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# (Informal Joint) Performance and Audit Scrutiny Committee



Forest Heath  
District Council

**Notes of Informal Discussions held on Thursday 27 July 2017 at  
5.00pm in Conference Chamber West, West Suffolk House,  
Western Way, Bury St Edmunds**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton, Susan Glossop, Beccy Hopfensperger, Karen Richardson, David Roach, Betty McLatchy, Barry Robbins, Andrew Smith, Peter Thompson, and Patricia Warby.

Forest Heath District Council (FHDC)

Councillor Louis Busuttill  
(Chairman of the informal discussions)

Councillors Michael Anderson, Chris Barker, John Bloodworth, Rona Burt, Simon Cole, and Colin Noble.

IN ATTENDANCE: FHDC – Councillor Stephen Edwards, Portfolio Holder for Resources and Performance  
John Burns

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

- (1) Balanced Scorecards and Quarter 1 Performance Report 2017-2018;
- (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – June 2017;
- (3) 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 the 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 – 3 above. On this occasion however, there were no questions/statements from members of the public.

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

#### **1. Balanced Scorecards Quarter 4 Performance Report 2016-2017**

*[Councillor Beccy Hopfensperger arrived at 5.04pm during the consideration of this item. Councillors Susan Glossop and Karen Richardson arrived at 5.28pm during the consideration of this item].*

Prior to presenting the report, the Assistant Director (Resources and Performance) introduced Gregory Stevenson, the new Service Manager (Finance and Resources), David Collinson, Assistant Director (Planning and Regulatory Services) and Julie Baird, Assistant Director (Growth) to members.

The Assistant Director (Resources and Performance) then presented the report, which set out the current West Suffolk Balanced Scorecards, which presented the Quarter 1 performance for 2017-2018. The five balanced scorecards (attached at Appendices A to E) were linked to the Assistant Director Service areas. A Balanced Scorecard for the Growth service was currently under review and would be available for Quarter 2 reporting.

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

New indicators had been added for 2017-2018 due to the change in organisational structure and a review process at the end of the previous financial year.

It was reported that within the Resources and Performance Balanced Scorecard, the "*% of non-disputed invoice paid within 30 days*" corporate indicator across both councils showed we had achieved positive results in the first quarter, reporting 94.3% of invoices paid within 30 days. However, the finance and performance team would continue to work with service areas to try and improve performance against this indicator to achieve the 95% target, with monthly business intelligence reports being sent out within details of all invoices processed.

Each Assistant Director then presented their individual Balanced Scorecard and highlighted key areas for the Committees attention.

Members considered the report in detail and asked a number of questions on each of the Balanced Scorecards. Discussions were held on the garden waste annual subscription; annual canvass and health and safety incidents. In particular discussions were held on:

- Household numbers in bed and breakfast: Officers agreed to look into the average time taken to move families from bed and break accommodation to more suitable / permanent housing.

Councillor Colin Noble informed the Committee that Suffolk County Council was focused on the issue of homelessness and children in temporary accommodation. He also wanted the Suffolk Public Leaders Group to receive regular reports on the topic.

- Universal Credit: The full service in Bury St Edmunds and surrounding postcodes goes live on 18 October 2017 and across Forest Heath in September 2018. Officers were working with colleagues in the DWP and other partners to ensure that implementation goes as smoothly as possible.

Two member development sessions would be held on 7 September 2017 at St Edmundsbury and 18 September 2017 at Forest Heath on Universal Credit and homelessness. The sessions would be facilitated by the Department of Work and Pensions.

- Apprentices: There were currently had 25 apprentices and the council was looking to take on another 10. The Council was currently advertising for seven new apprentices.
- Disabled Facilities Grants: The Council along with its partners had commenced performance improvement conversations in July 2017 with the current provider to address the outstanding work, with a view to implementing an improvement plan in the near future.
- Building Control: The new Assistant Director (Planning and Regulatory Services) was looking at ways of increasing income from fee generated work. He was also implementing an improvement plan and changes to ongoing working practices.
- Enforcement: Concerns were raised about the residual number of enforcement cases. Members questioned how many were residual and the need for more enforceable planning conditions. Officers advised that there were a number of persistent cases and they were looking at the root cause of the issues.
- Operations: Historical debt over 90 days: The debt was longstanding and mainly related to a relatively small number of properties. A number of organisations were on a repayment plan. Where this was not possible, the Council was pursuing debt recovery through legal action.

The Chairman on behalf of the Committee welcomed the new format with each Assistant Director presenting their own Balanced Scorecard and wished this to continue.

## 2. **West Suffolk Strategic Risk Register Quarterly Monitoring Report – June 2017**

The Assistant Director (Resources and Performance) presented the first 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 June 2017 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 June 2017 had been removed from the Register. There had been no new risks or major amendments made to any existing risks or any existing risks closed since the Strategic Risk Register was last reported to the Committee.

With regards to the impact of Brexit, the group would continue to monitor the situation as it developed, amending existing and / or adding new risks where necessary. Any changes would be reported at each meeting of the Committee in the normal manner.

Members considered the report and noted the stable picture provided.

### 3. **Work Programme Update**

The Assistant Director (Resources and Performance) presented the report, which provided information on the current status of each Committee's Work Programme for 2017-2018.

Members considered its forward work programme for 2017-2018, and taking into account discussions held on the Balanced Scorecards it was requested that additional performance information on "enforcement" and the "pre-planning advice service" be included within the respective Scorecards for the second quarterly report in November 2017.

Members also requested a separate report updating it on progress being made on the improvement plan and working practices to improve overall "Building Control Performance" for its November 2017 meeting.

On the conclusion of the informal joint discussions at 6.18 pm, Members of Forest Heath District Council's Performance and Audit Scrutiny Committee withdrew from Conference Chamber West to Conference Chamber East to hold their formal meeting.

The Chairman then formally opened the Forest Heath District Council Performance and Audit Scrutiny Committee in Conference Chamber East at 6.20 pm.

# Performance and Audit Scrutiny Committee



Forest Heath  
District Council

**Minutes** of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 27 July 2017** at **6.20 pm** in the **Conference Chamber (East)**, **West Suffolk House**, Western Way, Bury St Edmunds, IP33 3YU

Present: **Councillors**

**Chairman** Louis Busuttil  
**Vice Chairman** Colin Noble

Michael Anderson  
Chris Barker  
Rona Burt

John Bloodworth  
Simon Cole

**By Invitation:**

Stephen Edwards, Portfolio Holder for Resources and Performance

154. **Substitutes**

There were no substitutes present at the meeting.

155. **Apologies for Absence**

Apologies for absence were received from Councillor Peter Ridgwell.

Councillors Andrew Appleby and Christine Mason were also unable to attend the meeting.

156. **Minutes**

The minutes of the meetings held on 25 January 2017 and 25 May 2017 were unanimously accepted by the Committee as an accurate record and signed by the Chairman.

157. **Public Participation**

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

158. **Balanced Scorecards and Quarter 1 Performance Report 2017-2018 (Report No: PAS/FH/17/017)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/FH/17/017.

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

The Chairman again commended the new format for the reporting of the Balanced Scorecards by each individual Assistant Director and wished this format to continue for future meetings.

With there being no decision required, the Committee **noted** the Council's performance using the Balanced Scorecards for Quarter 1, 2017-2018.

159. **West Suffolk Strategic Risk Register Monitoring Report - June 2017 (Report No: PAS/FH/17/018)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/FH/17/018.

Members had considered the report and with there being no decision required, the Committee **noted** the contents of Quarter 1 of the West Suffolk Strategic Risk Register.

160. **Work Programme Update (Report No: PAS/FH/17/019)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/FH/17/019.

In the informal discussions, Members had requested further detailed information, in the second quarter reporting, to be provided in the Balanced Scorecards on Enforcement and Pre-Planning Advice. Members had also requested that a separate report on the performance of the Building Control service, be presented to its meeting on 29 November 2017.

With the vote being unanimous, it was

**RESOLVED:**

That the following additional topic for future scrutiny on service performance, be included in its forward work programme for 2017-2018:

1. A report on the performance of the Building Control service, be presented to its meeting on 29 November 2017.

161. **Internal Audit Charter (Report No: PAS/FH/17/020)**

As the meeting on 25 May 2017 had been declared inquorate, with there only being two Members of the Committee in attendance, this item had been stood adjourned and deferred for consideration at this meeting.

The Service Manager (Internal Audit) presented this report, which asked Members to scrutinise and approve an updated version of the Internal Audit Charter, attached at Appendix A to Report No: PAS/FH/17/020.

It was explained that the Charter had been revised to take into account recent revisions to the Public Sector Internal Audit Standards, and now included a 'Mission' for the Internal Audit Section and 'Core Principles' for the professional practice of internal auditing.

The Service Manager drew other relevant issues to the attention of Members.

With the vote being unanimous, it was

**RESOLVED:**

That the Internal Audit Charter, attached as Appendix A to Report No: PAS/FH/17/020, be approved.

**162. Internal Audit Annual Report (2016-2017) and Outline Internal Audit Plan (2017-2018) (Report No: PAS/FH/17/021)**

As the meeting on 25 May 2017 had been declared inquorate, with there only being two Members of the Committee in attendance, this item had been stood adjourned and deferred for consideration at this meeting.

The Service Manager (Internal Audit) presented this 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 2017-2018 (Appendix C). The report also showed progress made during the year in developing and maintaining an anti-fraud and anti-corruption culture and published actions taken where fraud or misconduct had been identified (Appendix D). Finally, Appendix B set out the work undertaken to fulfil the requirement for an annual review of the effectiveness of internal audit, including relevant completed checklists.

The Service Manager also drew other relevant issues to the attention of Members.

With the vote being unanimous, it was

**RESOLVED:**

That:-

1. The Internal Audit Plan for 2017-2018, attached as Appendix C to Report No: PAS/FH/17/021, 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 2016-2017 and the Managing the Risk of Fraud, Theft and Corruption Report, as set out in Appendices A and D to Report No: PAS/FH/17/021, be noted.

**163. Financial Performance Report (Revenue and Capital) - Quarter 1 (April to June 2017) (Report No: PAS/FH/17/022)**

The Assistant Director (Resources and Performance) presented this report which set out the financial performance for the first quarter of 2017-2018 and forecasted the outturn position for 2016-2017.

Details of the Council's revenue performance and year end forecasted outturn position were set out in Appendices A and B. Explanations of the main year end forecast over/under spends was set out in paragraph 1.2.3. The Council's capital financial position was summarised in paragraph 1.3 and further details were set out in Appendix C.

Appendix D provided a summary of the earmarked reserves, along with the forecast year end position for 2017/2018. This Appendix was to be considered in the context of the planned medium term reserve position, agreed as part of the Budget and Council Tax 2017/2018 setting report in February 2017.

The current forecast position for the year end was expected to be an underspend, against budget, of approximately £28,000 (which equated to 0.08% of the Council's gross expenditure).

Members noted the current position and the significant variances, as outlined within the report. It was explained that budget holders would continue to work with Resources Business Partners and Business Support Advisors and an updated outturn position would be provided to the Committee in the Quarter 2 report in November 2017.

With there being no decision required, the Committee **noted** the Quarter 1 performance and the 2017-2018 year end forecast financial position.

**164. Annual Treasury Management Report 2015-2016 and Investment Activity (April - June 2017) (Report No: PAS/FH/17/023)**

The Assistant Director (Resources and Performance) presented this report which presented the Council's Annual Treasury Management Report which summarised the investment activities for the year 2016/2017 and also provided a summary of the investment activities for the first three months of the 2017/2018 financial year.

The budgeted income from investments in 2016/2017 was £350,000 (average rate of return of 1.50%). The interest actually earned during the year totalled £250,747 (average rate of return of 1.06%). This was an under achievement in interest of £99,253 (an under achievement of 0.44% on the average rate of return).



The 2017/2018 Annual Treasury Management and Investment Strategy set out the Council's projections for the current financial year. The budget for investment income in 2017/2018 was £181,000, which was based on a 0.75% target average rate of return on investments.

As at the end of June 2017, interest actually earned during the first quarter of the financial year amounted to £32,311 (an average rate of return of 0.67%), against a profiled budget for the period of £45,250 (a budgetary deficit of £12,939). The deficit was due to the continuing low Bank of England base rate and subsequent poor investments rates being offered by the banks, building societies and financial institutions and the falling rates being offered on Call Accounts/Notice Accounts.

The Committee considered this report and asked questions to which the Assistant Director duly responded. Members particularly asked for an update on the position in relation to the long term loan of £4m and the negotiations with the Lender to achieve a reasonable redemption figure. The Assistant Director confirmed that an update on this position was due to be reported back to the Cabinet shortly.

With the vote being unanimous, it was

**RECOMMENDED:**

That, subject to the approval of Council, the Annual Treasury Management Report for 2016-2017, attached as Attachment 1 to Report No: PAS/FH/17/023, be approved.

The Meeting concluded at 6.50 pm

**Signed by:**

**Chairman**

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