	On-going	

Page 32

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	(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:		C	1) Developing engagement with the two Local Enterprise Partnerships. Deliver Six Point Plan for Jobs and Growth. Monitoring the local economy.	Head of Planning & Growth	N/A	N/A		
					(i) beneficial growth that enhances prosperity and quality of life			C	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	Head of Planning & Growth	N/A		N/A
					(ii) existing businesses that are thriving and new businesses brought to the area			C	3) Support to WSC, SCC, UCS and other agencies involved with skills development. Monitoring attainment levels.	Head of Planning & Growth	N/A		N/A
					(iii) people with the educational attainment and skills needed in our local economy			C	4) Continue to develop close working relationships with Whitehall, Norfolk partners, LEPS to influence the design of any devolution agreements and business rates retention schemes.	Head of Planning & Growth	N/A		N/A
					(iv) vibrant, attractive and clean high streets, village centres and markets			A	5) Development and delivery of Local Plans	Head of Planning & Growth	Dec-15		On-going
								A	6) Continued development of enterprise zones. Development of a joint plan for 2020/21.				Feb-17
	(c)		Head of Housing / Head of Planning & Growth	Failure to deliver; Housing Agenda		C	1) West Suffolk Housing strategy adopted, implementation of agreed Action Plan, with annual monitoring	Head of Housing	N/A	N/A			
				(i) sufficient housing for current and future generations, including more affordable homes and improvements to existing housing			C	2) Sub-regional Strategic Housing Market Assessment completed 2008 to identify levels of need, with annual updates and reviews.	Head of Housing	N/A		N/A	
				(ii) new developments that are fit for the future, properly supported by infrastructure, and that build communities, not just housing			C	3) Local Investment Plan 2014-18 approved by HCA, now working with RP partners to deliver. Quarterly monitoring of plan and annual review.	Head of Housing	N/A		N/A	
				(iii) homes that are flexible for people's changing needs			C	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.	Service Manager (Housing Options)	N/A		N/A	
							A	5) Review of the West Suffolk Lettings Partnership scheme in securing tenancies in the private sector.	Service Manager (Housing Options)	Sep-14		Sep-16	
							A	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 May 2016.	Service Manager (Housing Standards)	Apr-14		Sep-16	
							A	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 15 March 2016. First draft of Business and Delivery Plan due to be presented to the Councils by the end of July 16.	Head of Housing	Apr-15		See action 7 text for details of dates.	
							A	8) Monitor new Housing & Planning Bill proposals - a watching brief. Briefing note on housing aspects of the Housing & Planning Bill circulated to senior officers and members in March 16. Responses to DCLG consultation being made as released by the DCLG.	Head of Housing	Apr-16		See action 8 text for details of dates.	

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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; or fails to take account of wider changes in national and local government legislation and policy (including EU).		C	1) Keep a watching brief on, and disseminate information on new policies, funding models and opportunities through DCLG, RSN, LGA, EELGA etc.	Policy Team	N/A	N/A	
							C	2) Maintain good relationships with public sector partners, e.g. CCG, SCOLT, SCEG, ARP authorities to hear of, and take opportunities arising from opportunities for partnership working.	Chief Executive and Directors	N/A	N/A	
							C	3) Robust business cases for identified opportunities.	LT	N/A	N/A	
							C	4) Keeping a watching brief on the new/changing National policies with Suffolk colleagues, including Brexit and local government funding changes and play an active part in the Devolution process for Norfolk, Suffolk and the wider East Anglia area, (also see WS8(b) 4).	Chief Executive and Directors	N/A	N/A	
							A	5) Lead the integration and rationalisation of the public estate through membership, and local leadership, of the Government's One Public Estate Programme.	Director	Jul-14	On-going	
							A	6) LT document "West Suffolk: Promoting Physical Activity"			Completed	
							A	Explore shared services opportunities with other Local Authorities	LT	Apr-15	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) Please see Risk WS22 for USAFE.	Failure to retain major employers in the area and the economic impact that it would have		A	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.	Head of Planning & Growth	Jun-14	On-going	
							C	2) Ensuring there is sufficient employment land / premises for expansion.	Head of Planning & Growth	N/A	N/A	
							C	3) Understand skills shortage and requirements by linking business to education providers and encourage businesses to take on apprentices.	Head of Planning & Growth	N/A	N/A	
							A	4) Help businesses access third party funding.	Head of Planning & Growth	Jun-14	On-going	
							A	5) Further development of the six point jobs and growth plan.	Head of Planning & Growth	Jun-14	On-going	
							A	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			
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.		C	1) Ensure robust SLA (Service Level Agreement) & Joint Venture arrangements are in place. Ensure good due diligence procedures are used.	All HoS	N/A	N/A	
							C	2) Regular monitoring of arrangements / outcomes.	All HoS	Jun-14	N/A	
							A	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.	All HoS	Jun-14	On-going	

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						Impact	A	4) Ensure effective engagement in the Transformation Challenge Award.	CEO and LT	Jun-14	On-going	Impact
							C	5) Understand the cumulative impact of complex partnership delivery arrangements.	CEO and LT	Dec-15	N/A	
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.		A	1) Services must have a workable Business Continuity Plan in place.	Heads of Service/All staff	Aug-14	On-going	
							C	2) Combined West Suffolk Business Continuity Plan is in place for major identified threats, regularly reviewed and practised.	LT	N/A	N/A	
							C	3) Appointed officers within each service to be responsible for the continuity plans.	Heads of Service / Appointed Officers	N/A	N/A	

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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.		C	1) Information governance group coordinates councils' approach to risks.	Director	N/A	N/A	
							C	2) Records Management Working Group to coordinate councils' approach to records management.	Director	N/A	N/A	
							C	3) Regular buildings checks to ensure information is held securely.	Service Manager (Internal Audit)	N/A	N/A	
							A	4) Entrance barriers to staff entrance at WSH now installed. Barriers to other entry points to be kept under review with partners at SCC.	Service Manager (Property Services)	Aug-14	Nov-15 Barriers to staff entrance completed	
							A	5) Improve staff and member communication on good practices and data security.	Service Manager (Corporate Communications)	Apr-14	On-going	
							A	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.		C	1) Performance and Audit Scrutiny Committee (PASC) receive comprehensive performance monitoring report.	Head of Resources & Performance / R&P Business	N/A	N/A	
							A	2) Early identification, reporting and monitoring of potential problem areas.	Service Managers / Business Partners / Advisers	Aug-14	On-going	
							C	3) Strengthen the overall Performance Management Framework- review of the Balanced Scorecard as a performance management tool.	Head of Resources & Performance	N/A	N/A	
							C	4) Use PDR's to aid early identification of potential problem areas.	Line Managers	N/A	N/A	
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.		C	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	N/A	N/A	
							A	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	
							A	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 HSE (Health & Safety Executive) prosecutions.		C	1) Corporate Health and Safety strategy, objectives and implementation plans in place for all internal and external functions performed by the Council.	Health & Safety Manager	N/A	N/A	
							A	2) Well being programme in place.	Health & Safety Manager	Jun-14	On-going	
							C	3) Requirement for all staff to complete online H&S training and members to complete appropriate H&S induction programme.	Health & Safety Manager	N/A	N/A	
							A	4) Communications to staff.	Health & Safety Manager	Jun-14	On-going	
							A	5) Appropriate insurances in place and regularly reviewed.	Health & Safety Manager	Jun-14	On-going	
							C	6) Continue a programme of health and safety audits according to H&S Risk.	Health & Safety Manager	N/A	N/A	
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.		A	1) Working in Countywide safeguarding partnership.	Head of Housing	Jul-09	On-going	
							C	2) Safe recruitment procedures are adopted for all staff recruitment.	Head of HR, Legal & Dem Services	Jul-09	On-going	
							A	3) Regular staff and member training and briefing sessions taking place included as part of induction and training programme.	Head of Housing / HR. Legal & Dem Services	Jun-14	On-going	
							C	4) Operational links into the MASH (Multi Agency Safeguarding Hub) to be reviewed to ensure appropriate referrals are being made.	Head of Housing	N/A	N/A	
							A	5) Ensure appropriate training is provided to front-line staff.	Head of Families & Communities	Nov-15	01/04/2016 Initial training completed - continued ongoing development.	
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		A	1) Attend and play an active role in meetings of the Government-led Mildenhall, Alconbury and Molesworth Working Group as representatives of the community and local businesses.	Chief Executive	Feb-15	On-going	
							A	2) Co-ordinate and lead the Forest Heath member-led local Mildenhall and Lakenheath Airbases Group	Chief Executive	Mar-15	On-going	
							A	3) Commission an impact study to measure the impact of the USAFE on West Suffolk and the surrounding areas.	Head of Planning and Growth	Apr-15	Mar - 16 Completed	
							A	4) Work with external partners (including USAFE and UK Military) and internal departments to consider the actions to mitigate the impact of the net loss in USAFE personnel and also to consider opportunities for the RAF Mildenhall site in the context of the Government's One Public Estate Programme.	Chief Executive	Feb-15	On-going	

							Type: A = Action, C = Control					
RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Type	Summary of Controls / 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
							A	5) Hold engagement sessions with representatives from local businesses, housing organisations and the community to discuss the effects of the closure of RAF Mildenhall. Communicate with these groups throughout the project.	Chief Executive	Feb-15	On-going	

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Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Work Programme Update	
Report No:	PAS/SE/16/015	
Report to and date:	Performance and Audit Scrutiny Committee	27 July 2016
Chairman of the Committee:	Sarah Broughton Chairman of the Performance and Audit Scrutiny Committee Tel: 01284 787327 Email: sarah.broughton@stedsbc.gov.uk	
Lead officer:	Christine Brain Democratic Services Officer (Scrutiny) 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 Forest Heath District 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 for 2016-2017.</p>	

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

Description	Lead Officer
21 September 2016 (Time: 5.00pm)	
EY – Presentation of 2015-2016 ISA 260 Annual Results Report to those Charged with Governance	Head of Resources and Performance
West Suffolk Annual Governance Statement 2015-2016	Head of Resources and Performance
2015-2016 Statement of Accounts	Head of Resources and Performance
Appointment of External Auditors	Head of Resources and Performance
Enterprise Zones: Memorandum of Understanding	Principal Growth Officer
Delivering a Sustainable Budget 2017-2018	Head of Resources and Performance
Work Programme Update	Democratic Services Officer (Scrutiny)
24 November 2016 (Time: 5.00pm) Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
Mid-year Internal Audit Progress Report 2016-2017	Service Manager (Internal Audit)
Balanced Scorecards Quarter 2 Performance Report 2016-2017	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2016	Head of Resources and Performance
Work Programme Update	Democratic Services Officer (Scrutiny)
St Edmundsbury Specific Reports	
EY – Presentation of Annual Audit Letter 2015-2016	Head of Resources and Performance
Financial Performance Report (Revenue and Capital) Quarter 2 – 2016-2017	Head of Resources and Performance
Delivering a Sustainable Budget 2017-2018 – Update	Head of Resources and Performance
Mid-year Treasury Management Report and Investment Activity (April – September 2016)	Head of Resources and Performance

25 January 2017 (Time: 5.00pm) Informal Joint Meeting (Hosted by St Edmundsbury Borough Council)	
Joint Reports	
Balanced Scorecards Quarter 3 Performance Report 2016-2017	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2016	Head of Resources and Performance
Work Programme Update	Democratic Services Officer (Scrutiny)
St Edmundsbury Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 3 – 2016-2017	Head of Resources and Performance
Delivering a Sustainable Budget 2017-2018 – Update	Head of Resources and Performance
Treasury Management Report 2016-2017 and Investment Activity (April – December 2016)	Head of Resources and Performance
Annual Treasury Management and Investment Strategy Statements 2017-2018	Head of Resources and Performance
25 May 2017 (Time: 5.00pm) Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
Internal Audit Report (2016-2017) and Outline Internal Audit Plan (2017-2018)	Service Manager (Internal Audit)
Balanced Scorecard and Quarter 4 Performance Report 2016-2017	Head of Resources and Performance
West Suffolk Strategic Risk Register – Quarter 4	Head of Resources and Performance
Work Programme Update	Democratic Services Officer (Scrutiny)
St Edmundsbury Specific Reports	
EY – Certification of Claims and Returns Annual Report 2015-2016	Head of Resources and Performance
EY – Presentation of the External Audit Plan and Fees 2016-2017 and 2017-2018 Indicative Fees	Head of Resources and Performance
Financial Outturn Report (Revenue and Capital) 2016-2017	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 (Forest Heath District Council)

Description	Lead Officer
22 September 2016 (Time: 6.00pm)	
EY – Presentation of 2015-2016 ISA 260 Annual Results Report to those Charged with Governance	Head of Resources and Performance
West Suffolk Annual Governance Statement 2015-2016	Head of Resources and Performance
2015-2016 Statement of Accounts	Head of Resources and Performance
Appointment of External Auditors	Head of Resources and Performance
Annual Corporate Environmental Statement 2015-2016	Environment Manager
Delivering a Sustainable Budget 2017-2018	Head of Resources and Performance
Work Programme Update	Scrutiny Officer
24 November 2016 (Time: 5.00pm) Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
Mid-year Internal Audit Progress Report 2016-2017	Service Manager (Internal Audit)
Balanced Scorecards Quarter 2 Performance Report 2016-2017	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2016	Head of Resources and Performance
Work Programme Update	Democratic Services Officer (Scrutiny)
Forest Heath Specific Reports	
EY – Presentation of Annual Audit Letter 2015-2016	Head of Resources and Performance
Financial Performance Report (Revenue and Capital) Quarter 2 – 2016-2017	Head of Resources and Performance
Delivering a Sustainable Budget 2017-2018 – Update	Head of Resources and Performance
Mid-year Treasury Management Report and Investment Activity (April – September 2016)	Head of Resources and Performance

25 January 2017 (Time: 5.00pm)
Informal Joint Meeting
(Hosted by St Edmundsbury Borough Council)

Joint Reports	
Balanced Scorecards Quarter 3 Performance Report 2016-2017	Head of Resources and Performance
West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2016	Head of Resources and Performance
Work Programme Update	Democratic Services Officer (Scrutiny)
Forest Heath Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 3 – 2016-2017	Head of Resources and Performance
Delivering a Sustainable Budget 2017-2018 – Update	Head of Resources and Performance
Treasury Management Report 2016-2017 and Investment Activity (April – December 2016)	Head of Resources and Performance
Annual Treasury Management and Investment Strategy Statements 2017-2018	Head of Resources and Performance

25 May 2017 (Time: 5.00pm)
Informal Joint Meeting
(Hosted by Forest Heath District Council)

Joint Reports	
Internal Audit Report (2016-2017) and Outline Internal Audit Plan (2017-2018)	Service Manager (Internal Audit)
Balanced Scorecard and Quarter 4 Performance Report 2016-2017	Head of Resources and Performance
West Suffolk Strategic Risk Register – Quarter 4	Head of Resources and Performance
Work Programme Update	Democratic Services Officer (Scrutiny)
Forest Heath Specific Reports	
EY – Certification of Claims and Returns Annual Report 2015-2016	Head of Resources and Performance
EY – Presentation of the External Audit Plan and Fees 2016-2017 and 2017-2018 Indicative Fees	Head of Resources and Performance
Financial Outturn Report (Revenue and Capital) 2016-2017	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



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Annual Performance Report for The Apex (2015-2016)	
Report No:	PAS/SE/16/016	
Report to and date:	Performance and Audit Scrutiny Committee	27 July 2016
Portfolio holder:	Joanna Rayner Cabinet Member for Leisure and Culture Tel: 07872 456836 Email: joanna.rayner@stedsbc.gov.uk	
Lead officer:	Damien Parker - Service Manager (Operations Leisure and Culture), Operations Tel: 01284 757090 Email: Damien.parker@westsuffolk.gov.uk	
Purpose of report:	To lay out The Apex's financial position at the year ending 2015-2016.	
Recommendation:	Performance and Audit Scrutiny Committee: It is <u>RECOMMENDED</u> that, the performance report for The Apex be <u>noted</u>.	
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"> • Is not required as this is a saving 	
Alternative option(s):	<ul style="list-style-type: none"> • 	

Implications: Other than a straight forward saving there are no 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)
Risk of poor performance, subject to current market condition	medium	Apex Panel and budget monitoring	Low
Market conditions	Medium	Constant review of the programme and Apex marketing increased	Low
Ward(s) affected:		All Ward/s	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		Annual report for the Apex 2013/14 Annual report for the Apex 2014-2015	
Documents attached:		Appendix 1 - Apex Performance Report 2015-2016	

1. Key issues and reasons for recommendation

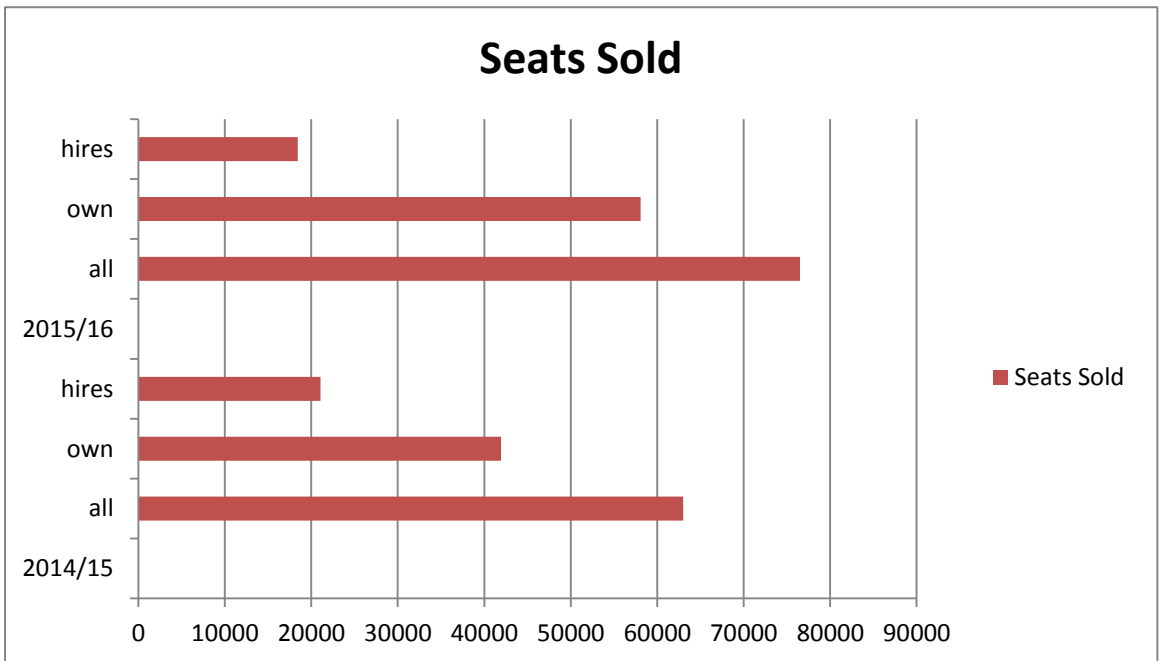
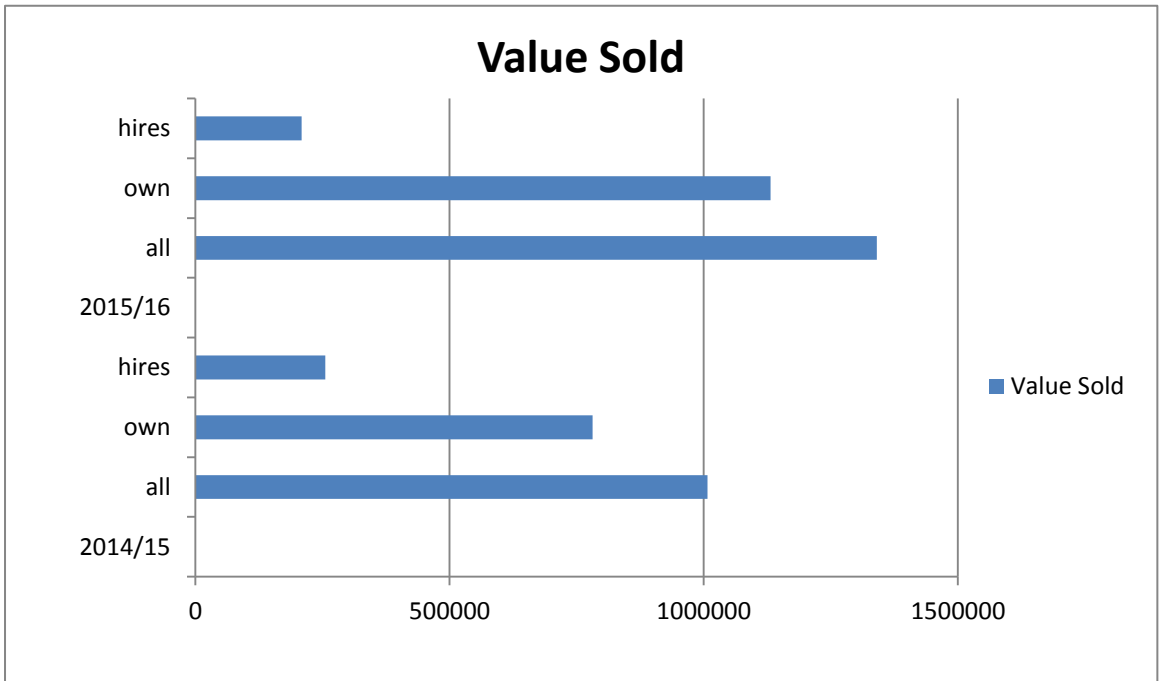
Executive Summary

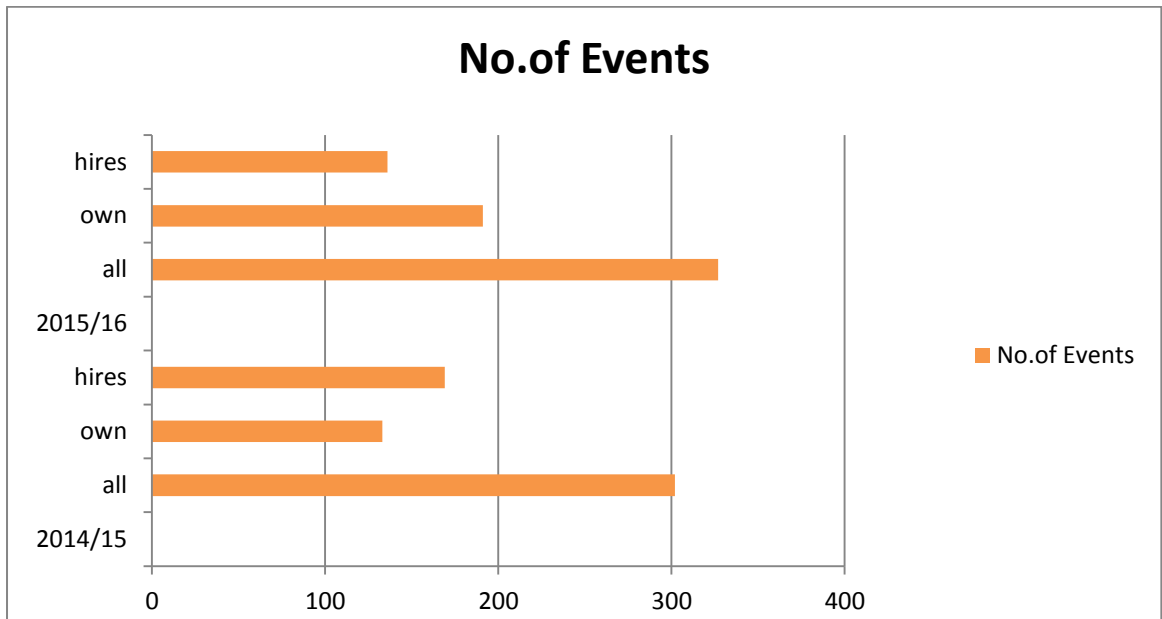
- 1.1 The Apex is an award-winning cultural venue in Bury St Edmunds, Suffolk, known for its acoustic excellence and home to a diverse programme of live music and events; from classical concerts to pop, rock, jazz, blues, world, country and folk, plus comedy and dance performances through to community and social clubs.
- 1.2 This report covers the financial year from 1 April 2015 to 31 March 2016. The Apex budget 2015/16 was set at £639,431. The Apex continues to develop as an important local and regional venue and is attracting greater audiences and establishing a loyal customer base. Increased revenue has contributed to a positive variance of £47,000 against budget at the financial year-end and the outturn figure is £592,000 showing a continued reduction in expenditure.
- 1.3 The full time marketing manager appointed in September 2014 has orchestrated a number of successful campaigns to raise awareness of the venue which has resulted in increased ticket sales and associated business. The 2014-15 event programme included 302 events while the number of tickets sold increased in 2015/16 by 22% to 77,280 and income from ticket sales reached £1.34 million which is an increase of 16% over last year. On top of this, our hospitality partners Sodexo organised 152 major events hosting 7676 delegates. The Apex also handles box office services for other venues.
- 1.4 The Apex continues to be a valuable community asset and more and more non-performance events are taking place which are open to the public. A greater use of the studio space is now being made with over 120 classes of yoga, pilates and exercise classes taking place. The team have continued to improve on last year with the steer of The Apex Scrutiny Panel, to achieve the increase in performance for 2015/16.

2. Apex Performance

- 2.1 The Leisure and Cultural Services team who are responsible for the delivery of services at The Apex and Athenaeum, which is now fully staffed, have performed well over the last twelve month period. Their hard work is reflected in the improved financial out-turn of The Apex in 2015-16.
- 2.2 The Council's budget book shows the net cost of individual service areas. The Apex budget has been reduced from £742,250 year in 2013/14 to £671,840 in 2014/15 and to £639,431 in 2015/16. There is a net positive variance (to end March 2016) of £47,000 resulting in a final out-turn figure for 2015/16 of £592,000.
- 2.3 The increase in service levels has resulted in further ticket sales and in turn this has increased the bottom line. The success of the marketing campaign has increased the overall enquiries. Emphasis to handle more calls simultaneously was recognised and September 2015 an overflow telephone service was put in place run by the council's Customer Support Centre. This resulted in 4,000 more calls being taken over the year.

2.4 The figures below show the comparative progress between 2014/15 and 2015/16.

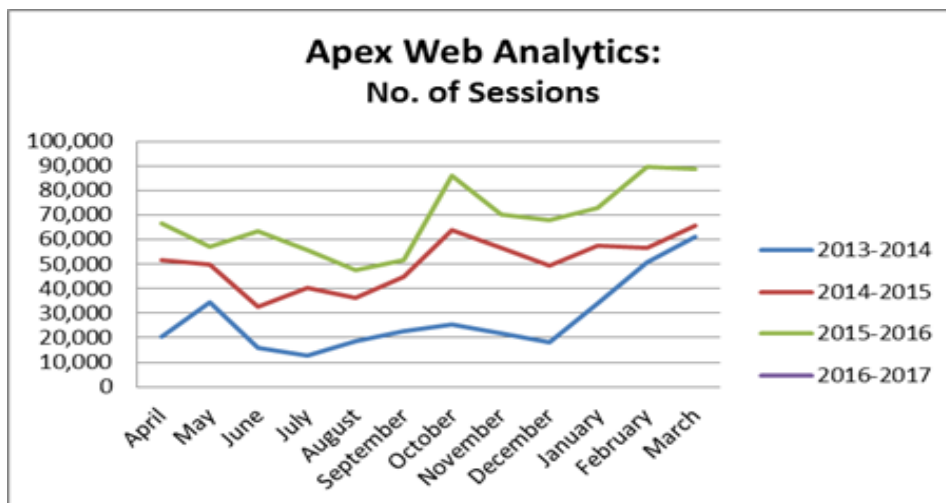




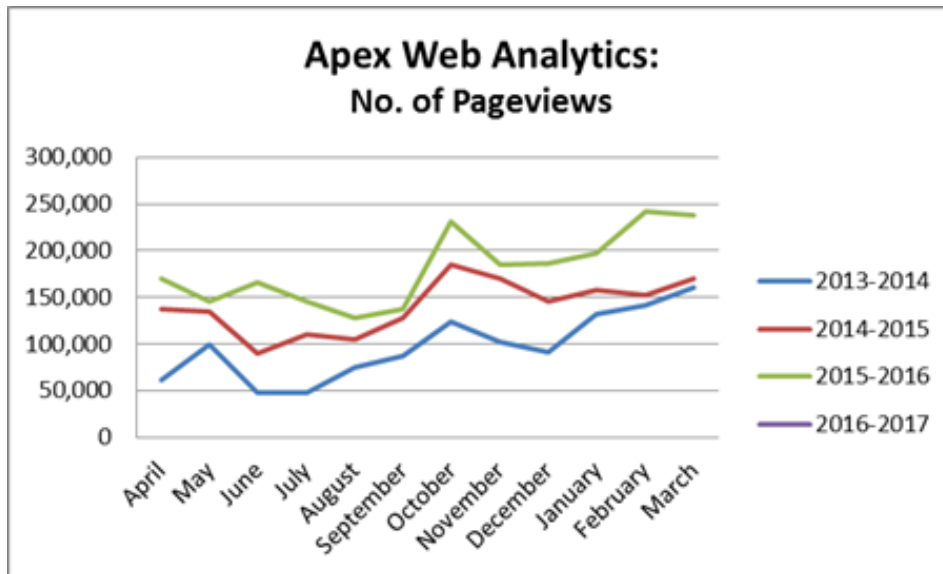
2.5 The figures above show performance based on the 2015/16 financial year. The figures above include events organised at The Apex for the Bury Festival. The increase in value (positive variance) shown in the tables at point 4.1 is a reflection of the programming and marketing teams hard work in putting on our own events, where the rewards are greater. Overall the total number of events that took place at The Apex in the financial year was 327 compared with 302 the previous year. The number of seats and value sold shows an increase of 21% and 33% respectively over the previous financial year. The marketing strategy has been targeted at gaining new audiences and figures show the number of new first time visitors to The Apex was 14,059 during 2015/16.

2.6 Social media continues to play an important role in our marketing strategy. Our own booking website is showing new visitor sessions up 8.22% compared with 2014/15.

Use of The Apex Web page continues to increase as indicated in the following two tables:



The average monthly Sessions in 2015-16 was 68,178 compared to 50,462 in 2014-2015 (35.10% increase).



The average monthly Page Views in 2015-16 was 180,981 compared to 140,351 in 2014-2015 (28.95% increase).

2.7 First Floor Gallery/Lounge/studio areas

The Apex Lounge is continuing to making good headway in its own events programme. Examples of these are:

- Chess and Bridge
- Weekly Yoga and Pilates over 120 classes p.a.
- Bury friendship centre for the over 55s attracts between 80-100 people
- Sunday brunches regularly attended by over 100 people including children.
- Youth projects
- Art exhibitions
- Menta business networking events
- Songbook Sundays
- Toddlers groups including ballet and disco

3. Sodexo Catering Contract

3.1 The concert schedule and increased audiences has resulted in less availability of meeting and event spaces but conferencing and event income has increased by 13% year on year. This is due to increased marketing from Sodexo and introducing the venue to new conference and event booking agents and being creative in using the areas. The Apex Bars and Café has also shown a significant year on year increase of 23%. Some of this can be linked to the growth of up selling pre-interval drinks by the bar staff, improved signage outside of The Apex and the increase in pre-show dining.

3.2 Pre-concert dining bookings have increased year on year by 290%. Pre-show dining receives some excellent feedback and has a loyal following of repeat diners. The increase can also be attributed to the way the menu is now changed seasonally rather than monthly so this can effectively be marketed, allowing customers who book a ticket for a concert several weeks in advance to

see the menu on the night they will be attending. Sodexo have also increased the marketing of the Pre-show dining, which includes leaflets and point of sale in the building and advertising on the back of tickets. Songbook Sunday brunch has also received positive feedback. Family Sunday brunches have now been themed to tie into highlight other events i.e. the subject this month is Dragons. Mother's day brunch was particularly successful with over 100 people attending and received positive feedback.

- 3.3 Conferences and Exhibitions space has huge potential. Where The Apex does not have availability due to the concert schedule, Sodexo offer the Athenaeum. Repeat business levels at the Apex remain high at around 70% against an industry average of 50%. Sodexo enquiry to sales conversion and site visits to retail mystery shopping and post-event feedback is consistently high, surpassing Sodexo national averages in all areas. For example year to date the average national score for conference and banqueting event feedback was 91.4%; at The Apex this has averaged 95.3% which is not only above the average but a 4% increase year on year.
- 3.4 Christmas 2016 is already looking positive. Sodexo have 4 nights allocated for Christmas party bookings, one night was booked immediately as an exclusive corporate night, one night has already sold out to mixed businesses leaving only 2 nights with remaining availability. Sodexo have also had to decline exclusive use corporate Christmas booking enquiries due to the concert schedule showing that The Apex is one of the first choices for local corporates.
- 3.5 There is a new Sodexo management team in place, which has given new momentum to the business and fresh initiatives are always being jointly explored with the Council team. With greater emphasis on this joined-up approach to the business and continued creative use of space and resources, there are good reasons for optimism over the coming year with forecasted further growth. In the coming year Sodexo are looking at rebranding the Café, purchase more tables to cope with the increase in pre-show dining and introduce a "VIP dining option" on particular concerts where Sodexo can offer 3 course fine dining meals. Operational excellence is still to remain the top priority for Sodexo.

4. Analysis of budgets

4.1 Budgets and Actuals

If the variance position is shown in brackets, this indicates there was an underspend against budget.

2013/14	Budget £	Actual £	Variance	Improvement
Expenditure				
Total	1,258,650	1,437,826	179,176	
Income				
Total	(516,400)	(738,762)	(222,362)	
Net Expenditure	742,250	699,063	(43,187)	(76,537)

2014/15	Budget £	Actual £	Variance	Actual Improvement over 2013/14 Budget
Expenditure				
Total	1,260,137	1,727,393	467,256	
Income				
Total	(588,297)	(1,130,285)	(541,988)	
Net Expenditure	671,840	597,108	(74,732)	(145,142)

2015/16	Budget £	Actual £	Variance	Actual Improvement over 2014/15 Budget
Expenditure				
Total	1,437,000	1,992,320	555,320	
Income				
Total	(797,569)	(1,399,980)	(602,411)	
Net Expenditure	639,431	592,340	(47,901)	(79,500)

- 4.2 The 2015/16 outturn figure above shows an underspend of £48,000 reducing the net expenditure to £592,000. The budget for 2016/17 has been set, prior to the final outturn position being known, at £652,337.

5. Looking ahead

- 5.1 The Apex management team has been successful in reducing the subsidy over the last financial year, mainly due to increasing revenues from ticket sales.
- 5.2 It is anticipated there will be a further positive impact through increased programming and ticket sales for 2016/17. Over and above this we expect the income from the Sodexo concession to continue to increase.
- 5.3 Income levels are expected to continue to increase through new visitors to The Apex and through existing visitors being attracted by a varied programme. It will also continue to serve as a centre for the community and it is the team's intention to continue to introduce innovative ideas and events to its communities.
- 5.4 The team will continue to work closely with The Apex Panel and Sodexo Prestige to realise the full benefit of the contract by increasing turnover and building performance levels.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Financial Performance Report (Revenue and Capital) Quarter 1 – 2016-17	
Report No:	PAS/SE/16/017	
Report to and dates:	Performance and Audit Scrutiny Committee	27 July 2016
Portfolio holder:	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	This report sets out the Financial Performance for the first quarter of 2016-17 and forecasted outturn position for 2016-17.	
Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to <u>note</u> the 2016-2017 year end forecast financial position and forward any relevant issues or comments to Cabinet for their consideration.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

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

Treasury Management	Medium	Treasury Management Policy and Procedures are in place	Low
Fluctuation in Business rate retention yield	High	Work with ARP to understand the variance to deliver a realistic forecast.	Medium
Ward(s) affected:		All Ward	
Background papers:		None	
Documents attached:		<p>Appendix A – Revenue budget summary, for the period April to June 2016.</p> <p>Appendix B – Revenue budget detail, for the period April to June 2016.</p> <p>Appendix C – Capital budget summary, for the period April to June 2016.</p> <p>Appendix D – Earmarked Reserves for 2016/17</p>	

1. Key issues and reasons for recommendation(s)

1.1 Key Issues

- 1.1.1 This is the first quarter financial monitoring report for St Edmundsbury Borough Council; whilst it is still early in the year we have included 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 under / over spends can be found in the table at 1.2.3.
- 1.1.3 The Council's capital financial position is summarised below at 1.3. 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 2016/17.

1.2 Revenue Performance

- 1.2.1 The current forecast position for the year end is showing an underspend of £176,000, which equates to just 0.24% of the council's gross budget. Explanations of the main year end forecast over / (under) spends can be found in the table at 1.2.3 below.
- 1.2.2 Members are requested to note the current position and the significant variances as outlined in the paragraphs below. Budget holders will continue to work with Resources Business Partners and Business Support Advisors and an updated outturn position will be provided to this committee in November.
- 1.2.3 Year end forecast variances over £25,000 are explained in the table below.

Year end forecast variance: Over / (under) spend £000s	Explanation
273	General Fund Adjustments: The budgeted contribution from the Business Rate Equalisation Reserve has not been taken due to the overall budget position being underspent.
(51)	Council Tax Administration: Administration Subsidy Grant is higher than budgeted due to the government's decision to merge in New Burdens funding. It is also anticipated that income from court costs recovered will exceed expectations.
97	Housing Benefits: We are currently forecasting a shortfall on the recovery of overpayments. This will be closely monitored over the coming months.

(30)	Community Development: Saving on Staff Salary costs as a result of maternity leave cover and acting up arrangements.
46	Development Control: Higher than budgeted advertising costs, plus additional agency staff and recruitment costs.
73	Building Control: Forecast underachievement of fee income, mainly arising from loss of market share which is slowly being recovered.
(29)	Waste and Cleansing Operatives: Underspend mainly arising from lower anticipated vehicle costs eg. fuel.
54	Recycling Collection (Blue Bin): Increased cost due to reduction in worldwide commodity prices for recyclable materials resulting in an increased gate fee at the Material Recovery Facility (MRF). The net recycling credit from Suffolk County Council that was budgeted at £34/tonne has therefore dropped to £27/tonne.
(189)	Trade Waste: Forecast income expected to be around £190k higher than budgeted. Income levels are being monitored closely and factored in to the ongoing budget assumptions from 2017/18 onwards.
(27)	Industrial and Business Units: Currently underspent on Business Rates on empty and void properties.
(44)	Town Centres and Shops: Currently underspent on Business Rates on empty and void properties.
(321)	Off Street Car Parks: As previously reported, Car Parking income continues to exceed the levels anticipated in the budget. Actual income for the first quarter of 2016/17 is in line with the previous year's figures. Whilst the 2016/17 budget does not reflect these increased income levels, we have reviewed the ongoing Medium Term Financial Strategy (MTFS) from 2017/18 with regard to car parking income to take account of this. For 2016/17 this gives us the opportunity to utilise the additional monies over the budget for future Car Park investment.

1.2.4 Compostable Collection (Brown Bin)

- 1.2.5 The report SE/PAS/15/029 "Subscription Charge for the Brown Bin Service" was presented to this committee on 25 November 2015. This report outlined the rationale behind the proposed charging regime, and modelled a number of

potential scenarios and outcomes which might arise as a result of the introduction of a subscription service. This report agreed that the subscription would be fixed for a three year period, and that the budget would be reviewed annually once a better understanding of the take-up is available.

1.2.6 There are a number of variables that impact upon arrangements for sharing costs and benefits with Suffolk County Council that are still to be fully understood and agreed. As such this report assumes that the budget position on the Garden Waste Collection service is broadly in line with the cost neutral (status quo) and safe assumptions that were presented in the original report. It is envisaged that a more complete position will be available later in the financial year when there will be a fuller understanding of the impact to waste collection and disposal and cost sharing arrangements are confirmed.

1.3 **Capital Position**

1.3.1 The following table is a high level summary of capital expenditure against budget for 2016/17. 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	2016/17 Budget	2016/17 Actual Spend to Date	2016/17 Forecast Spend	2016/17 Carried Forward	2016/17 Forecast Over / (under) Spend
	£000s	£000s	£000s	£000s	£000s
Planning & Growth	4,568	0	360	4,208	0
Housing	4,655	464	3,203	1,452	0
Resources & Performance	563	2	102	462	0
Families & Communities	154	15	154	0	0
Operations	7,864	116	6,720	769	(375)
Totals:	17,804	597	10,539	6,891	(375)

Summary by Head of Service

Appendix A

Page 61

Head of Service	Expenditure Budget to Date £	Income Budget to Date £	Net Budget to Date £	Expenditure Actual to Date £	Income Actual to Date £	Actual to Date £	Over/(Under) Spend to Date £	Variance to Date %	Y/E Forecast Variance £
Head of Resources & Performance	11,191,242	(32,383,193)	(21,191,952)	10,663,015	(32,081,630)	(21,418,615)	(226,663)	1.07%	329,893
Head of Human Resources, Legal & Democratic Services	467,401	(43,219)	424,182	466,887	(1,022)	465,865	41,683	9.83%	(12,512)
Head of Families and Communities	675,868	(118,919)	556,949	692,906	(123,108)	569,798	12,849	2.31%	11,253
Head of Planning and Growth	940,069	(604,485)	335,584	714,499	(384,454)	330,045	(5,539)	1.65%	129,314
Head of Operations	7,315,772	(4,809,886)	2,505,887	6,999,425	(4,748,636)	2,250,789	(255,098)	10.18%	(556,346)
Head of Housing	273,912	(49,163)	224,749	312,628	(103,301)	209,327	(15,422)	6.86%	14,324
TOTALS:	20,864,264	(38,008,865)	(17,144,601)	19,849,360	(37,442,151)	(17,592,791)	(448,190)	2.61%	(84,074)
Interest Receivable	0	(74,001)	(74,001)	0	(117,943)	(117,943)	(43,942)	59.38%	(91,943)
TOTALS:	20,864,264	(38,082,866)	(17,218,602)	19,849,360	(37,560,094)	(17,710,734)	(492,132)	2.86%	(176,017)

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Detail by Head of Service

Appendix B

HEAD OF RESOURCES & PERFORMANCE

Cost Centre Description	Full Year Budget £	Expenditure Budget to date £	Income Budget to date £	Net Budget to Date £	Expenditure Actual to Date £	Income Actual to Date £	Net Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
Resources & Performance	683,832	162,510	0	162,510	158,196	0	158,196	(4,314)	2.65%	(552)	Salary savings due to vacancies, trainee posts and pension scheme opt out, combined with an anticipated underspend on software charges.
Grants to Organisations	79,926	79,926	0	79,926	79,914	0	79,914	(12)	0.02%	(12)	
General Fund Adjustments	(11,095,473)	2,636,822	(24,655,962)	(22,019,140)	2,642,153	(24,644,557)	(22,002,404)	16,736	0.08%	272,547	£20k additional levy payable due to more business rates collectable, offset by an anticipated extra £85k income from the Suffolk Business Rate Pool. £336k originally budgeted to be transferred from Business Rate Equalisation Reserve not taken due to overall budget position being underspent.
Resources & Performance:	-10,331,715	2,879,258	-24,655,962	(21,776,704)	2,880,263	(24,644,557)	(21,764,294)	12,410	0.06%	271,983	
Internal Audit	109,896	31,596	(5,601)	25,995	30,440	(2,700)	27,740	1,745	6.71%	(597)	
Internal Audit:	109,896	31,596	-5,601	25,995	30,440	(2,700)	27,740	1,745	6.71%	(597)	
ICT	899,911	335,294	(74,751)	260,543	317,777	(43,270)	274,507	13,964	5.36%	(10,817)	
ICT:	899,911	335,294	-74,751	260,543	317,777	(43,270)	274,507	13,964	5.36%	(10,817)	
Anglia Revenues Partnership	1,380,370	348,666	(3,612)	345,054	418,346	(40,302)	378,044	32,990	9.56%	0	
Council Tax Administration	(221,900)	0	(121,474)	(121,474)	222	(165,888)	(165,666)	(44,192)	36.38%	(51,323)	Additional Council Tax Administration Subsidy received due to the merging of New Burdens Grant, along with anticipated additional court costs recovered above the budgeted level.
Business Rate Administration	(169,457)	75	(42,438)	(42,363)	163	(43,501)	(43,338)	(975)	2.30%	(2,445)	
Housing Benefits	(420,862)	7,208,175	(7,450,168)	(241,993)	6,644,725	(7,127,645)	(482,920)	(240,927)	99.56%	97,229	Anticipated that overpayments recovered will be below budget.
Anglia Revenues Partnership:	568,151	7,556,916	-7,617,692	(60,776)	7,063,456	(7,377,336)	(313,880)	(253,104)	416.45%	43,461	
Corporate Expenditure	990,465	341,029	(28,182)	312,847	365,397	(13,468)	351,929	39,082	12.49%	24,111	
Non-Distributed Costs	166,979	42,749	(1,005)	41,744	1,283	(299)	984	(40,760)	97.64%	1,752	
Non-Distributed Costs - Cost of Unused Assets	42,980	4,400	0	4,400	4,400	0	4,400	0	0.00%	0	
Corporate Expenditure:	1,200,424	388,178	-29,187	358,991	371,080	(13,767)	357,313	(1,678)	0.47%	25,863	
Emergency Planning	30,727	0	0	0	0	0	0	0	0.00%	0	
Emergency Planning:	30,727	0	0	0	0	0	0	0	0.00%	0	
TOTALS: RESOURCES & PERFORMANCE	-7,522,606	11,191,242	-32,383,193	(21,191,951)	10,663,016	(32,081,630)	(21,418,614)	(226,663)	1.07%	329,893	

Detail by Head of Service

Appendix B

HEAD OF HUMAN RESOURCES, LEGAL & DEMOCRATIC SERVICES

Cost Centre Description	Full Year Budget £	Expenditure Budget to date £	Income Budget to date £	Net Budget to Date £	Expenditure Actual to Date £	Income Actual to Date £	Net Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
Human Resources & Payroll	377,439	114,992	(29,094)	85,898	118,244	(26,698)	91,546	5,648	6.58%	2,068	
Human Resources:	377,439	114,992	-29,094	85,898	118,244	(26,698)	91,546	5,648	6.58%	2,068	
Health & Safety	96,865	24,267	(1,651)	22,616	25,536	(2,380)	23,156	540	2.39%	2,561	
Health & Safety:	96,865	24,267	-1,651	22,616	25,536	(2,380)	23,156	540	2.39%	2,561	
Central Training Services	147,267	36,816	0	36,816	22,717	0	22,717	(14,099)	38.30%	(8,619)	
Learning & Development:	147,267	36,816	0	36,816	22,717	0	22,717	(14,099)	38.30%	(8,619)	
Legal Services	260,376	71,697	(10,938)	60,759	81,483	(8,638)	72,845	12,086	19.89%	1,720	
Legal Services:	260,376	71,697	-10,938	60,759	81,483	(8,638)	72,845	12,086	19.89%	1,720	
Democratic Services	117,429	27,143	0	27,143	31,545	(62)	31,483	4,340	15.99%	969	
Members Allowances & Expenses	363,260	94,856	0	94,856	93,960	0	93,960	(896)	0.94%	(2,256)	Underspend on Members allowances due to vacancy.
Mayoralty & Civic Functions	95,433	23,903	(999)	22,904	20,493	(3,103)	17,390	(5,514)	24.07%	(9,154)	
Democratic Services:	576,122	145,902	-999	144,903	145,998	(3,165)	142,833	(2,070)	1.43%	(10,441)	
Electoral Registration	134,518	32,323	(537)	31,786	26,496	0	26,496	(5,290)	16.64%	(1,465)	
Election Expenses	78,206	41,403	0	41,403	46,413	39,860	86,273	44,870	108.37%	1,664	
Elections:	212,724	73,726	-537	73,189	72,909	39,860	112,769	39,580	54.08%	199	
TOTALS: HR & DEMOCRATIC SERVICES	1,670,793	467,400	-43,219	424,181	466,887	(1,021)	465,866	41,685	9.83%	(12,512)	

Detail by Head of Service

Appendix B

HEAD OF FAMILIES & COMMUNITIES

Cost Centre Description	Full Year Budget £	Expenditure Budget to date £	Income Budget to date £	Net Budget to Date £	Expenditure Actual to Date £	Income Actual to Date £	Net Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
Policy	160,661	42,119	(3,378)	38,741	43,402	(3,378)	40,024	1,283	3.31%	2,839	
Policy:	160,661	42,119	-3,378	38,741	43,402	(3,378)	40,024	1,283	3.31%	2,839	
Communications	120,895	28,903	0	28,903	27,965	0	27,965	(938)	3.25%	2,924	
Website and Intranet	34,254	17,413	0	17,413	11,370	0	11,370	(6,043)	34.70%	(5,372)	
Communications:	155,149	46,316	0	46,316	39,335	0	39,335	(6,981)	15.07%	(2,448)	
Customer Services	513,465	133,449	0	133,449	142,128	0	142,128	8,679	6.50%	24,476	
Bus Stations	71,656	67,120	(17,922)	49,198	97,636	(39,665)	57,971	8,773	17.83%	9,862	
Customer Services:	585,121	200,569	-17,922	182,647	239,764	(39,665)	200,099	17,452	9.56%	34,338	
Community Development	319,440	76,455	0	76,455	74,178	(532)	73,646	(2,809)	3.67%	(29,538)	Saving on salary costs associated with the recent staff changes in the F&C team.
Community Chest - Families & Communities	216,483	283,940	(95,066)	188,874	262,276	(76,470)	185,806	(3,068)	1.62%	0	
Community Centres	28,311	26,469	(2,553)	23,916	33,950	(3,062)	30,888	6,972	29.15%	6,062	
Families & Communities:	564,234	386,864	-97,619	289,245	370,404	(80,064)	290,340	1,095	0.38%	(23,476)	
TOTALS: FAMILIES & COMMUNITIES	1,465,165	675,868	-118,919	556,949	692,905	(123,107)	569,798	12,849	2.31%	11,253	

Detail by Head of Service

Appendix B

HEAD OF PLANNING & GROWTH

Cost Centre Description	Full Year Budget £	Expenditure Budget to date £	Income Budget to date £	Net Budget to Date £	Expenditure Actual to Date £	Income Actual to Date £	Net Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
Development Control	(78,370)	151,230	(176,568)	(25,338)	159,546	(165,659)	(6,113)	19,225	75.87%	46,028	Higher than budgeted advertising costs, plus additional anticipated agency staff and recruitment costs.
Development Control:	-78,370	151,230	-176,568	(25,338)	159,546	(165,659)	(6,113)	19,225	75.87%	46,028	
Planning Policy	611,590	209,608	(869)	208,739	198,629	(11,156)	187,473	(21,266)	10.19%	1,665	
Local Plan	0	14,625	(14,625)	0	13,300	0	13,300	13,300	0.00%	2,155	
Place Shaping:		224,233	-15,494	208,739	211,929	(11,156)	200,773	(7,966)	3.82%	3,820	
Land Charges	(143,054)	22,584	(58,350)	(35,766)	16,830	(51,267)	(34,437)	1,329	3.72%	3,627	
Building Control	(39,218)	50,564	(69,100)	(18,536)	51,400	(52,393)	(993)	17,543	94.64%	73,481	Forecasted underachievement of income.
Planning & Regulatory Support	314,960	73,701	0	73,701	73,593	0	73,593	(108)	0.15%	3,348	
Business (BC & Support):	132,688	146,849	-127,450	19,399	141,823	(103,660)	38,163	18,764	96.73%	80,456	
Prevention of Pollution	65,062	17,217	(4,719)	12,498	15,355	(2,221)	13,134	636	5.09%	4,356	
Environmental Management	21,381	11,147	(6,525)	4,622	10,748	(1,036)	9,712	5,090	110.13%	(13,500)	
Drinking Water Quality	19,944	7,362	(2,373)	4,989	6,416	(2,665)	3,751	(1,238)	24.81%	(1,027)	
Climate Change	69,414	26,048	0	26,048	26,845	0	26,845	797	3.06%	2,728	
Home Energy Conservation	4,850	1,212	0	1,212	(1,015)	0	(1,015)	(2,227)	183.75%	(2,365)	
Environment:	180,651	62,986	-13,617	49,369	58,349	(5,922)	52,427	3,058	6.19%	(9,808)	
Licensing	(29,737)	30,936	(41,301)	(10,365)	23,357	(35,433)	(12,076)	(1,711)	16.51%	8,508	
Hackney Carriage & Private Hire Licensing	(62,416)	2,892	(24,585)	(21,693)	5,269	(19,347)	(14,078)	7,615	35.10%	8,421	
Food Safety	83,355	23,259	(3,711)	19,548	16,116	(6,894)	9,222	(10,326)	52.82%	(6,910)	
Health & Safety at Work Act/Enforcement	84,664	19,872	0	19,872	15,683	0	15,683	(4,189)	21.08%	(6,086)	
Business Reg & Licensing:	75,866	76,959	-69,597	7,362	60,425	(61,674)	(1,249)	(8,611)	116.97%	3,933	
Economic Development & Growth	300,277	236,029	(164,453)	71,576	71,420	(338)	71,082	(494)	0.69%	5,305	
Strategic Tourism & Markets	27,503	8,112	(1,251)	6,861	7,605	0	7,605	744	10.84%	937	
Bury Christmas Fayre	(6,023)	33,671	(36,054)	(2,383)	2,758	(36,045)	(33,287)	(30,904)	1296.85%	(2,000)	
Vibrant Town Centres	0	0	0	0	643	0	643	643	0.00%	643	
Economic Development & Growth:	321,757	277,812	-201,758	76,054	82,426	(36,383)	46,043	(30,011)	39.46%	4,885	
TOTALS: PLANNING & GROWTH	632,592	940,069	-604,484	335,585	714,498	(384,454)	330,044	(5,541)	1.65%	129,314	

Detail by Head of Service

Appendix B

HEAD OF OPERATIONS

Cost Centre Description	Full Year Budget £	Expenditure Budget to date £	Income Budget to date £	Net Budget to Date £	Expenditure Actual to Date £	Income Actual to Date £	Net Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
Vehicle Workshop	(64,730)	115,485	(18,444)	97,041	112,986	(21,625)	91,361	(5,680)	5.85%	(3,003)	
Pool Cars	20,340	8,292	0	8,292	5,259	5,170	10,429	2,137	25.77%	0	
Vehicle Workshop Trading Account - FHDC	1,160	73,965	(102,036)	(28,071)	53,994	(37,155)	16,839	44,910	159.99%	0	
Fleet Management:	-43,230	197,742	-120,480	77,262	172,239	(53,610)	118,629	41,367	53.54%	(3,003)	
Depots	(159,670)	261,862	(44,415)	217,447	242,067	(17,739)	224,328	6,881	3.16%	4,616	
Grounds Maintenance Operatives	(162,510)	266,118	(23,868)	242,250	241,670	(16,868)	224,802	(17,448)	7.20%	3,638	
Tree Maintenance Operatives	(1,120)	44,545	(149,287)	(104,742)	29,505	(139,287)	(109,782)	(5,040)	4.81%	(17,859)	
Waste & Cleansing Operatives	(427,050)	1,454,477	(330)	1,454,147	1,404,002	(75)	1,403,927	(50,220)	3.45%	(28,547)	Vehicles underspend £23k
Markets	(66,946)	94,568	(94,635)	(67)	81,392	(93,323)	(11,931)	(11,864)	17707.46%	4,664	
Operational:	(817,296)	2,121,570	(312,535)	1,809,035	1,998,636	(267,292)	1,731,344	(77,691)	4.29%	(33,488)	
Street Cleansing	1,445,737	26,239	(7,620)	18,619	33,680	45,638	79,318	60,699	326.01%	6,402	
Refuse Collection (Black Bin)	1,138,807	34,608	(3,933)	30,675	32,109	(1,460)	30,649	(26)	0.08%	(1,614)	
Recycling Collection (Blue Bin)	739,869	35,672	(50,953)	(15,281)	36,265	(16,691)	19,574	34,855	228.09%	54,115	Estimate based on 8000 Tonnes @ £34, The actual rate being received is £27.23 resulting in reduction of income of £54160
Compostable Collection (Brown Bin)	385,811	125,518	(155,975)	(30,457)	37,147	(388,340)	(351,193)	(320,736)	1053.08%	(84)	
Bulky, Fridges, Metal & Scrap Collection	129,099	3,844	(8,001)	(4,157)	3,216	(10,896)	(7,680)	(3,523)	84.75%	(3,263)	
Clinical & Hazardous Waste Collection	15,308	5,056	(1,785)	3,271	12,433	(1,154)	11,279	8,008	244.82%	3,279	
Multi-Bank Recycling Sites	(13,321)	17,528	(18,706)	(1,178)	10,000	(12,434)	(2,434)	(1,256)	106.62%	(924)	
Trade Waste	(41,284)	74,051	(939,712)	(865,661)	50,779	(1,167,054)	(1,116,275)	(250,614)	28.95%	(189,415)	
Waste - Business & Commercial	3,800,026	322,516	-1,186,685	(864,169)	215,629	(1,552,391)	(1,336,762)	(472,593)	54.69%	(131,504)	
Property Services	475,128	111,707	(1,843)	109,864	114,959	(1,194)	113,765	3,901	3.55%	3,997	
Property Maintenance:	475,128	111,707	-1,843	109,864	114,959	(1,194)	113,765	3,901	3.55%	3,997	
Industrial & Business Units	(1,454,507)	224,554	(452,262)	(227,708)	200,636	(455,274)	(254,638)	(26,930)	11.83%	(26,931)	Rates on void properties presently underspent
Town Centres & Shops	(792,325)	75,870	(233,030)	(157,160)	23,376	(195,960)	(172,584)	(15,424)	9.81%	(43,524)	Rates on void properties presently underspent
Property Management:	(2,246,832)	300,424	(685,292)	(384,868)	224,012	(651,234)	(427,222)	(42,354)	11.00%	(70,455)	
Offices: West Suffolk House	(147,975)	557,846	(237,607)	320,239	621,179	(52,833)	568,346	248,107	77.48%	(1,949)	
Offices: Haverhill House	(46,950)	67,942	(51,114)	16,828	38,548	9,655	48,203	31,375	186.45%	(9,900)	
Offices: College Heath Road	0	0	0	0	114	2,841	2,955	2,955	0.00%	0	
Public Conveniences	131,457	58,138	(9,618)	48,520	59,164	(8,775)	50,389	1,869	3.85%	2,080	
CCTV	203,052	112,744	(46,986)	65,758	97,060	(5,036)	92,024	26,266	39.94%	9,905	
Green Travel Plan	(15,030)	30,018	(16,455)	13,563	1,339	(5,035)	(3,696)	(17,259)	127.25%	(1,584)	
Street Banners & Displays	103	515	(1,598)	(1,083)	501	(1,972)	(1,471)	(388)	35.83%	(350)	
District Highways Services	406,693	21,099	(48,899)	(27,800)	12,765	(1,055)	11,710	39,510	142.12%	(2,940)	
Street Furniture	193,813	12,638	(191)	12,446	11,015	(42)	10,973	(1,473)	11.84%	(1,384)	
Land Drainage & Associated Works	7,079	1,251	(255)	996	0	0	0	(996)	100.00%	(996)	
Facilities, CCTV & Highways Services:	732,242	862,191	-412,723	449,467	841,685	(62,252)	779,433	329,966	73.41%	(7,118)	
Courier & Postal Service	114,410	58,777	(32,499)	26,278	48,264	(1,578)	46,686	20,408	77.66%	(2,776)	
Printing & Copying Service	23,910	15,954	(9,978)	5,976	21,358	(6,826)	14,532	8,556	143.17%	3,980	
Central Services:		74,731	-42,477	32,254	69,622	(8,404)	61,218	28,964	89.80%	1,204	

Detail by Head of Service

Appendix B

HEAD OF OPERATIONS (CONTINUED)

Cost Centre Description	Full Year Budget £	Expenditure Budget to date £	Income Budget to date £	Net Budget to Date £	Expenditure Actual to Date £	Income Actual to Date £	Net Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
Off Street Car Parks	(2,897,871)	779,230	(1,081,581)	(302,351)	755,323	(1,131,547)	(376,224)	(73,873)	24.43%	(320,823)	Anticipated Income is based on 15/16 actual level
On Street Car Parking	(128,517)	197,874	(230,001)	(32,127)	268,139	(258,839)	9,300	41,427	128.95%	2,714	
Car Parking:		977,104	(1,311,582)	(334,478)	1,023,462	(1,390,386)	(366,924)	(32,446)	9.70%	(318,109)	
Leisure Services Management & Support	146,446	35,301	0	35,301	36,507	0	36,507	1,206	3.42%	6,061	
Arboriculture (Tree Maintenance Works)	197,577	159,402	(39)	159,363	170,869	(17,540)	153,329	(6,034)	3.79%	(2,851)	
Other Parks and Play Provision	431,873	56,755	(41,029)	15,726	40,950	(41,184)	(234)	(15,960)	101.49%	(4,812)	
Abbey Gardens	305,684	79,455	(35,084)	44,371	69,075	(19,813)	49,262	4,891	11.02%	9,045	
Nowton Park	67,776	60,970	(31,914)	29,056	62,663	(27,254)	35,409	6,353	21.86%	13,150	
East Town Park	96,931	27,075	(3,744)	23,331	27,235	(3,919)	23,316	(15)	0.06%	1,398	
Clare Country Park	1,870	1,278	0	1,278	1,363	0	1,363	85	6.65%	187	
Children's Play Areas	100,281	31,403	(54)	31,349	34,855	(52)	34,803	3,454	11.02%	2,583	
Cemeteries & Closed Churchyards	235,702	55,768	(32,490)	23,278	52,572	(27,451)	25,121	1,843	7.92%	1,339	
Allotments	(150)	0	(730)	(730)	0	(1,581)	(1,581)	(851)	116.58%	(851)	
Sports & Leisure Centres	497,020	422,908	(30,204)	392,704	414,846	(14,520)	400,326	7,622	1.94%	(1,648)	
Leisure & Sports	49,900	25,307	0	25,307	27,226	0	27,226	1,919	7.58%	0	
Leisure & Cultural - Parks	2,130,910	955,622	-175,288	780,334	938,161	(153,314)	784,847	4,513	0.58%	23,601	
Arts, Heritage & Cultural Services	113,290	82,183	0	82,183	87,816	(4,730)	83,086	903	1.10%	121	
Moyse's Hall Museum	231,399	122,398	(20,427)	101,971	123,137	(20,298)	102,839	868	0.85%	(3,961)	
West Stow Country Park	122,356	130,743	(69,303)	61,440	125,102	(78,728)	46,374	(15,066)	24.52%	(2,619)	
West Stow ASVT Operating Account	0	0	(741)	(741)	0	(11,206)	(11,206)	(10,465)	1412.28%	0	
Heritage Outreach Services	3,500	876	0	876	0	0	0	(876)	100.00%	0	
Heritage Sites & Monuments	2,923	8,749	(3,909)	4,840	5,840	(340)	5,500	660	13.64%	660	
West Front Houses	28,076	68,300	(36,724)	31,576	60,255	(25,921)	34,334	2,758	8.73%	2,758	
Tourist Information Centres	86,498	28,207	(2,007)	26,200	26,814	(7,987)	18,827	(7,373)	28.14%	(15,930)	
Shopmobility	28,759	20,400	(2,328)	18,072	12,088	(549)	11,539	(6,533)	36.15%	(1,903)	
Leisure & Cultural - TIC & Heritage:	616,801	461,856	-135,439	326,417	441,052	(149,759)	291,293	(35,124)	10.76%	(20,874)	
The Athenaeum	58,099	97,328	(25,444)	71,884	88,376	(18,128)	70,248	(1,636)	2.28%	1,256	
The Guildhall, Bury St Edmunds	20,966	37,127	(6,228)	30,899	43,558	(5,030)	38,528	7,629	24.69%	112	
Leisure & Cultural - Public Halls:	79,065	134,455	-31,672	102,783	131,934	(23,158)	108,776	5,993	5.83%	1,368	
Bury Festival	44,587	123,679	(97,377)	26,302	130,554	(101,256)	29,298	2,996	11.39%	1,412	
Commercial - Entertainment & Events:	44,587	123,679	-97,377	26,302	130,554	(101,256)	29,298	2,996	11.39%	1,412	
Leisure Promotion	96,604	26,007	(2,499)	23,508	30,965	0	30,965	7,457	31.72%	2,648	
Commercial - Marketing:	96,604	26,007	-2,499	23,508	30,965	0	30,965	7,457	31.72%	2,648	
The Apex	534,067	646,170	(293,992)	352,178	666,518	(334,384)	332,134	(20,044)	5.69%	(6,025)	
The Apex	534,067	646,170	(293,992)	352,178	666,518	(334,384)	332,134	(20,044)	5.69%	(6,025)	
TOTALS: OPERATIONS	5,402,072	7,315,774	-4,809,884	2,505,889	6,999,428	(4,748,634)	2,250,794	(255,095)	10.18%	(556,346)	

Detail by Head of Service

Appendix B

HEAD OF HOUSING

Cost Centre Description	Full Year Budget £	Expenditure Budget to date £	Income Budget to date £	Net Budget to Date £	Expenditure Actual to Date £	Income Actual to Date £	Net Actual to Date £	Variance to Date £	Variance to Date %	Y/E Forecast Variance £	Year End Variance Notes
Housing Renewals	127,636	40,737	(155)	40,582	43,677	(155)	43,522	2,940	7.24%	4,755	
Burial of the Dead	16,299	4,088	(24)	4,063	7,136	1,444	8,580	4,517	111.17%	4,959	
Gypsies & Travellers	24,409	5,213	(24)	5,188	4,169	(24)	4,145	(1,043)	20.10%	524	
Other Public Health Services	210,001	52,792	(1,265)	51,527	66,478	(16,151)	50,327	(1,200)	2.33%	(11,209)	
Public Health & Housing:	378,345	102,830	-1,468	101,360	121,460	(14,886)	106,574	5,214	5.14%	(971)	
Housing Development & Strategy	133,542	29,349	0	29,349	45,613	(25,000)	20,613	(8,736)	29.77%	(7,261)	
Housing Development & Strategy:	133,542	29,349	0	29,349	45,613	(25,000)	20,613	(8,736)	29.77%	(7,261)	
Homelessness	115,171	61,069	(36,249)	24,820	59,187	(40,733)	18,454	(6,366)	25.65%	5,021	
Housing Advice & Choice Based Lettings	238,818	61,743	(3,444)	58,299	52,644	(31)	52,613	(5,686)	9.75%	(1,831)	
Non-HRA Housing Properties	960	0	0	0	3,268	0	3,268	3,268	0.00%	3,268	
Housing Options:	354,949	122,812	-39,693	83,119	115,099	(40,764)	74,335	(8,784)	10.57%	6,458	
Housing Business & Partnerships	44,661	18,921	(8,001)	10,920	30,456	(22,650)	7,806	(3,114)	28.52%	16,098	
Housing Business & Partnerships:	44,661	18,921	-8,001	10,920	30,456	(22,650)	7,806	(3,114)	28.52%	16,098	
TOTALS: HOUSING:	911,497	273,912	-49,162	224,748	312,628	(103,300)	209,328	(15,420)	6.86%	14,324	

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Project Description	2016-17 Full Year Budget	2016-17 Actual Spend to Date	2016-17 Forecast Actual Spend	2016-17 Carried Forward	2016-17 Year End Forecast Variance Over / (Under)	Notes
Community Sports Facility - Moreton Hall	1,552,500	0	1,552,500	0	0	The work on site has commenced, the scheduled completion date is December and the project is currently on target.
Balance from Bury Community Football Project	150,000	0	150,000	0	0	
Environmental Improvement Works, Risbygate Street	72,000	0	72,000	0	0	
St Andrews St South access arrangements	24,913	250	24,913	0	0	
Cycle Stands Cattle Market	5,000	0	5,000	0	0	
Gypsy and traveller site	587,000	0	587,000	0	0	The Chief Executive is currently progressing this scheme.
Havebury - Bury Road, Chedburgh	400,000	400,000	400,000	0	0	Scheme completed.
Vehicle & Plant Purchases	2,164,731	103,200	1,395,500	769,231	0	
Eastern Relief Road	3,000,000	0	0	3,000,000	0	Project expected to be completed in 2017/18.
Growth Area Initiatives	88,000	0	0	88,000	0	
Haverhill Railway Walks, Education	27,000	0	0	27,000	0	
High Street Haverhill Improvements	693,000	0	90,000	603,000	0	2016/17 spend relates to funding for Consultation Fees.
Millfields Way, Haverhill - Housing Scheme	85,000	0	0	85,000	0	
Lark Valley Path	27,000	0	27,000	0	0	
Rural Initiatives Grant Scheme	89,718	15,020	89,718	0	0	On-going grant scheme.
Empty Homes Grants to Private Owners	71,000	0	71,000	0	0	
Private Sector Disabled Facilities Grants	581,370	5,070	581,370	0	0	To be considered as part of the MTFS review process.
Private Sector Renewal Grants	473,711	3,189	473,711	0	0	To be considered as part of the MTFS review process.
Asset Management Plan						
Major Planned Building Works	135,206	0	135,206	0	0	Funds to be allocated to projects as identified.
9 Hollands Road - Re-roofing	40,000	0	40,000	0	0	
Bury Cemetery Buildings	70,000	515	70,000	0	0	Project is due to be completed by the end of December.
Bury Leisure Centre - All Weather Pitch	150,000	0	150,000	0	0	

Project Description	2016-17 Full Year Budget	2016-17 Actual Spend to Date	2016-17 Forecast Actual Spend	2016-17 Carried Forward	2016-17 Year End Forecast Variance Over / (Under)	Notes
New Moreton Hall Park	10,500	2,468	10,500	0	0	
Gainsborough Changing Rooms	120,000	7,380	120,000	0	0	
Haverhill Leisure Centre - Rooflights and Cladding	300,000	0	300,000	0	0	
Parkway MSCP structural repairs and coatings	200,000	2,500	200,000	0	0	Scheme just commenced.
Leisure Asset Management Scheme	85,500	0	85,500	0	0	Funds to be allocated to projects, subject to requests.
Replacement of Equipment - Gainsborough Park	15,000	0	15,000	0	0	Supply installation has been tendered, currently awaiting award. Anticipated completion time is end of Q3.
Replacement of Equipment - St Peters Pit	35,000	0	35,000	0	0	Supply installation has been tendered, currently awaiting award. Anticipated completion time is end of Q3.
Children's Play Equipment - Hoopers and Ridley Road	95,000	0	95,000	0	0	Supply installation has been tendered, currently awaiting award. Anticipated completion time is end of Q3.
East Town Park - Reconfiguration of kiosk and play area refurbishment	100,000	0	100,000	0	0	Design and specification are currently being prepared. Anticipated completion is end of Q4.
Children's Play Equipment - Julian Close	60,000	0	60,000	0	0	Supply installation has been tendered, currently awaiting award. Anticipated completion time is end of Q3.
Path access improvements - East of River Lark and Abbey Gardens	35,000	0	35,000	0	0	Design and specification are currently being prepared. Anticipated completion is end of Q2.
CRM Project	64,558	0	64,558	0	0	Scheme expected to be complete in 2016/17.
Waste & Street Scene Back Office System	107,110	(889)	107,110	0	0	Scheme expected to be complete in 2016/17.
West Stow biomass boiler	140,000	0	140,000	0	0	
Rent-a-roof	759,839	0	270,000	489,839	0	
Housing Projects	2,456,791	56,078	1,090,078	1,366,713	(0)	
Feasibility Studies	100,000	0	100,000	0	0	Funds to be allocated to projects, subject to requests.
Invest to Save Projects	463,328	1,723	1,723	461,605	0	
Street Lighting Renewals	1,785,000	0	1,785,000	0	0	

Project Description	2016-17 Full Year Budget	2016-17 Actual Spend to Date	2016-17 Forecast Actual Spend	2016-17 Carried Forward	2016-17 Year End Forecast Variance Over / (Under)	Notes
PENDING ITEMS						
Private Housing Company	0	0			0	
West Stow Investment opportunitites	384,588	991	10,000	0	(374,588)	Next steps on this project to be reviewed and worked through with the Portfolio Holder.
	17,804,363	597,494	10,539,387	6,890,388	(374,588)	

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Earmarked Reserves

Appendix D

Reserve Details	2016/17 Opening Balance	2016/17 Budgeted Movement	2016/17 Budgeted Closing Balance	2016/17 Current Balance	2016/17 Forecast Closing Balance	2016/17 Forecast Variance (Under) / Over spent	Notes
Strategic Priorities & MTFs Reserve	2,850,729	(54,524)	2,796,205	3,199,431	2,802,432	(6,227)	
Invest to Save Reserve	1,060,244	121,447	1,181,691	1,345,541	1,181,691	0	
Risk/Recession Reserve	102,795	364,991	467,786	467,786	467,786	(0)	
BRR Equalisation Reserve	765,880	(336,774)	429,106	429,106	765,880	(336,774)	Budgeted contribution from reserve not required as forecast overall budget position in line with expected levels.
Self Insured Fund	231,387	50,000	281,387	281,387	281,387	0	
Computer & Telephone Equipment Reserve	296,752	73,000	369,752	369,752	369,752	0	
Office Equipment Reserve	418,798	39,800	458,598	458,598	458,598	0	
Section 106 - Public Service Village	44,016	(6,269)	37,747	44,016	39,318	(1,571)	
HB Equalisation Reserve	1,729,612	(328,659)	1,400,953	1,400,953	1,400,953	0	
Special Pension Reserve	316,945	(316,945)	0	0	0	0	
Interest Equalisation Reserve	353,332	0	353,332	353,332	353,332	0	
Professional Fees Reserve	65,000	65,000	130,000	130,000	130,000	0	
ARP Reserve	74,520	200,000	274,520	274,520	274,520	0	
Vehicle & Plant Renewal Fund	2,346,030	(1,564,731)	781,299	2,946,030	1,550,530	(769,231)	Relates to vehicle spend carried forward to 2017/18 - see also Appendix C.
Waste Management Reserve	260,666	22,300	282,966	341,366	283,366	(400)	
BR-Building Repairs Reserve - Leisure	434,636	(326,779)	107,857	763,857	107,857	0	
BR-Building Repairs Reserve - Other	1,326,495	(223,205)	1,103,290	2,156,966	1,103,822	(532)	
BR-Bunting Road Service	11,779	0	11,779	11,779	11,779	0	
BR-Leased Flats Management	33,957	0	33,957	33,957	33,957	0	
Industrial Rent Reserve	975,000	(110,000)	865,000	975,000	865,000	0	
Commuted Maintenance Reserve	579,023	(102,900)	476,123	596,523	498,023	(21,900)	Additional contributions received in 2016/17.
M-Gershom Parkington Bequest	539,016	3,500	542,516	539,814	546,042	(3,526)	£4,800 funding of the care and maintenance of the clock collection. Share dividend income.
M-Others	65,279	0	65,279	65,279	65,279	0	
The Apex Reserve	17,651	1,000	18,651	32,902	18,651	0	
Abbey Gardens Donation	39,911	0	39,911	39,911	39,911	0	
Rural Areas Action Plan	64,261	(64,261)	0	64,261	0	0	
Planning Reserve	67,757	31,500	99,257	157,757	99,321	(64)	
Local Land Charges Reserve	101,295	0	101,295	101,295	101,295	0	
EI-Historic Building Grants	621	0	621	621	621	0	
S106 Monitoring Officer Reserve	2,909	0	2,909	3,525	3,525	(616)	
Economic Development Reserve (LABGI)	45,597	(5,000)	40,597	45,597	40,597	0	
Homelessness Legislation Reserve	123,149	(30,000)	93,149	129,566	105,566	(12,418)	Additional contribution to reserves for funds received.
S106 Revenue Reserve	8,156	0	8,156	8,156	8,156	0	
Election Reserve	76,366	30,000	106,366	106,366	106,366	0	
St Edmundsbury Totals	15,429,562	(2,467,509)	12,962,053	17,874,948	14,115,310	(1,153,258)	

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Treasury Management Sub-Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Annual Treasury Management Report 2015/16 and Investment Activity 1 April to 30 June 2016	
Report No:	TMS/SE/16/003	
Report to and dates:	Treasury Management Sub - Committee	18 July 2016
	Performance And Audit Scrutiny Committee	27 July 2016
	Council	27 September 2016
Portfolio holder:	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To: a) Present the Council's Annual Treasury Management Report summarising the investment activities for the year 2015/16; and b) Provide a summary of investment activities for the first three months 2016/17 financial year.	

Recommendation:	<p>It is <u>RECOMMENDED</u> that, The Treasury Management Sub-Committee:</p> <p>(1) Scrutinise the content of this report, including details of the treasury management performance for the first three months of the 2016/17 financial year; and</p> <p>(2) Make recommendations as appropriate via the Performance and Audit Scrutiny Committee to Cabinet and Council regarding the approval of the attached Annual Treasury Management Report for 2015/16 (Appendix 1 refers).</p>	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<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 Sector/Capita (the Council's appointed Treasury Management advisers) and also takes into account information obtained from investment brokers and other economic commentators. This committee provides for the scrutiny of treasury management strategies and performance, with changes in strategies and policies subject to approval by 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 maintenance of the Council's debt free status, the continuation of in-house management of funds, and the approach to be adopted in establishing the credit worthiness of potential counterparties. The changing nature of the economic climate requires that these key areas are subject to on-going review. 	
Implications:		
<i>Are there any financial implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Please refer to main report 	
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	

<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code). 	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
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. Use of interest equalisation reserve to smooth out year-on-year fluctuations	Medium
Bank / building society failure resulting in loss of Council funds.	High	Use of Sector 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
Wards affected:		All Wards	
Background papers:		Annual Treasury Management and Investment Strategy – 2015/16 (COU/SE/15/001)	
Documents attached:		Appendix 1 – Annual Report for 2015/16 Appendix 2 – Statement of Compliance with the Treasury Management Code of Practice	

1. Key issues and reasons for recommendation(s)

1.1 Annual Report 2015/16

1.2 Interest Earned from Treasury Investments during the year

1.2.1 The table below summarises the interest earned during 2015/16 on the various Treasury investments held by the Council.

1.2.2

TREASURY MANAGEMENT – INTEREST EARNED SUMMARY	
	2015/16 £
Bank of Scotland Investments – Term Deposits	112,486.30
Ulster Bank Investments – Term Deposits	2,049.86
Skipton B/Society – Term Deposits	17,696.59
Coventry B/Society – Term Deposits	11,051.23
Nationwide B/Society – Term Deposits	64,340.68
Leeds B/Society	33,139.73
National Counties B/Society	10,591.78
Newcastle B/Society	11,280.82
Nottingham B/Society	14,723.97
Principality B/Society	9,073.97
Progressive B/Society	5,609.59
West Bromwich B/Society	7,019.18
Santander Business Reserve Account	14,832.84
Bank of Scotland Current Account	656.40
Barclays Reserve Account	29748.95
NatWest Call Account	182.07
NatWest 95 Day Account	11,202.74
Clydesdale 30 Day Account	4.45
Bank of Scotland Base Plus Account	0.45
Santander 365 Day Account	46,657.53
TOTAL INTEREST EARNED/ACCRUED	£402,622.16

1.2.3 The budgeted income from investments in 2015/16 was £255,850 (average rate of return of 1.5%). Interest actually earned during the year totalled £402,622 (average rate of return of 0.769%); an overachievement of interest of £146,772 but an under achievement of 0.731% on average rate of return.

1.2.4 The over achievement of interest earned was primarily due to higher cash balances being held during the year than originally budgeted for. This was as a result of timing differences in the receipts and payments of NNDR, an under spend on the Council's original capital programme and higher than predicted revenue reserve balances being held.

1.2.5 The Bank of England base rate remained at 0.5% throughout the whole of 2015/16 and the banks Funding for Lending Scheme also remained open during the year consequently interest rates offered by institutions remained low which resulted in a lower average rate of return being achieved by the council during 2015/16 than originally predicted.

1.2.6 The Council, in February 2005, agreed to establish the Interest Equalisation Earmarked Reserve to help smooth out these fluctuations in returns. The excess over budget achieved in 2015/16 has been transferred to this reserve resulting in a balance, as at 31 March 2016, of £353,331.

1.3 Investment Activity during the year

1.3.1 The table below summarises the investment activities during 2015/16:

TREASURY MANAGEMENT – INVESTMENT ACTIVITY SUMMARY	
	2015/16
Opening Balance 01 April 2015	40,050,000
Investments made during the year (including transfers to business reserve accounts)	96,750,000
Sub Total	136,800,000
Investments realised during the year (including withdrawals from business reserve accounts)	92,200,000
Closing Balance 31 March 2016	44,600,000

1.4 Investments held as at 31 March 2016

1.4.1 The table below shows the investments held as at 31 March 2016:

Counterparty	Principal Amount	Interest Rate	Date Loaned	Date Returned
Bank of Scotland	1,500,000	1.00%	10/04/15	08/04/16
Leeds B/Society	4,000,000	0.90%	01/05/15	29/04/16
Nationwide B/Society	2,500,000	0.90%	04/06/15	03/06/16
Nationwide B/Society	4,000,000	0.90%	03/08/15	03/08/16
Nationwide B/Society	1,500,000	0.90%	03/09/15	01/09/16
Newcastle B/Society	3,000,000	0.75%	01/10/15	01/04/16
Bank of Scotland	2,000,000	1.05%	03/11/15	02/11/16
Nottingham B/Society	2,500,000	0.73%	04/12/15	06/06/16
Skipton B/Society	3,000,000	0.73%	04/12/15	06/06/16
National Counties B/Soc	2,000,000	0.75%	06/01/16	06/07/16
Bank of Scotland	4,500,000	1.05%	12/02/16	13/02/17
Coventry B/Society	2,500,000	0.80%	22/02/16	20/02/17
Coventry B/Society	1,000,000	0.81%	01/03/16	01/03/17
Santander 365 Day Acct	8,000,000	1.30%	365 day	
Barclays Reserve	2,600,000	0.40%	Call	
TOTAL	44,600,000			

2. Quarter One Report 2016/17

Investment Activity: 1 April to 30 June 2016

2.1.1 The total amount invested at 1 April 2016 was £44.60m and at 30 June 2016 £48.15m. The increase in balances over this period was due primarily to timing differences in respect of the collection of local taxes (Council Tax and Non Domestic Rates) and the payment of precepts (i.e. to Suffolk County Council, Suffolk Police and central government).

2.1.2 The 2016/17 Annual Treasury Management and Investment Strategy (report E225 refers) sets out the Council's projections for the current financial year. The budget for investment income in 2016/17 is £277,488 which is based on a 0.90% target average rate of return on investments.

2.1.3 As at the end of June 2016 interest actually earned during the first quarter of the financial year amounted to £111,303 (average rate of return of 0.87%) against a profiled budget for the period of £69,372; a budgetary surplus of £41,930. This budgetary surplus was due to higher cash balances than projected during the period. However, the underlying reduction in the interest rates achieved is primarily due to the continuing low Bank of England base rate and subsequent poor investment rates being offered by the banks, building societies and financial institutions and falling rates being offered on Call Accounts/Notice Accounts.

2.1.4 The table below summaries the interest earned and the average rate of return achieved.

INTEREST EARNED & AVERAGE RATE OF RETURN SUMMARY			
Investment Category	Total Average Investment	Average Rate of Return (%)	Interest Earned in Q1
Temporary Investments (Term Deposits)	2,357,629	0.846	80,257
Santander Business Reserve	0	0.000	0
Bank of Scotland Current Account	163,357	0.400	163
Barclays Reserve Account	4,951,838	0.400	4,938
NatWest Call Account	23,611	0.250	15
NatWest 95 Day Account	0	0.000	0
Clydesdale 30 Day Account	1774	0.250	1
Bank of Scotland Base Plus Account	179	0.250	0
Santander 365 Day Account	8,000,000	1.300	25,929
Total Overall Average Return on Investments %			0.872
Total Interest Earned - 1 April 2016 to 30 June 2016			111,303

2.1.5 The table below summarises the investment activities during the period:

TREASURY MANAGEMENT – INVESTMENT ACTIVITY SUMMARY	
	2016/17
Opening Balance 01 April 2016	44,600,000
Investments made during the year (including transfers to business reserve accounts)	27,500,000
Sub Total	72,100,000
Investments realised during the year (including withdrawals from business reserve accounts)	23,950,000
Closing Balance 30 June 2016	48,150,000

2.1.6 The table below shows the list of investments held as at 30 June 2016:

LIST OF INVESTMENTS HELD AS AT 30 JUNE 2016				
Counterparty	Principal Amount	Interest Rate	Date Loaned	Date Returned
Nationwide Building Society	4,000,000	0.90%	03/08/15	03/08/16
Nationwide Building Society	1,500,000	0.90%	03/09/15	01/09/16
Bank of Scotland	2,000,000	1.05%	03/11/15	02/11/16
National Counties Building Society	2,000,000	0.75%	06/01/16	06/07/16
Bank of Scotland	4,500,000	1.05%	12/02/16	13/02/17
Coventry Building Society	2,500,000	0.80%	22/12/16	20/02/17
Coventry Building Society	1,000,000	0.81%	01/04/16	01/03/17
Newcastle Building Society	3,000,000	0.82%	01/04/16	03/10/16
Principality Building Society	3,000,000	0.75%	01/04/16	01/10/16
Bank of Scotland	1,500,000	1.05%	08/04/16	10/04/17
Coventry Building Society	2,000,000	0.61%	03/05/16	03/11/16
National Counties Building Society	500,000	0.75%	06/05/16	03/11/16
Nottingham Building Society	500,000	0.74%	06/05/16	03/11/16
Nationwide Building Society	2,000,000	0.95%	03/06/16	02/06/17
Barclays Fixed Term	3,000,000	0.94%	02/06/16	02/06/17
Skipton Building Society	3,000,000	0.98%	06/06/16	06/06/17
Nottingham Building Society	1,000,000	0.41%	20/06/16	11/07/16
Santander 365 Account	8,000,000	1.30%	01/04/16	NO notice given
Barclays Reserve Account	3,150,000	0.40%	Call	
TOTAL	48,150,000			

2.1.7 The table below shows a summary of the funds held as at 30 June 2016:

SUMMARY OF FUNDS HELD*	
Fund	£
Revenue Reserves	16,781,390
Capital Receipts Reserves	20,124,276
General Funds Reserve	3,035,694
Cashflow Balances	8,208,640
Total Value of Investments	48,150,000

*Further details of funds held by the Council can be found in the Quarterly Budget Outturn Reports presented to Performance and Audit Scrutiny committee.

2.2 Other Market Considerations

- 2.2.1 Following the majority vote in favour of leaving the European Union in the referendum held on 23 June, at the time of writing this report markets around the world were still coming to terms with the immediate reaction to the news and markets remain volatile. The treasury team will continue to closely monitor the situation and provide undated information as it becomes available.

- 2.2.3 Sector/Capita (the Council's treasury management advisers) have recently revised their prediction on base rate, and are now potentially predicting a base rate cut during 2016/17 with an increase not predicted until 2018, this is likely to have an adverse effect on the Council's average rate of return. Treasury management performance will continue to be closely monitored with further quarterly performance reports being brought to this sub-committee for scrutiny.

Annual Treasury Management Report 2015/2016

1 Introduction

1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009 (the Code) was adopted by Council on 23 February 2010.

1.2 The primary requirements of the Code are as follows:

- a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- c. Receipt by Council of an Annual Treasury Management Strategy Report for the year ahead, a mid-year review report (as a minimum) and an annual review report of the previous year.
- d. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- e. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Treasury Management Sub-Committee.

1.3 Treasury management in this context is defined as:

'The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

1.4 The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the annual review report of treasury management activities, for the financial year 2015/16.

2 The Council's Debt Free Status

2.1 The Council became debt free in 1992 and since then has refrained from any borrowing apart from the temporary use of overdraft facilities. This was continued in 2015/16 with the result that the Council had no Prudential Code indicators so far as borrowing was concerned in the year. During the financial year all the Council's investments were managed by in-house staff.

3 Investment Strategy for 2015/16

3.1 The Council’s 2015/16 Annual Treasury Management and Investment Strategy was approved by full Council on 24 February 2015 (report COU/SE/15/001 refers). The investment strategy for 2015/16 was to give priority to the security and liquidity of investments whilst at the same time seeking to optimise the return on investments.

Investment Rates in 2015/16

3.3 The Bank of England Base Rate remained at its historic low of 0.50% for the whole of 2015/16. Investment rates fluctuated during the year with investment returns typically one or two basis points either side of the base rate. The Bank of England also announced that the Funding for Lending Scheme would remain open until 31 January 2018. This could mean that the reliance of financial institutions on the borrowing of wholesale funds (such as local authority investments) remains unchanged, resulting in a continued dampening of investment rates.

3.4 The Council’s predicted average rate of return for the next 3 years, include in the Annual Treasury Management and Investment Statements 2016/17, is as follows:

Average Rate of Return Predictions	
2015/16	0.90%
2016/17	1.50%
2017/18	2.00%
2018/19	2.50%

3.5 However following the recent referendum result there may be a need to revise these predictions. The treasury team will continue to closely monitor the situation and provide updated information as it becomes available.

The Council’s Lending Criteria 2015/16

3.6 The Council's Annual Treasury Management and Investment Strategy requires that deposits are only placed with a limited number of high quality banks and building societies whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers (Sector/Capita) or, for non rated building societies, subject to their meeting minimum financial criteria (based on asset base size).

3.7 The continuing unpredictability and volatility of the economy as a whole and the banking sector in particular has forced local authorities to keep their lending criteria under constant review to ensure that the balance between security of capital, liquidity of investments and yield on investment income is adequately maintained.

3.8 The below tables shows the credit criteria applicable during 2015/16 as recommended by the Treasury Sub Committee on 29 January 2015 and subsequently approved by Council 24 February 2015.

Credit Criteria: Rated Banks and Institutions

Sector Colour Code Key*	Credit Criteria
Purple	Max £10m for max of 2 years (subject to max 50% of portfolio)
Orange	£9m for max of 2 years (subject to max 40% of portfolio)
Red	£8m for max of 1 year (subject to max 35% of portfolio)
Green	£6m for max of 6 months (subject to max 20% of portfolio)
Blue (nationalised / substantially owned by the UK government)	£15m for max 2 years

Credit Criteria: Rated Building Societies

Sector Colour Code Key*	Credit Criteria
Red	£8m for max of 1 year (subject to max 35% of portfolio)
Green	£6m for max of 1 year (subject to max 30% of portfolio)

Credit Criteria: Non- Rated Building Societies

Asset Base**	Credit Criteria
Asset base > £2,500m	£3m for max 6 months
Asset base > £1,000m	£2.5m for max 6 months

* In order to simplify the complex system of commercial credit ratings, Sector has developed a system of colour codings which reflect the relative strengths of individual banking institutions. Details of these colour codings are provided in the Council's Annual Treasury Management and Investment Strategy.

** Further restrictions on non-rated building societies include a requirement for societies to be covered by a Dun and Bradstreet credit rating.

3.9 During the financial year the Council adhered to these lending criteria.

4 Compliance with Treasury Limits

4.1 During the financial year the Council operated within the approved Treasury limits and Prudential Indicators (as set out in the Council's Treasury Policy Statement and Annual Treasury Strategy Statement, including the above approved changes to lending limits). No institutions in which investments were made had any difficulty in repaying investments and interest in full during the year.

4.2 During the financial year there have been occasions when higher levels of funds have been held in the Council's current account. This has been due to two main factors; funds have been required on consecutive days to cover cash flow requirements and it would not have been economically viable to make a short term fixed term investment or rates offered were lower than the rate being paid by the current account, currently 0.4%.

4.3 The decisions to hold these additional funds were made following consultation with the Head of Resources and Performance.

5 Investment Outturn 2015/16

5.1 Investments were made with counterparties that met the agreed lending criteria and investment periods. Investment periods range from overnight to two years (one year for new investments), dependent on the Council's cash flows, the view on interest rates and the actual interest rates on offer.

5.2 Market investments in the year are summarised as follows:

	<u>Value (£m)</u>
Opening balance 1st April 2015	40.05
Add: Investments made during the year	96.75
Sub Total	136.80
Investments realised during the year	92.20
Closing balance at 31st March 2016	44.60

5.3 Where possible, investments were made in fixed term investments in order to lock into interest rates as close to the Council's budgeted rate as possible and to provide some certainty of return for a proportion of the Council's investments.

5.4 The Council's instant access and notice business reserve accounts with Barclays, NatWest and Santander were also used during the year for cash flow purposes or because the rate offered was the same or greater than a fixed term investment. At 31st March 2016 £10.6m was held in these accounts at interest rates between 0.40% and 1.30%.

5.5 The target rate of return for investments for 2015/16 was 0.90%. This target rate was based upon investment rate projections for the year provided by Sector (the Council's treasury management advisors), together with consideration of the profile of the Council's portfolio of investments (i.e. mixture of liquid and fixed term investments). Based upon the anticipated funds available for investment in the year (taking into account planned capital expenditure and receipts from asset disposals) this gave a target investment income of £255k. This figure was used in the preparation of the Council's budget for 2015/16.

5.6 The average rate of return achieved during 2015/16 was 0.769% and interest earned during the year totalled £402,622.16; an overachievement of £146,772.16. This overachievement was mainly due to an increase in cash balances and the prudent use of longer term investments.

5.7 The tables below summarise the interest earned during 2015/16, the list of investments held as at 31 March 2016 and comparison of average rates of return for 2015/16.

TREASURY MANAGEMENT – INTEREST EARNED SUMMARY	
	2015/16
	£
Bank of Scotland Investments – Term Deposits	112,486.30
Ulster Bank Investments – Term Deposits	2,049.86
Skipton B/Society – Term Deposits	17,696.59
Coventry B/Society – Term Deposits	11,051.23
Nationwide B/Society – Term Deposits	64,340.68
Leeds B/Society	33,139.73
National Counties B/Society	10,591.78
Newcastle B/Society	11,280.82
Nottingham B/Society	14,723.97
Principality B/Society	9,073.97
Progressive B/Society	5,609.59
West Bromwich B/Society	7,019.18
Santander Business Reserve Account	14,832.84
Bank of Scotland Current Account	656.40
Barclays Reserve Account	29748.95
NatWest Call Account	182.07
NatWest 95 Day Account	11,202.74
Clydesdale 30 Day Account	4.45
Bank of Scotland Base Plus Account	0.45
Santander 365 Day Account	46,657.53
TOTAL INTEREST EARNED/ACCRUED	£402,622.16

Counterparty	Principal Amount	Interest Rate	Date Loaned	Date Returned
Bank of Scotland	1,500,000	1.00%	10/04/15	08/04/16
Leeds B/Society	4,000,000	0.90%	01/05/15	29/04/16
Nationwide B/Society	2,500,000	0.90%	04/06/15	03/06/16
Nationwide B/Society	4,000,000	0.90%	03/08/15	03/08/16
Nationwide B/Society	1,500,000	0.90%	03/09/15	01/09/16
Newcastle B/Society	3,000,000	0.75%	01/10/15	01/04/16
Bank of Scotland	2,000,000	1.05%	03/11/15	02/11/16
Nottingham B/Society	2,500,000	0.73%	04/12/15	06/06/16
Skipton B/Society	3,000,000	0.73%	04/12/15	06/06/16
National Counties B/Soc	2,000,000	0.75%	06/01/16	06/07/16
Bank of Scotland	4,500,000	1.05%	12/02/16	13/02/17
Coventry B/Society	2,500,000	0.80%	22/02/16	20/02/17
Coventry B/Society	1,000,000	0.81%	01/03/16	01/03/17
Santander 365 Day Acct	8,000,000	1.30%	365 day	
Barclays Reserve	2,600,000	0.40%	Call	
TOTAL	44,600,000			

Comparison of Average Rate of Return				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Temporary Investments	0.93%	0.90%	0.86%	0.85%
Santander Business Reserve	0.40%	0.40%	0.40%	0.40%
Bank of Scotland Current Account	0.40%	0.40%	0.40%	0.40%
Barclays Reserve Account	0.45%	0.42%	0.41%	0.41%
NatWest Call Account	0.25%	0.25%	0.25%	0.25%
NatWest 95 Day Account	0.48%	0.46%	0.46%	0.46%
Clydesdale 30 Day Account	0.25%	0.25%	0.25%	0.25%
Bank of Scotland Base Plus Account	0.25%	0.25%	0.25%	0.25%
Santander 365 Day Account	0	0	1.30%	1.30%
7 Day Average	0.475%	0.476%	0.476%	0.475%
3 year – 7 Day Average	0.484%	0.484%	0.484%	0.484%
Overall Average return on Investments	0.70%	0.71%	0.74%	0.769%

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

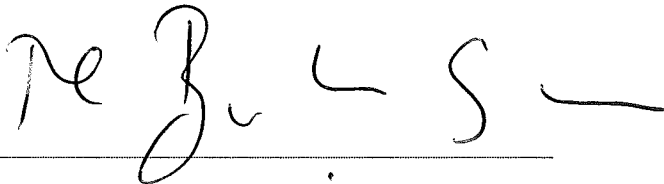
Statement of Compliance with the Treasury Management Code of Practice

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

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

As a consequence Internal Audit is satisfied that, for the financial year ending 31 March 2016, the Treasury Management Code of Practice has been substantially complied with.

Signed



Post

Senior Auditor

Date

4/7/16

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