

Performance and Audit Scrutiny Committee



Title:	Agenda												
Date:	Thursday 26 September 2019												
Time:	5.00 pm												
Venue:	District Officers Council Chamber College Heath Road Mildenhall, IP28 7EY												
Full Members:	<p style="text-align: center;">Chair Ian Houlder Vice Chair Karen Richardson</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"><i>Conservative Group</i>(7)</td> <td style="width: 33%;">John Augustine Mary Evans Elaine McManus</td> <td style="width: 33%;">Robert Nobbs Peter Thompson</td> </tr> <tr> <td><i>Spectrum Group</i> (2)</td> <td>Trevor Beckwith</td> <td>Victor Lukaniuk</td> </tr> <tr> <td><i>The Independent Group</i> (2)</td> <td>Richard Alecock</td> <td>John Smith</td> </tr> <tr> <td><i>Labour Group</i> (1)</td> <td>Cliff Waterman</td> <td></td> </tr> </table>	<i>Conservative Group</i> (7)	John Augustine Mary Evans Elaine McManus	Robert Nobbs Peter Thompson	<i>Spectrum Group</i> (2)	Trevor Beckwith	Victor Lukaniuk	<i>The Independent Group</i> (2)	Richard Alecock	John Smith	<i>Labour Group</i> (1)	Cliff Waterman	
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Substitutes:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"><i>Conservative Group</i>(3)</td> <td style="width: 33%;">Stephen Frost Marion Rushbrook</td> <td style="width: 33%;">Clive Springett</td> </tr> <tr> <td><i>Spectrum Group</i> (1)</td> <td>David Palmer</td> <td></td> </tr> <tr> <td><i>The Independent Group</i> (1)</td> <td>Mick Bradshaw</td> <td></td> </tr> <tr> <td><i>Labour Group</i> (1)</td> <td>Pat Hanlon</td> <td></td> </tr> </table>	<i>Conservative Group</i> (3)	Stephen Frost Marion Rushbrook	Clive Springett	<i>Spectrum Group</i> (1)	David Palmer		<i>The Independent Group</i> (1)	Mick Bradshaw		<i>Labour Group</i> (1)	Pat Hanlon	
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By Invitation:	Sarah Broughton Cabinet Member for Resources & Performance												
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												

Public Information

Venue:	District Offices College Heath Road Mildenhall Bury St Edmunds Suffolk IP28 7EY	T: 01638 719729 E: democratic.services@westsuffolk.gov.uk W: 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 and following address: West Suffolk Council West Suffolk House Western Way Bury St Edmunds Suffolk IP33 3YU at least five clear days before the meeting. They are also available to view on our website.	
Attendance at meetings:	The 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 participation:	Members of the public who live or work in the District are welcome to speak and may ask one question or make a statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply. A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start. There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chair's discretion.	
Disabled access:	The public gallery is on the first floor and is accessible via stairs. There is not a lift but disabled seating is available at the back of the Council Chamber on the ground floor. Please see the Committee Administrator who will be able to help you.	
Induction loop:	An Induction loop is available for meetings held in the Conference Chamber.	
Recording of meetings:	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). 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.	
Personal Information	Any personal information processed by West Suffolk Council arising from a request to speak at a public meeting under the Localism Act 2011, will be protected in accordance with the Data Protection Act 2018. For more information on how we do this and your rights in regards to your personal information and how to access it, visit our website: https://www.westsuffolk.gov.uk/Council/Data_and_information/howweuseinformation.cfm or call Customer Services: 01284 763233 and ask to speak to the Information Governance Officer.	

Agenda

Procedural Matters

1. Substitutes

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

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To confirm the minutes of the meeting held on 25 July 2019 (copy attached).

Part 1 – Public

4. Public Participation

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

A person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start. There is an overall limit of 15 minutes for public speaking, which may be extended at the Chair's discretion.

5. Ernst and Young - Annual Audit Letters 2018-2019

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Report No: **PAS/WS/19/012**

6. Local Government Ombudsman - Annual Report

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Report No: **PAS/WS/19/013**

7. Treasury Investment Limits 2019-2020

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Report No: **PAS/WS/19/014**

8. Approach to Delivering a Sustainable West Suffolk Council Budget: 2020-2021 and Medium Term Financial Strategy 2020-2024

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Report No: **PAS/WS/19/015**

9. Work Programme 2019-2020

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Report No: **PAS/WS/19/016**

Part 2 – Exempt

NONE

Performance and Audit Scrutiny Committee



Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 25 July 2019** at **5.00 pm** in **Conference Chamber West (FR1-09), West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Chair Ian Houlder
Vice Chair Karen Richardson

Richard Alecock	Robert Nobbs
Mary Evans	John Smith
Victor Lukaniuk	Peter Thompson
Elaine McManus	

In attendance:
Susan Glossop, Cabinet Member for Growth
Peter Stevens, Cabinet Member for Operations
Mark Hodgson, (Associate Partner), Ernst and Young
Mark Russell, (Manager), Ernst and Young

12. **Substitutes**

The following substitutions were declared:

Councillor Pat Hanlon substituting for Councillor Cliff Waterman.
Councillor David Palmer substituting for Councillor Trevor Beckwith.

13. **Apologies for Absence**

Apologies for absence were received from Councillors John Augustine, Trevor Beckwith and Cliff Waterman.

14. **Minutes**

The minutes of the meeting held on 30 May 2019 were confirmed as a correct record and signed by the Chair.

15. **Public Participation**

There were no members of the public in attendance on this occasion.

16. **Ernst and Young - 2018-2019 ISA 260 Annual Results Report to those Charged with Governance**

[Councillor Peter Thompson arrived at 5.05pm during the consideration of this item, and prior to the vote taking place]

The Committee received Report No: PAS/WS/19/008, which presented the results from Ernst and Young's (EY) audit of the 2018-2019 financial statements for Forest Heath District Council and St Edmundsbury Borough Council (West Suffolk's predecessor councils). The report set out issues they were formally required to report on to those charged with governance. EY were also required to report on the results of the work undertaken to assess the council's arrangements to secure value for money (VFM) in the use of resources.

The councils' unaudited 2018-2019 Statement of Accounts, signed by the Chief Finance Officer (Section 151 Officer) on 30 May 2019, had been updated to reflect adjustments recommended by EY from their audit work. It should be noted by Members that these adjustments did not affect the overall financial position and were in most cases merely presentational changes.

A copy of the Audit Results Reports, dated 22 July 2019 were attached at Appendix A (Forest Heath) and Appendix B (St Edmundsbury), and were presented to the Committee by Mark Hodgson (Associate Partner) and Mark Russell (Manager) from EY. Also attached at Appendix C and D to the report were Letters of Representations, on behalf of the councils' in accordance with the audit of the financial statements for both Forest Heath District Council and St Edmundsbury Borough Council for the year ended 31 March 2019.

Mr Hodgson presented the report and explained that Forest Heath had the most audit risks, which related to the solar farm asset. He explained that Forest Heath's overall materiality assessment was £0.755m and St Edmundsbury was £1.401m.

He then wished to draw to the Committee's attention to the following areas for both councils:

- 1) Page 9 (Both) – (Significant risk – misstatements due to fraud or error). EY had completed the majority of the procedures and testing of recharges.
- 2) Page 12 (Forest Heath) – (Valuation of land and buildings) – The value of the solar farm had been amended to £13.8m, which was now in an acceptable arrange to which EY would expect, and discussions were being held with the Finance Team to resolve the issue.
- 3) Page 13 (Both) – (Land value) – no issues to raise.
- 4) Page 14 (Both) – (Pensions) – Both sets of accounts had been adjusted to reflect the pensions increase relating to the McCloud (age discrimination) and GMP (sex discrimination) rulings. These were both national rulings which had effected all local authorities.

5) Page 15 (Both) – (Accounting standards) – no issues to raise.

Mr Hodgson then informed the Committee that EY still had a number of outstanding items to be completed on the audit of the Statement of Accounts. EY would be working on these to ensure they were completed by the statutory deadline of 31 July 2019. He confirmed that there were no audit adjustments and there were no unadjusted audit errors. However, he reiterated that EY was on track, and subject to the satisfactory completion of the outstanding items, EY expected to be able to issue an unqualified opinion on the financial statements and the value for money conclusions next week.

The Committee considered the report in detail and asked questions to which responses were provided. In particular discussions were held on the revaluation of the solar farm and whether the provision for the pension fund was robust enough, to which comprehensive responses were provided.

Councillor Victor Lukaniuk then moved the recommendations, this was duly seconded by Councillor Karen Richardson, and with the vote being unanimous, it was:

RESOLVED: That

- 1) The External Auditors opinion, as of today (25 July 2019) on the Finance Statements for Forest Heath District Council (Appendix A) and St Edmundsbury Borough Council (Appendix B) for 2018-2019 attached to Report No: PAS/WS/18/008, be noted.
- 2) The External Auditors value for Money conclusion, as of today (25 July 2019) stating that Forest Heath District Council (Appendix A) and St Edmundsbury Borough Council (Appendix B) had proper arrangements to secure economy, efficiency and effectiveness in its use of resources, issued by the Auditor, be noted.
- 3) The Letter of Representation on behalf of Forest Heath District Council (Appendix C) and St Edmundsbury Borough Council (Appendix D), attached to Report No: PAS/WS/19/008, be approved, before the Ernst and Young Associate Partner issues his opinion and conclusion.
- 4) The Chief Finance Officer, in consultation with the Chair of the Performance and Audit Scrutiny Committee be given delegated authority to conclude the signing of the accounts.

17. 2018-2019 Statement of Accounts

The Committee received Report No: PAS/WS/19/009, which sought members approval of the 2018-2019 Statement of Accounts for the former Forest Heath District Council (Appendix A) and St Edmundsbury Borough Council (Appendix B), in accordance with powers delegated to it under the Council's Constitution.

It was reported that the statutory requirements for the reporting and approval of the Council's annual financial statements were set out in the

Accounts and Audit Regulations 2015. The regulations require the Council to submit draft accounts to its external auditors, currently Ernst and Young (EY) by 31 May each year, with member scrutiny approval of the accounts required once the external audit had been concluded by 31 July each year.

The results of EY's review of the accounts, dated 22 July 2019 were provided in the Annual Results Reports, which were included on the Committee's agenda (PAS/WS/19/008), along with a verbal update by EY giving their current position as of this evening (25 July 2019).

The attached Statement of Accounts (Appendix A – Forest Heath) and (Appendix B – St Edmundsbury) had been amended, as appropriate, to take on board issues raised by the audit process up to the date of distribution.

EY had confirmed this evening (25 July 2019) that the audit for both Forest Heath District Council and St Edmundsbury Borough Council had not been concluded and they were therefore unable to issue an opinion on the financial statements and value for money conclusion that both councils had made the appropriate arrangements to secure economy, efficiency and effectiveness in the councils use of resources until next week, once all audit work had been completed.

This meant the Committee was not in a position to sign off the 2018-2019 Statement of Accounts this evening (25 July 2019). It was proposed that to take account of this, the recommendation be amended so that the Committee delegates the approval of the accounts to the Chief Finance Officer in consultation with the Chair of the Performance and Audit Scrutiny Committee, in accordance with powers delegated to it under the Council's Constitution.

The covering report summarised financial highlights in 2018-2019; revenue and expenditure; capital expenditure; usable reserves; pensions fund; annual governance statement; payments to councillors and conclusions.

The Service Manager (Finance and Performance) drew the Committee's attention to a couple of key areas (financial highlights for 2018-2019):

- 1) Page 31: Both councils had made a surplus (underspend) in 2018-2019; Forest Heath £157k and St Edmundsbury £10k.
- 2) Page 31: Capital expenditure – capital programme spend for Forest Heath was £6.2m, which included expenditure on both the Mildenhall Hub and the West Suffolk Operational Hub; and for St Edmundsbury £17.5m, which included investment in the commercial asset portfolio and expenditure on the West Suffolk Operational Hub
- 3) Page 31: There had been no change to the general fund balances.

The Committee scrutinised the draft accounts in detail and asked questions on audit fees; the loan relating to the Newmarket Leisure Centre; arrears (sundry debtors) and whether these were accumulating; grants and contributions and the performance of properties purchased at 113 High Street and 3 The Avenue, Newmarket, to which responses were provided.

In response to a question raised regarding why there were no figures for Brandon Country Park, members were informed that the Accounts did not list out every asset owned, and that Brandon Country Park was included as part of the overall asset figures.

The Chair on behalf of the Committee wished to convey its thanks and commended the Service Manager (Resources and Performance) on the teams work involved in preparing the accounts.

Councillor Victor Lukaniuk then moved the recommendation, this was duly seconded by Councillor John Smith, and with the vote being unanimous, it was:

RESOLVED: That

- 1) The Chief Finance Officer, in consultation with the Chair of the Performance and Audit Scrutiny Committee, be delegated to approve the 2018-2019 Statement of Accounts for Forest Heath District Council (Appendix A) and St Edmundsbury Borough Council (Appendix B), attached to Report No: PAS/WS/19/009, in accordance with the powers delegated to it under the Council's Constitution.
- 2) Subject to (1) above, the Chair of the Performance and Audit Scrutiny Committee signs the certification for both of the 2018-2019 Statement of Accounts on behalf of the Committee.
- 3) The Chief Finance Officer, in consultation with the Cabinet Member for Resources and Performance, be given delegated authority to make any further changes that may be required up to the date of publication, in consultation with the Chair of the Performance and Audit Scrutiny Committee.

18. Annual Treasury Management Report 2018-2019 (FHDC)

The Committee received Report No: FRS/WS/19/001, which had been considered by the Financial Resilience Sub-Committee on 15 July 2019. The Chair provided a verbal update on the Sub-Committee's consideration of the report, which summarised the Annual Treasury Management Investment Activities for the year 2018-2019 for the former Forest Heath District Council.

The Sub-Committee had scrutinised the Annual Treasury Management Report 2018-2019, and asked a number of questions to which comprehensive responses were provided.

In particular, discussions were held on treasury management risks; the number of building society accounts held by the council; the council's treasury management team; how investments were made and the number of quotes required; the council's external treasury advisors; and how external and internal borrowing worked.

Detailed discussions were also held on the loan relating to Newmarket Leisure; the reasons at the time as to why it had been taken out for 70 years;

and the financial penalties involved if the loan was paid off early. Further queries were raised in relation to the Toggam Solar Farm; the projection on income; how energy prices were guaranteed; and the need to ensure the council received the best rate of return on its investments.

The Committee considered the report and did not raise any questions.

It was then proposed by Councillor Ian Houlder, seconded by Councillor Victor Lukaniuk, and with the vote being unanimous, it was:

RECOMMENDED:

That the Annual Treasury Management Report 2018-2019, for the former Forest Heath District Council, being Report No: FRS/WS/19/001, be approved.

19. Annual Treasury Management Report 2018-2019 (SEBC)

The Committee received Report No: FRS/WS/19/002, which had been considered by the Financial Resilience Sub-Committee on 15 July 2019. The Chair provided a verbal update on the Sub-Committee's consideration of the report, which summarised the Annual Treasury Management Investment Activities for the year 2018-2019 for the former St Edmundsbury Borough District Council.

The report included tables which summarised the interest earned and the average rate of return achieved during 2018-2019; investment activity during the year; investments held as at 31 March 2019 and capital borrowing budget 2018-2019. The budget income from investments income in 2018-2019 was £308,000 (target average rate of return 0.70%). Interest actually earned during the financial year totalled £344,766 (average rate of return of 0.751%), against a budget for the year of £308,000; a budgetary surplus of £36,766.

The Sub-Committee had scrutinised the Annual Treasury Management Report 2018-2019, and asked questions to which responses were provided.

The Performance and Audit Scrutiny Committee considered the report and did not raise any questions.

It was then proposed by Councillor Ian Houlder, seconded by Councillor Karen Richardson, and with the vote being unanimous, it was:

RECOMMENDED:

That the Annual Treasury Management Report 2018-2019, for the former St Edmundsbury Borough Council, being Report No: FRS/WS/19/002, be approved.

20. Treasury Management (June 2019)

The Committee received Report No: FRS/WS/19/003, which had been considered by the Financial Resilience Sub-Committee on 15 July 2019. The

Chair provided a verbal update on the Sub-Committee's consideration of the report, which provided a summary of investment activity for the first three months of the 2019-2020 financial year for the new West Suffolk Council.

The Sub-Committee had scrutinised the investment activity for 1 April 2019 to 30 June 2019, and asked detailed questions to which responses were provided. In particular discussions were held on the Investing in our Growth Fund and what it could be used for, and the tax implications on commercial investments.

The Performance and Audit Scrutiny Committee considered the report and did not raise any questions.

It was then proposed by Councillor Karen Richardson, seconded by Councillor Victor Lukaniuk, and with the vote being unanimous, it was:

RECOMMENDED:

That the Treasury Management Report (June 2019), being Report No: FRS/WS/19/003, be approved.

21. **2019-2020 Performance Report (Quarter 1)**

The Service Manager (Finance and Performance) presented Report No: PAS/WS/19/010, which set out the performance for quarter one and the forecasted financial outturn position for 2019-2020.

The report showed the current Performance Indicators for the first quarter of 2019-2020, as set out in the following appendices, attached to the report:

- Appendix A: 2019-2020 Performance Indicators, Commentary;
- Appendices C to E: Performance Indicators by Strategic Priority;
- Appendix F : Income and Expenditure;
- Appendix G: Capital Programme;
- Appendix H: Earmarked Reserves.

Members considered the report in detail and asked questions of the Assistant Directors on their indicators, to which comprehensive responses were provided.

In particular discussions were held on:

Appendix C – (F3: Number of households in temporary accommodation, and F4: Number of households prevented from being homeless). Members questioned what were the councils plans to support and assist in improving performance.

Members were informed that the temporary accommodation target had been red for some time due to the change in legislation in April 2018 which had resulted in an increase of people who were eligible for support. In response to that the council had predicted an increase in demand and therefore had increased its temporary accommodation provision.

Members were informed that with regards to preventing homelessness, there had been a number of staff changes over that period. Whilst people had continued to be supported and prevented from being homeless, not all cases had been physically closed on the system to enable them to be recorded. The priority had been to support people as opposed to completing the administration and closing cases. However training had been provided to ensure cases were closed in a timely way. The council was also looking at how it compared nationally. Over the first three quarters of last year, West Suffolk had successfully prevented homelessness in 77% of cases, compared with the national average of 58%. It was noted that the full year's figures had yet to be published by the government but once it is available, it will be reported to members.

Further questions were raised as to the cost of temporary and bed and breakfast accommodation.

Appendix C – (F8: Number of flytipping incidents recorded in West Suffolk). Members raised a number of questions around flytipping, to which responses were provided as follows:

- The increase in incidents was due to improvements which had been made to the recording process and the targeted enforcement which had been carried out in hotspot areas, which had raised awareness of reporting incidents.
- The vast majority of flytipping incidents reported were on a small number of our urban housing estates.
- The council was developing its communication channels all the time through its website and officers were open to exploring language options.
- The Cabinet Member for Operations informed members that he would continue to ask the Suffolk Waste Partnership to look into the issue of flytipping and the charges/opening hours at Suffolk County Council Recycling Centres.

Members were pleased to see that the council had recently prosecuted an offender.

Appendix D – (H4: Number of long term empty homes brought back into use per annum)

Councillor Mary Evans felt the council was being too harsh on itself and that the colour rating should be amber and not red because in the first quarter the council had brought back 58 homes, with the annual target being 64.

In response members were informed that last year 50 homes were brought back into use and this year the target has been increased to 64. Officers confirmed that the new target would be exceeded. The target was based on 1,000 properties, but only a small proportion might be suitable to bring back into use. The Council was constantly working with owners to bring homes back into use.

There being no decision required, the Committee **noted** the Quarter 1 performance for 2019-2020.

22. **Work Programme Update**

The Committee received Report No: PAS/WS/19/011, which updated Members on the current status of its rolling work programme of items for scrutiny during 2019-2020 (Appendix 1).

The Committee considered the report, and there being no decision required, the Committee **noted** the update.

The meeting concluded at 6.25 pm

Signed by:

Chair

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Ernst and Young Annual Audit Letters 2018-2019

Report No:	PAS/WS/19/012	
Report to and date:	Performance and Audit Scrutiny Committee	26 September 2019
Cabinet Member:	Councillor Sarah Broughton Cabinet Member for Resources and Performance Tel: 07929 305787 Email: sarah.broughton@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Decisions Plan:	This item is not included in the Decisions Plan.	
Wards impacted:	All wards	
Recommendation:	It is recommended that the Performance and Audit Scrutiny Committee: (1) <u>Notes</u> the report and Appendices A and B.	

1. Background / Context

- 1.1 The purpose of this report is to update members on the outcome of the annual external audit of the 2018/19 financial statements by Ernst and Young (EY), as detailed in their Annual Audit Letters for the year ended 31 March 2019, attached at **Appendices A and B**.
- 1.2 The letters are for information, and confirm the completion of the audits of the 2018/19 financial statements of Forest Heath District Council and St Edmundsbury Borough Council (West Suffolk’s predecessor councils).
- 1.3 The audit fees for 2018/19 Code work, as contained in the appendices, are summarised in the table below:

Audit Fee - Code Work	Planned Fee 2018/19 £	Final Fee 2018/19 £
Forest Heath DC	36,253	TBC
St Edmundsbury BC	33,701	TBC

- 1.4 The final fee will be discussed and agreed with the Chief Finance Officer before gaining formal approval from Public Sector Audit Appointments Ltd, and will be reported in a separate fee letter if required.
- 1.5 The fees for certification work relating to the 2018/19 Housing Benefit Subsidy claim, as contained in the appendices, are summarised in the table below:

Audit Fee - Grant Claims	Planned Fee 2018/19 £	Final Fee 2018/19 £
Forest Heath DC	14,960	TBC
St Edmundsbury BC	14,960	TBC

- 1.6 Work on the certification of the Housing Benefit Subsidy returns is not yet completed and the results of this work, along with the final fees, will be reported in the Annual Certification Reports.

2. Alternative Options

- 2.1 The audit of the financial statements is governed by the Local Audit and Accountability Act 2014 and is conducted in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Therefore, there are no alternative options.

3. Consultation and engagement

- 3.1 This report and the appendices have been compiled by the Finance team in consultation external audit.

4. Risks

- 4.1 The reporting and approval of the annual accounts is a statutory function. The accounts are examined and certified by independent auditors, therefore there are no risks associated with the proposals.

5. Implications arising from the proposals

- 5.1 All implications arising from the proposals are covered within the report and its associated appendices.

6. Appendices

- 6.1 **Appendix A** – Forest Heath District Council Annual Audit Letter for the year ended 31 March 2019

Appendix B – St Edmundsbury Borough Council Annual Audit Letter for the year ended 31 March 2019

7. Background documents

- 7.1 [PAS/WS/19/008](#) - (25 July 2019) – Ernst and Young 2018/2019 Annual Results Report to those Charged with Governance

[PAS/WS/19/009](#) - (25 July 2019) – 2018-2019 Annual Statement of Accounts

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**Forest Heath District
Council**

Annual Audit Letter for the year
ended 31 March 2019

5 September 2019

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Focused on your
future



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk).

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

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

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

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



01 Executive Summary

Executive Summary

We are required to issue an annual audit letter to Forest Heath District Council (the Council) following completion of our audit procedures for the year ended 31 March 2019.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's:	Unqualified - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2019 and of its expenditure and income for the year then ended.
▶ Financial statements	
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness.	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council is below the specified audit threshold of £500 million. Therefore, we did not perform any audit procedures on the consolidation pack.

Executive Summary (cont'd)

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 22 July 2019 and subsequent addendum on 14 August 2019.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 16 August 2019.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

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Mark Hodgson

Associate Partner

For and on behalf of Ernst & Young LLP



02

Purpose and Responsibilities

Purpose and Responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 22 July 2019 Audit Results Report to the 25 July 2019 Performance & Audit Scrutiny Committee, representing those charged with governance, and subsequent addendum on 14 August 2019. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities of the Appointed Auditor

Our 2018/19 audit work has been undertaken in accordance with the Audit Plan that we issued on 18 January 2019 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2018/19 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The Council is below the specified audit threshold of £500 million. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Council

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

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



03

Financial Statement Audit

Financial Statement Audit

Key Issues

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

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 16 August 2019.

Our detailed findings were reported in our 22 July 2019 Audit Results Report to the 25 July 2019 Performance & Audit Scrutiny Committee and subsequent addendum on 14 August 2019.

The key issues identified as part of our audit were as follows:

Significant Risk

Misstatements due to fraud or error

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

Conclusion

We did not identify any material weaknesses in controls or evidence of material management override, any instances of inappropriate judgements being applied or any management bias in accounting estimates or any other transactions during our audit which appeared unusual or outside the Council's normal course of business.

Misstatements due to fraud or error - the incorrect capitalisation of revenue expenditure

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively (see above).

As the Council is more focused on its financial position over medium term, we have considered the risk of management override to be more prevalent in:

- ▶ the inappropriate capitalisation of revenue expenditure on Property, Plant and Equipment (PPE) given the extent of the Council's capital programme; and
- ▶ the manipulation of revenue expenditure funded through capital under statute (REFCUS) through the movement in reserve statement.

We did not identify any items incorrectly classified as capital expenditure.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Conclusion
<p>Misstatements due to fraud or error - the incorrect application of recharges between Forest Heath District Council and St Edmundsbury Borough Council.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively (see above).</p> <p>As the Council is more focused on its financial position over medium term, we have considered the risk of management override to be more prevalent in:</p> <p>the incorrect application of recharges between the two Councils thus manipulating the financial position of one or both Councils.</p>	<p>Our testing of recharges, did not identify any indications of management override or error. The accounting entries were appropriately supported.</p>
<p>Property, Plant and Equipment - Solar Farm Valuation</p> <p>In the 2016/17 financial year the Council purchased Greenheath Energy Ltd and associated Solar Farm asset transferring the asset into the Council's Balance sheet. We identified this purchase and transfer as a significant risk during our 2016/17 and 2017/18 financial statements audits, with particular focus on the valuation of the Solar Farm asset.</p> <p>The Council has engaged their external expert for 2017/18 (Wilkes Head and Eve), to value the Solar Farm. As in 2017/18 we expect the Solar Farm to be valued utilising the income approach, discounting future cash flows by application of a discount rate. This method relies on the accuracy of a number of assumptions, namely, future power prices, inflation and discount rates which can be subject to significant fluctuation year on year. Given the highly material nature of the asset, £14 million, relatively small percentage variations in the assumptions applied could lead to material changes in the assets valuation.</p>	<p>The valuation methodology applied by the Council's expert was not deemed to be appropriate for an asset of this type. As a result, the valuation of the Solar Farm within the financial statements was outside of an acceptable range by a material amount.</p> <p>The Council, through liaison with its expert professional valuer, reviewed the valuation methodology that was used and amended their approach to reduce the valuation by £2.55 million to £13.83 million. This valuation was within an acceptable audit range.</p> <p>The financial statements were updated to reflect this change.</p>

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Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Key Findings	Conclusion
<p>Valuation of land and buildings</p> <p>Property, Plant and Equipment represents a significant balance in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges.</p> <p>Material judgemental inputs and estimation techniques are required to calculate the year-end fixed assets balances held in the balance sheet.</p> <p>The Council has engaged their external expert for 2017/18 (Wilkes Head and Eve), to value the Council's asset base, who will apply a number of complex assumptions and assess the Council's assets to identify whether there is any indication of impairment and changes to their useful life.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>Following full consideration of their work, we placed reliance on the Council's valuation expert.</p> <p>Assets not revalued in the year - A number of the Council's Property, Plant and Equipment assets were not valued within the year, as they follow a rolling 5 year cycle.</p> <p>However, there was evidence that their carrying value at the 31 March 2019 was materially misstated. A number of these assets were reviewed by officers and indexation applied to update their carrying amount at the 31 March 2019.</p> <p>As a result of these amendments, the carrying value of Property, Plant and Equipment increased by £2.2 million, with corresponding adjustments to the Revaluation Reserve and Comprehensive Income and Expenditure Statements via the Movement in Reserves Statement.</p>
<p>Pension Liability Valuation</p> <p>The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.</p> <p>The Council's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet.</p> <p>The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body.</p> <p>Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>We have assessed and are satisfied with the competency and objectivity of the Council's actuary.</p> <p>A national issue resulted in a relatively late change to the pension fund accounts and IAS 19 fund liability disclosure. It relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements, commonly described as the McCloud ruling. Revised actuarial reports provided by the actuaries show an increase in the liability of £0.425 million to the Council's Pension Liabilities as a result of the adjustments, with further associated disclosure added to recognise this as a source of estimation uncertainty and an adjusted Post Balance sheet event.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Key Findings	Conclusion
<p>New Accounting Standards</p> <p>The CIPFA Code of practice on local authority accounting (the Code) requires the Council to comply with the requirements of two new accounting standards for 2018/19. These standards are:</p> <p>IFRS 9 financial instruments</p> <p>This new accounting standard will change how financial assets are classified and measured, how the impairment of financial assets are calculated; and the disclosure requirements for financial assets.</p> <p>There are transitional arrangements within the standard; and the 2018/19 Code provides guidance on the application of IFRS 9. However, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty on the accounting treatment.</p> <p>IFRS 15 Revenue from contracts</p> <p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations. The 2018/19 Code provides guidance on the application of IFRS 15 and includes a useful flow diagram and commentary on the main sources of LG revenue and how they should be recognised. The impact on local authority accounting is likely to be limited as large revenue streams like council tax, non domestic rates and government grants will be outside the scope of IFRS 15. However where that standard is relevant, the recognition of revenue will change and new disclosure requirements introduced.</p>	<p>We concluded that IFRS 9 - financial instruments had been applied correctly.</p> <p>We concurred with the Council's conclusion that IFRS 15 did not have a material impact on the financial statements.</p>

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £0.71 million (2018: £0.69 million), which is 2% of Gross Expenditure reported in the accounts of £35.3 million. We consider Gross Expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.
Reporting threshold	We agreed with the Performance & Audit Scrutiny Committee that we would report to the Committee all audit differences in excess of £0.036 million (2018: £0.034 million)

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We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits: We agreed all disclosures back to source data, and councillor allowances to the agreed and approved amounts.
- ▶ Related party transactions: We tested the completeness of related party disclosures and the accuracy of all disclosures by checking back to supporting evidence.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

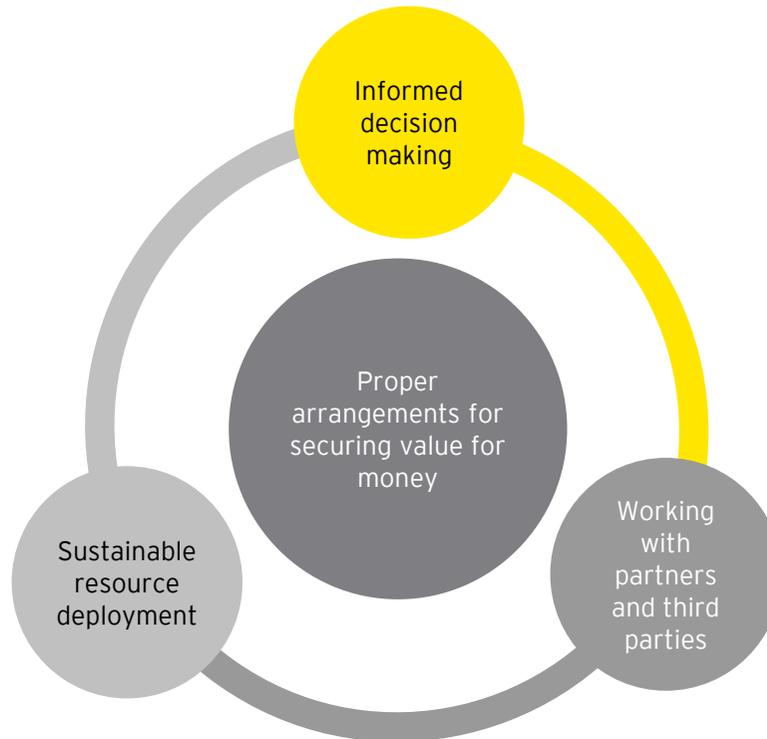


04 Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.



We identified two significant risks in relation to these arrangements. The tables below present the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.



Value for Money (cont'd)

We therefore issued an unqualified value for money conclusion on 16 August 2019.

Significant Risk	Conclusion
<p>Informed Decision Making - the move to One Council</p> <p>Following a joint application to the Secretary of State, DCLG has approved the plan which will see a parliamentary order being made to enable the West Suffolk Council to be enacted from 1 April 2019.</p> <p>The Council is currently both developing its arrangements and working in shadow form ahead of the transition.</p> <p>There is a risk that these shadow arrangements and developments do not allow a smooth transition to the new 'One Council' which impacts on both service delivery to local residents and to employees.</p>	<p>We have undertaken the procedures set out in our strategy which have focused on:</p> <ul style="list-style-type: none"> ▶ The arrangements and workings of the Shadow Council ahead of 1 April 2019; and ▶ The impact of the creation of a 'single council' on the Medium Term Financial Strategy (see below). <p>Our procedures have provided adequate assurance that the Council has followed the appropriate processes. We had no matters to report in relation to this risk.</p>

Significant Risk	Conclusion
<p>Sustainable resource deployment: Medium Term Financial Planning</p> <p>To date the Council (Forest Heath) has responded well to the financial pressure resulting from the continuing economic downturn.</p> <p>The Shadow Council is currently developing the Medium Term Financial Plan (MTFP) for the 'One Council' as part of the transition arrangements set out above and is setting a single budget for 2019/20.</p> <p>The MTFP needs to build in expected levels of grant funding from the Local Government settlement, other income streams, as well as consider the planned savings expected from the creation of the 'One Council'. There will be a need to identify any residual savings against any identified budget gaps in the next 4 year period between 2019 to 2024 of the MTFP.</p>	<p>We have undertaken the procedures set out in our strategy which have focused on:</p> <ul style="list-style-type: none"> ▶ Assessing the adequacy of the Single Council's budget setting process; ▶ Challenging the robustness of key assumptions used in medium term planning; ▶ Reviewing the Council's approach to prioritising resources whilst maintaining services; and ▶ For a sample of initiatives tested the adequacy of the Council's arrangements for delivering savings/efficiencies. <p>Our procedures have provided adequate assurance that the Council has followed the appropriate processes. We had no matters to report in relation to this risk.</p>



05

Other Reporting Issues



Other Reporting Issues

Whole of Government Accounts

The Council is below the specified audit threshold of £500 million. Therefore, we were not required to perform any audit procedures on the consolidation pack.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concerns.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2018/19 financial statements from members of the public.



Other Reporting Issues

Objections Received

We did not receive any objections to the 2018/19 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Performance & Audit Scrutiny Committee on 25 July 2019. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive audit approach and have therefore not tested the operation of controls.



06

Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2020/21 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard and although the 2020/21 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p>	<p>Until the 2020/21 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Council (West Suffolk) will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented.</p>
IASB Conceptual Framework	<p>The revised IASB Conceptual Framework for Financial Reporting (Conceptual Framework) will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>This introduces;</p> <ul style="list-style-type: none"> - new definitions of assets, liabilities, income and expenses - updates for the inclusion of the recognition process and criteria and new provisions on derecognition - enhanced guidance on accounting measurement bases - enhanced objectives for financial reporting and the qualitative aspects of financial information. <p>The conceptual frameworks is not in itself an accounting standard and as such it cannot be used to override or disapply the requirements of any applicable accounting standards.</p> <p>However, an understanding of concepts and principles can be helpful to preparers of local authority financial statements when considering the treatment of transactions or events where standards do not provide specific guidance, or where a choice of accounting policies is available.</p>	<p>It is not anticipated that this change to the Code will have a material impact on Local Authority financial statements.</p> <p>However, Authorities will need to undertake a review to determine whether current classifications and accounting remains valid under the revised definitions.</p>

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07

Audit Fees

Audit Fees

Our fee for 2018/19 is in line with the scale fee set by the PSAA / NAO as agreed with your in our Engagement Letter and reported in our 22 July 2019 Audit Results Report.

	Final Fee 2018/19	Planned Fee 2018/19	Scale Fee 2018/19	Final Fee 2017/18
	£s	£s	£s	£s
Total Audit Fee - Code work	Note 1	36,253 + Note 1	36,253	50,021
Grant Claims (Note 2)	Note 2	14,960	N/A	12,442
Total Fees		51,213	36,253	62,463

Note 1 - The final fee for 2018/19 Code work will include additional audit costs associated with the additional work to be performed over the valuation of the Solar farm asset. We would expect this additional fee to be in the range of £1,500 - £2,500. We are also considering the impact of the additional work associated with asset valuations and pension adjustments reported within this letter on our final fee.

We will discuss and agree our proposed additional fee with the Chief Finance Officer before gaining formal approval from Public Sector Audit Appointments Ltd (PSAA) for the scale fee variation. We will report our final fee to you in a separate fee letter.

Note 2 - As your appointed auditor for the financial statements audit, we are pleased that for 2018/19 the Council has appointed us to act as reporting accountants in relation to the housing benefit subsidy claim. There is therefore no scale fee prescribed by PSAA as it is now no longer within their remit.

The planned fee shown, is based on the level of error within the current claim and the work required to certify that. This may change dependent on the level of error within the claim under review. We will report the final fee within our Annual Certification Report.

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**St Edmundsbury Borough
Council**

Annual Audit Letter for the year
ended 31 March 2019

5 September 2019

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Focused on your future



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk).

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

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

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

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



01

Executive Summary

Executive Summary

We are required to issue an annual audit letter to St Edmundsbury Borough Council (the Council) following completion of our audit procedures for the year ended 31 March 2019.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's:	Unqualified - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2019 and of its expenditure and income for the year then ended.
▶ Financial statements	
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness.	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Page 2

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council is below the specified audit threshold of £500 million. Therefore, we did not perform any audit procedures on the consolidation pack.

Executive Summary (cont'd)

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 22 July 2019 and subsequent addendum on 14 August 2019.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 16 August 2019.

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We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.



Mark Hodgson

Associate Partner

For and on behalf of Ernst & Young LLP



02

Purpose and Responsibilities



Purpose and Responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 22 July 2019 Audit Results Report to the 25 July 2019 Performance & Audit Scrutiny Committee, representing those charged with governance, and subsequent addendum on 14 August 2019. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

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Our 2018/19 audit work has been undertaken in accordance with the Audit Plan that we issued on 18 January 2019 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2018/19 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
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- ▶ Reporting by exception:
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 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The Council is below the specified audit threshold of £500 million. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Council

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



03

Financial Statement Audit

Financial Statement Audit

Key Issues

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

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 16 August 2019.

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The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Misstatements due to fraud or error</p> <p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We identify and respond to this fraud risk on every audit engagement.</p>	<p>We did not identify any material weaknesses in controls or evidence of material management override, any instances of inappropriate judgements being applied or any management bias in accounting estimates or any other transactions during our audit which appeared unusual or outside the Council's normal course of business.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Conclusion
<p>Misstatements due to fraud or error - the incorrect capitalisation of revenue expenditure</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively (see above).</p> <p>As the Council is more focused on its financial position over medium term, we have considered the risk of management override to be more prevalent in:</p> <p>Page 48 the inappropriate capitalisation of revenue expenditure on Property, Plant and Equipment (PPE) given the extent of the Council's capital programme; and</p> <p>the manipulation of revenue expenditure funded through capital under statute (REFCUS) through the movement in reserve statement.</p>	<p>We did not identify any items incorrectly classified as capital expenditure.</p>
<p>Misstatements due to fraud or error - the incorrect application of recharges between St Edmundsbury Borough Council and Forest Heath District Council</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively (see above).</p> <p>As the Council is more focused on its financial position over medium term, we have considered the risk of management override to be more prevalent in:</p> <ul style="list-style-type: none"> ▶ the incorrect application of recharges between the two Councils thus manipulating the financial position of one or both Councils. 	<p>Our testing of recharges, did not identify any indications of management override or error. The accounting entries were appropriately supported.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Key Findings	Conclusion
<p>Valuation of land and buildings</p> <p>Property, Plant and Equipment represents a significant balance in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges.</p> <p>Material judgemental inputs and estimation techniques are required to calculate the year-end fixed assets balances held in the balance sheet.</p> <p>The Council has engaged their external expert for 2017/18 (Wilkes Head and Eve), to value the Council's asset base, who will apply a number of complex assumptions and assess the Council's assets to identify whether there is any indication of impairment and changes to their useful life.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>Following full consideration of their work, we have placed reliance on the Council's valuation expert.</p> <p>Assets not revalued in the year - A number of the Council's Property, Plant and Equipment assets were not valued within the year, as they follow a rolling 5 year cycle.</p> <p>However, there was evidence that their carrying value at the 31 March 2019 was materially misstated. A number of these assets were reviewed by officers and indexation applied to update their carrying amount at the 31 March 2019.</p> <p>As a result of these amendments, the carrying value of Property, Plant and Equipment increased by £4.9 million, with corresponding adjustments to the Revaluation Reserve and Comprehensive Income and Expenditure Statements via the Movement in Reserves Statement.</p>
<p>Pension Liability Valuation</p> <p>The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.</p> <p>The Council's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet.</p> <p>The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body.</p> <p>Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>We have assessed and are satisfied with the competency and objectivity of the Council's actuary.</p> <p>A national issue resulted in a relatively late change to the pension fund accounts and IAS 19 fund liability disclosure. It relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements, commonly described as the McCloud ruling. Revised actuarial reports provided by the actuaries show an increase in the liability of £0.9 million to the Council's Pension Liabilities as a result of the adjustments, with further associated disclosure added to recognise this as a source of estimation uncertainty and an adjusted Post Balance sheet event.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Key Findings	Conclusion
<p>New Accounting Standards</p> <p>The CIPFA Code of practice on local authority accounting (the Code) requires the Council to comply with the requirements of two new accounting standards for 2018/19. These standards are:</p>	<p>We concluded that IFRS 9 financial instruments had been applied correctly.</p> <p>We concurred with the Council's conclusion that IFRS 15 did not have a material impact on the financial statements.</p>
<p>IFRS 9 financial instruments</p> <p>This new accounting standard will change how financial assets are classified and measured, how the impairment of financial assets are calculated; and the disclosure requirements for financial assets.</p>	
<p>There are transitional arrangements within the standard; and the 2018/19 Code provides guidance on the application of IFRS 9. However, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty on the accounting treatment.</p>	
<p>IFRS 15 Revenue from contracts</p> <p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations. The 2018/19 Code provides guidance on the application of IFRS 15 and includes a useful flow diagram and commentary on the main sources of LG revenue and how they should be recognised. The impact on local authority accounting is likely to be limited as large revenue streams like council tax, non domestic rates and government grants will be outside the scope of IFRS 15. However where that standard is relevant, the recognition of revenue will change and new disclosure requirements introduced.</p>	

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £1.4 million (2018: £1.5 million), which is 2% of Gross Expenditure reported in the accounts of £68.0 million. We consider Gross Expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.
Reporting threshold	We agreed with the Performance & Audit Scrutiny Committee that we would report to the Committee all audit differences in excess of £0.074 million (2018: £0.074 million)

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits: We agreed all disclosures back to source data, and councillor allowances to the agreed and approved amounts.
- ▶ Related party transactions: We tested the completeness of related party disclosures and the accuracy of all disclosures by checking back to supporting evidence.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.



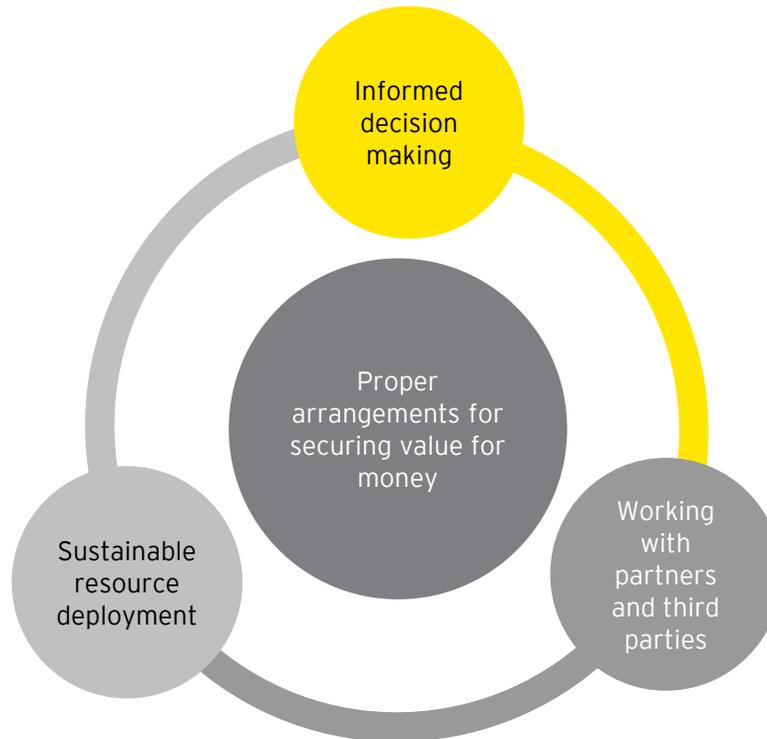
04 Value for Money

Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.



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We identified two significant risks in relation to these arrangements. The tables below present the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.



Value for Money (cont'd)

We therefore issued an unqualified value for money conclusion on 16 August 2019.

Significant Risk	Conclusion
<p>Informed Decision Making - the move to One Council</p> <p>Following a joint application to the Secretary of State, DCLG has approved the plan which will see a parliamentary order being made to enable the West Suffolk Council to be enacted from 1 April 2019.</p> <p>The Council is currently both developing its arrangements and working in shadow form ahead of the transition.</p> <p>There is a risk that these shadow arrangements and developments do not allow a smooth transition to the new 'One Council' which impacts on both service delivery to local residents and to employees.</p>	<p>We have undertaken the procedures set out in our strategy which have focused on:</p> <ul style="list-style-type: none"> ▶ The arrangements and workings of the Shadow Council ahead of 1 April 2019; and ▶ The impact of the creation of a 'single council' on the Medium Term Financial Strategy (see below). <p>Our procedures have provided adequate assurance that the Council has followed the appropriate processes. We had no matters to report in relation to this risk.</p>
<p>Sustainable resource deployment: Medium Term Financial Planning</p> <p>To date the Council (St Edmundsbury) has responded well to the financial pressure resulting from the continuing economic downturn.</p> <p>The Shadow Council is currently developing the Medium Term Financial Plan (MTFP) for the 'One Council' as part of the transition arrangements set out above and is setting a single budget for 2019/20.</p> <p>The MTFP needs to build in expected levels of grant funding from the Local Government settlement, other income streams, as well as consider the planned savings expected from the creation of the 'One Council'. There will be a need to identify any residual savings against any identified budget gaps in the next 4 year period between 2019 to 2024 of the MTFP.</p>	<p>We have undertaken the procedures set out in our strategy which have focused on:</p> <ul style="list-style-type: none"> ▶ Assessing the adequacy of the Single Council's budget setting process; ▶ Challenging the robustness of key assumptions used in medium term planning; ▶ Reviewing the Council's approach to prioritising resources whilst maintaining services; and ▶ For a sample of initiatives tested the adequacy of the Council's arrangements for delivering savings/ efficiencies. <p>Our procedures have provided adequate assurance that the Council has followed the appropriate processes. We had no matters to report in relation to this risk.</p>



05

Other Reporting Issues



Other Reporting Issues

Whole of Government Accounts

The Council is below the specified audit threshold of £500 million. Therefore, we were not required to perform any audit procedures on the consolidation pack.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concerns.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2018/19 financial statements from members of the public.



Other Reporting Issues

Objections Received

We did not receive any objections to the 2018/19 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Performance & Audit Scrutiny Committee on 25 July 2019. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive audit approach and have therefore not tested the operation of controls.



06

Focused on your future



Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2020/21 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard and although the 2020/21 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p>	<p>Until the 2020/21 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Council (West Suffolk) will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented.</p>
IASB Conceptual Framework	<p>The revised IASB Conceptual Framework for Financial Reporting (Conceptual Framework) will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>This introduces;</p> <ul style="list-style-type: none"> - new definitions of assets, liabilities, income and expenses - updates for the inclusion of the recognition process and criteria and new provisions on derecognition - enhanced guidance on accounting measurement bases - enhanced objectives for financial reporting and the qualitative aspects of financial information. <p>The conceptual frameworks is not in itself an accounting standard and as such it cannot be used to override or disapply the requirements of any applicable accounting standards.</p> <p>However, an understanding of concepts and principles can be helpful to preparers of local authority financial statements when considering the treatment of transactions or events where standards do not provide specific guidance, or where a choice of accounting policies is available.</p>	<p>It is not anticipated that this change to the Code will have a material impact on Local Authority financial statements.</p> <p>However, Authorities will need to undertake a review to determine whether current classifications and accounting remains valid under the revised definitions.</p>

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07

Audit Fees

Audit Fees

Our fee for 2018/19 is in line with the scale fee set by the PSAA / NAO as agreed with you in our Engagement Letter and reported in our 22 July 2019 Audit Results Report.

	Final Fee 2018/19	Planned Fee 2018/19	Scale Fee 2018/19	Final Fee 2017/18
	£s	£s	£s	£s
Total Audit Fee - Code work	Note 1	33,701	33,701	43,767
Grant Claims (Note 2)	Note 2	14,960	N/A	21,700
Total Fees		48,661	33,701	65,467

Note 1 - We are considering the impact of the additional work associated with asset valuations and pension adjustments reported within this letter on our final fee. We will discuss and agree our proposed additional fee with the Chief Finance Officer before gaining formal approval from Public Sector Audit Appointments Ltd (PSAA) for the scale fee variation. We will report our final fee to you in a separate fee letter if required.

Note 2 - As your appointed auditor for the financial statements audit, we are pleased that for 2018/19 the Council has appointed us to act as reporting accountants in relation to the housing benefit subsidy claim. There is therefore no scale fee prescribed by PSAA as it is now no longer within their remit.

The planned fee shown, is based on the level of error within the current claim and the work required to certify that. This may change dependent on the level of error within the claim under review. We will report the final fee within our Annual Certification Report.

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Local Government Ombudsman: Annual Report

Report No:	PAS/WS/19/013	
Report to and date:	Performance and Audit Scrutiny Committee	26 September 2019
Cabinet Members:	Councillor John Griffiths Leader of the Council Tel: 07958 700434 Email: john.griffiths@westsuffolk.gov.uk Councillor Sarah Broughton Cabinet Member for Resources and Performance Tel: 01284 787327 Email: sarah.broughton@westsuffolk.gov.uk	
Lead officer:	Leah Mickleborough Monitoring Officer Tel: 01284 757162 Email: leah.mickleborough@westsuffolk.gov.uk	
Decisions Plan:	Not applicable.	
Wards impacted:	No specific wards are impacted by this report	
Recommendation:	It is recommended that the Performance and Audit Scrutiny Committee: <u>Notes</u> the content of this report, and agrees with the recommended approach to reporting Ombudsman complaints as included in Section 5 of this report, being Report No: PAS/WS/19/013.	

1. Background / Context

- 1.1 The Local Government and Social Care Ombudsman (LGO) is appointed by the Government to resolve complaints which cannot be resolved by the Council itself. Each year, it considers thousands of complaints from members of the public about the way that Councils operate and seeks to independently and fairly adjudicate on them, reaching a final conclusion.
- 1.2 Before the LGO will consider a complaint, the complainant must first seek to exhaust the Council’s own complaints process. At West Suffolk, this will mean that the complainant must go through two stages:
- a) Stage 1: The service will review the complaint, and respond accordingly. The response will usually be from the Service Manager or Assistant Director.
 - b) Stage 2: If the complainant is dissatisfied, the Council’s legal service will undertake a review of the complaint. The complainant will be informed that if they are still unhappy, they may refer the matter to the LGO
- 1.3 As such, the LGO will only consider the small number of cases where the complainant feels it necessary, having exhausted the Council’s own procedures (even where the complaint has been upheld), to progress the matter further. By their nature, such cases can be very complicated, and have arisen over a long period of time.
- 1.4 Each year, the LGO issues an annual report on its activity, which maps the volume and nature of complaints it has received across the Country. This is available on the LGO’s website. Each Council is also issued with its own performance report. This report to the Performance and Audit Scrutiny Committee seeks to inform members of the outcome of the final annual performance reports for Forest Heath and St Edmundsbury Councils, in comparison to national performance measures.

2. Number of Complaints for Forest Heath and St Edmundsbury

- 2.1 The number of complaints raised with the Ombudsman can be seen as a measure of the Council’s performance in resolving matters before they escalate. The numbers are categorised by service area, as follows:

	Forest Heath	St Edmundsbury	National Average for similar councils
Benefits and Tax	2	0	2.3
Corporate services	1	0	1.4
Environmental services	1	1	2.2
Housing	1	5	2.4
Planning	4	3	5.1
Total	9	9	13.4

- 2.2 As such, both Forest Heath and St Edmundsbury Councils received fewer complaints than similar Councils nationally in 2018/2019.
- 2.3 Members may note that the combined figures for West Suffolk, 18 complaints, is higher than the national average. There is, in practice, a direct correlation between the size of Council and the number of complaints. West Suffolk is the 8th largest District Council, by population. The 10 biggest District Councils (including East and West Suffolk) averaged 25 complaints each to the LGO last year.

3. Outcome of Complaints considered by the LGO

- 3.1 When the Ombudsman receives a complaint, they will first assess it against their criteria to ensure it is valid, the complainant has exhausted the Council's own process and that there is public interest in investigating the matter further. If it is unlikely the matter has resulted in any detriment to the complainant, it will be closed following initial review.
- 3.2 If the Ombudsman decides to investigate further, they will then either uphold the complaint, or not uphold it. They may agree with any remedial action taken by the Council, or ask the Council to undertake further actions. The outcomes in respect of Forest Heath and St Edmundsbury were:

	Forest Heath	St Edmundsbury	National Average for similar councils
Incomplete / invalid	0	0	0.6
Advice given to complainant	0	0	0.6
Referred back to the Council	4	3	4.4
Closed following initial review	4	2	5.3
Not Upheld following investigation	0	1	1.9
Upheld following investigation	2	0	1.5 (43%)
Total	10	6	14.3

- 3.3 It should be noted that there will inevitably be a difference between the number of complaints raised in a year, and the outcomes of cases, as some cases will be unresolved at each year end. This means that the outcome figures will include cases raised in 2017/2018.
- 3.4 Two cases at Forest Heath Council were upheld. One case, reference 15018979, was reported to the former Forest Heath Performance and Audit Scrutiny Committee in October 2018. The details of the second case, reference 18009162, is included at **Appendix 1**. In the second case, the LGO felt that the Council had already taken all necessary action to resolve the complaint. Whilst it is disappointing that two cases are upheld, this represents just 12.5% of the complaints the LGO considered in the year.

- 3.5 The LGO encourages Councils to evaluate their referral levels. The LGO note that more complaints tend to be referred back to Councils where there is limited information available to people on how to complain. Both Forest Heath and St Edmundsbury were within the national average figure. Looking at the “top 10” authorities by size, an average of 6.4 referrals are made back to the Council.
- 3.6 The Ombudsman has also reported the Council’s compliance rate is 100%, meaning the Ombudsman is satisfied the Council has agreed with their findings and undertaken the necessary action in response to the complaint.

4. Considering LGO outcomes in future

- 4.1 Historically, officers reported to the Forest Heath and St Edmundsbury Performance and Audit Committees where there was a finding of fault on the part of the Council, and the Council was required to pay compensation. This reporting was confirming to the Committee what had already occurred, as the Council is often given limited time to remedy such findings.
- 4.2 With this in mind, Officers suggest that in future, where the Ombudsman finds fault but the remedy suggested is less than £1,000, such cases will be included in this annual report. Where the remedy suggested is more than £1,000, or in the rare event the Officers consider the Council should reject the findings of the Ombudsman, such cases will be reported to the next meeting of the Performance and Audit Committee.

5. Conclusion

- 5.1 Overall, Forest Heath and St Edmundsbury performed relatively well in comparison to other authorities, in that a smaller proportion of complaints were escalated to the Ombudsman and, whilst it is disappointing that two complaints were upheld, in just one case did the Ombudsman find it necessary to require the Council to take specific action. The Ombudsman are satisfied the Council is compliant with its recommendations.
- 5.2 The Council will receive its first report as West Suffolk next year, and care will need to be taken to ensure that fair comparisons can be made to properly evaluate the Council’s performance.

6. Risks

- 6.1 Legal Compliance – the Monitoring Officer is required to report to Council where the LGO makes a significant adverse finding (public interest report). No such cases have arisen in year.
- 6.2 Impact on others – failure to handle complaints and concerns raised appropriately can lead to upset or loss for members of the public, and reputational damage to the Council.

7. Appendices

- 7.1 **Appendix 1** – Outcome of Complaint 18009162.

8. Background documents

- 8.1 Local Government Ombudsman: Annual Review, available from the LGO's website, www.lgo.org.uk

Report: "Decision relating to Complaint to Local Government Ombudsman", Forest Heath Performance and Audit Scrutiny Committee 27 September 2018 at <http://svr-mgov-01:9070/documents/s29915/PAS.FH.18.033%20-%20Decision%20Local%20Ombudsman%20Complaint.pdf>

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Details of Complaint upheld by the Local Government Ombudsman

Complaint

The complainants whom I shall refer to as Mr and Mrs X complain about the way the Council publicised and dealt with a planning application for a development near to their property. They say it will have a detrimental impact onto their amenities.

What the Local Government Ombudsman Found

The Council received a planning application to build two bungalows on land next to Mr and Mrs X's property. The Council erected a notice near the site and sent notification letters to nearby properties to advertise the application.

The planning case officer visited the site and took photographs. The Council considered the application under officers' delegated powers. The planning case officer prepared a report on the application. The report described the proposal, site and referred to properties immediately north and south of the land.

The officer considered the principle of development and noted a presumption for sustainable development. And the Council would approve proposals that accorded with the adopted development plan. The officer said the proposal site was near to recently built houses so considered the principle of use and number of properties in the location acceptable. The officer considered the design and form of the proposal. And said proposals must take account of the character, scale, density and massing of the existing locality, and not adversely impact on significant street patterns. The officer noted properties nearby were single storey with chalet style types to the south. The officer considered the proposal was an acceptable design and form.

The officer considered the impact on amenity and noted the height of the proposed bungalows. The officer said the limited height and shape of roof ensured impacts from overbearing or overshadowing were located further from neighbouring properties. The officer noted the height of the roof could enable the occupant to convert it for more accommodation. So, recommended a condition on the approval to prevent installation of roof lights to keep neighbour amenity.

The officer considered the proposal acceptable and complied with the relevant development plan policies and national planning guidelines. The officer recommended approval subject to planning conditions. Senior officers considered the report and granted planning permission.

Details of the Complaint

Mr and Mrs X became aware of the planning approval and complained to the Council. They said:

- The Council failed to notify them and their neighbour of the planning application despite their properties adjoining the site. And the Council sent notification letters to two properties that were further away than theirs. Although the Council erected a site notice Mr and Mrs X said it was not near to their property and they do not walk along the road where the notice was.
- The plans submitted with the application were out of date and did not show their property. Mr and Mrs X said their home was on a sloping site so any properties built on the bordering land would be much higher than theirs whatever the design. Mr and Mrs X questioned whether the case officer had visited the site and said the officer failed to view the proposal from their property. So, Mr and Mrs X expressed concern officers had not assessed the impact of the proposal onto their property.
- The proposed bungalows would be built close to their boundary and the gable end of the homes affect their privacy and block light to their property. Mr and Mrs X said a recent structure on the application site showed the height of the proposed bungalows and the impact onto their property. Mr and Mrs X said they would have objected if told about the proposal.
- They would be subject to noise and dust during construction and loss of privacy as builders could see into their property.

The Council's response

The Council dealt with Mr and Mrs X's complaints at stage one and two of the complaints procedure. The Council explained planning law requires a council to publicise an application either by placing a site notice near to the site or by sending notification letters to adjacent properties. The Council's Statement of Community Involvement requires it to do both.

The Council noted Mr and Mrs X's and their neighbour's property were newly built and so not recorded on the Council's electronic mapping system. The Council said this was not unusual but it expected a case officer to note such properties when visiting the application site. And then check whether the properties been sent a notification letter. If not, the officer should issue a consultation letter. The Council said case records showed Mr and Mrs X had not been sent a consultation letter so apologised for the oversight.

The Council later found an error with the IT system that produces letters to neighbouring properties and it had not created a letter to Mr and Mrs X or their neighbour. The Council said it would look into the error further. The Council noted it displayed a site notice near the site. But accepted this did not mitigate the failure to consult directly with Mr and Mrs X.

The Council confirmed the case officer carried out a site visit, erected a site notice and took a photograph of the site. This showed the relationship to the houses adjoining the site including Mr and Mrs X's property. The Council said the planning officer's report mentioned Mr and Mrs X's property several times by referring to properties to the south of the site and they were recently built dwellings.

The Council said from this it was satisfied the officer report showed it directly addressed and considered the relationship of the proposed development to the rear boundary. And the elevations of Mr and Mrs X's property were considered when assessing the application. The report concluded the relationship was acceptable and the Council saw no reason to disagree with the assessment. The report also included a condition to restrict roof lights being inserted in the future to prevent overlooking of neighbouring properties. So, while it regretted the failure to notify Mr and Mrs X, it did not consider the decision to approve would have been any different even if they had sent objections.

However, the Council realised the impact its failure to notify had on Mr and Mrs X and the lost opportunity to make representations. So, offered Mr and Mrs X a £300 payment in compensation.

Mr and Mrs X remained unhappy with the Council's response and said the officer's photograph of the site barely showed their property or the height difference between the two gardens. Mr and Mrs X expressed disappointment the officer did not view the proposal from their garden to assess the impact on them. Mr and Mrs X also complained the Council had failed to respond to their complaints twice within the 20-working day target.

The Council accepted that while the photograph did not show all the adjoining properties and the application site plan did not show Mr and Mrs X's property, it was clear the officer inspected the site. The Council considered it reasonable to rely on the experience and expertise of its professional officers to recommend and determine planning applications. The Council said the plans showed the development near the common boundary. But the new bungalows only had an obscured bathroom window facing Mr and Mrs X's property with the habitable rooms on other elevations. The Council said the design of the roof reduced the visual bulk of the home way from the boundary to minimise the impact on neighbouring properties.

The Council acknowledged delays in dealing with Mr and Mrs X's complaint and the frustrations caused. It accepted a system error meant officers could not trace Mr and Mrs X's original stage one complaint. So, Mr and Mrs X needed to resubmit it. The Council apologised for its handling of the complaints.

The Council said planning services were investigating the error on the IT system in processing letters to all neighbouring properties. The Council said it would consider additional training to case officers to ensure they checked consultation records and corresponded with those who live by a development site. The Council would also look at the error about losing the original stage one complaint from Mr and Mrs X.

The Local Government Ombudsman's findings

The Council accepts it did not follow its Statement of Community Involvement when carrying out publicity for the planning application. This requires a site notice and neighbour notification letters to adjacent properties. The Council accepts it was required to tell Mr and Mrs X of the application and the case officer did not identify the failure to issue notification letters to Mr and Mrs X.

The failure to tell Mr and Mrs X is fault by the Council as its Statement of Community Involvement specifies it will erect a site notice and tell adjacent owners. I consider the fault caused an injustice to Mr and Mrs X as they lost an opportunity to comment on the proposal and explain their concerns. The Council has apologised for its failure to notify and offered Mr and Mrs X £300 in compensation. I consider this is a suitable payment and will remedy the injustice they have been caused over the lost opportunity to comment.

When considering planning applications Councils must consider what people say about proposed developments, but they need not agree with those comments. They must also look at planning policy and all other relevant planning matters affecting the development often weighing and balancing competing views and interests to reach a planning decision. Normally, if councils consider development is consistent with current planning policy and find no planning reason of sufficient weight to justify a refusal, it will get planning permission.

So, I consider, on balance, that even if Mr and Mrs X had sent objections the Council's decision to approve would have been the same. This is because the Council's documents show the case officer was aware of Mr and Mrs X's property and referred to it when assessing the impact of the proposal onto their amenities. The officer considered height of the proposed dwellings, design of the roof and considered it reduced the impact onto neighbouring properties. The officer also recommended a condition to prevent development in the roof space to protect neighbour amenity. The officer considered the proposal against current planning policy and assessed it as acceptable. This is a decision the Council is entitled to make. There is no fault in the way the Council considered the planning application so no grounds for the Ombudsman to question the merits of the Council's decision.

The Council has apologised for the delays in dealing with Mr and Mrs X's complaints. It has agreed to investigate the system error which led to the complaint being lost. While I recognise the frustration caused I consider the apology is suitable action for the Council to take.

The Council has also agreed to investigate the system error into why Mr and Mrs X were not notified of the application and to ensure officers check the consultation carried out. Again, I consider this suitable action for the Council to take.

Mr and Mrs X have raised concerns about possible noise, dust and invasion of their privacy while building works take place. Unfortunately, some disruption is unavoidable from development works. But Mr and Mrs X will need to raise any significant concerns with the Council should such issues arise.

Agreed Action

Within one month of the date of this decision the Council will pay Mr and Mrs X £300 as a compensation payment in recognition of their lost opportunity to comment on the planning application for development near to their property.

I am completing my investigation. There was fault by the Council as it failed to tell Mr and Mrs X about the planning application near to their property. So, they lost an opportunity to comment. The Council's apology and payment offer to Mr and Mrs X is a suitable remedy for the injustice caused. But there is no fault in the way the Council considered the planning application.

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Treasury Investment Limits 2019-2020

Report No:	PAS/WS/19/014	
Report to and date:	Performance and Audit Scrutiny Committee	26 September 2019
Cabinet Member:	Councillor Sarah Broughton Tel: 07929 305787 Email: sarah.broughton@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Decisions Plan:	N/A	
Wards impacted:	All wards	
Recommendation:	<p>Performance and Audit Scrutiny Committee:</p> <p>It is <u>RECOMMENDED</u> that Members <u>note</u> the delegated decision made on 19 August 2019 to revise investment limits for un-rated building societies by £1,000,000 to a maximum of £2,000,000 per institution giving a maximum exposure of £12,000,000 in this class of investment.</p>	

1. Background / Context

- 1.1 West Suffolk Council currently holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In 2018/2019, West Suffolk Council’s investment balance has ranged between £52.4m and £66.3m. During 2019/2020 and in future years, due to the Authority’s Capital Programme, these levels are expected to fall dramatically.
- 1.2 In the first months of this year the cash available for investment has exceeded our forecast by £4m due to changes in profile of our capital programme and increased business rate retention receipts.
- 1.3 There has also been increased difficulty in placing that cash with some of the counter-parties identified in the Treasury Management Strategy. This is driven by a variety of factors:
 - Institutions withdrawing from the market due to uncertainty relating to Brexit (Close Bros, Goldman Sachs and Standard Chartered).
 - The inter-authority market is awash with cash. The IdealTrade platform has multiple lending offers at very low rates. West Suffolk’s offering received no interest from any other parties.
- 1.4 The net impact of higher cash balances and limited availability of investment counterparties meant that we would exceed our investment limits by £4m if we did not amend the Treasury Strategy.

2. Amendment to Treasury Strategy Investment Limits

- 2.1 Upon consultation with our Treasury advisors Arlingclose it was identified that the best opportunity available to us in terms of security, portfolio balance and returns would be to increase our investments with building societies.
- 2.2 The existing investment limits approved for 2019/2020 are below:

Credit Rating	Banks Unsecured	Banks Secured	Pooled Funds
AAA	£6m 5 years	£12m 20 years	£12m 20 years
AA+	£6m 5 years	£12m 10 years	£12m 15 years
AA	£6m 4 years	£10m 5 years	£10m 15 years
AA-	£6m 3 years	£10m 4 years	£10m 10 years
A+	£6m 2 years	£8m 3 years	£8m 5 years
A	£6m 13 months	£8m 2 years	£8m 5 years
A-	£6m 6 months	£6m 13 months	£6m 5 years

None	£1m 6 months	n/a	£1m 5 years
UK Government	£Unlimited, 50 Years		
Other UK Local Authorities	Using Arlingclose Rating Formula (Per iDeal trade platform) Gold - £12m, 5 years Silver - £10m, 5 years Bronze - £8m, 5 years		

- 2.3 Under the delegated authority, as per the Treasury Management Strategy, of the Portfolio Holder for Resources and Performance and the S151 Officer the investment limits for building societies have been changed from £1m to £2m for institutions that have no credit rating (this is normal for Building Societies). These institutions are still required to have an asset base of £1bn and we will only deal with the top 15 institutions that meet that criteria.

- 2.4 The total potential exposure to the sector would increase in turn from £6m to £12m. For context this limit was £9m across both St Edmundsbury Borough Council and Forest Heath District Council in previous Treasury Management Strategies.

- 2.5 This increase in limits enabled West Suffolk Council to place £1m each at Principality, Nottingham, National Counties and Newcastle Building Societies at reasonable rates (0.75%-0.81%) and remain within the revised Treasury Management Strategy limits.

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Approach to Delivering a Sustainable West Suffolk Council Budget: 2020-2021 and Medium Term Financial Strategy (MTFS) 2020-2024

Report No:	PAS/WS/19/015	
Report to and dates:	Performance and Audit Scrutiny Committee	26 September 2019
	Cabinet	8 October 2019
Cabinet Member:	Councillor Sarah Broughton Tel: 07929 305787 Email: sarah.broughton@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Decisions Plan:	This item is included in the Cabinet's Decisions Plan	
Wards impacted:	All wards	
Recommendation:	Performance and Audit Scrutiny Committee: It is <u>RECOMMENDED</u> that Members consider and note the approach and timescales for the 2020/2021 budget setting process and medium term plans out to 2024.	

1. Background / Context

- 1.1 At its meeting of 19 February 2019, the Shadow Council approved a budget for 2019/2020 (current financial year) and Medium Term Financial Plan for West Suffolk Council to 2023. This Medium Term Financial Plan delivered a balanced position for the first two years (2019-2021), followed by a budget gap of £2.7m* in 2021/2022 and £3.9m* in 2022/2023 (based on the indicative budget forecasts for those years). Note the budget gaps quoted here are cumulative figures, meaning if £2.7m of reoccurring savings/income initiatives are identified for 2021/2022 then only a further £1.7 (£3.9m - £2.7m) will be required in 2022/2023.
- 1.2 To go into an annual budget process and have an indicative balanced budget position for the forthcoming year is a credit to the former councils and their excellent track record of good financial management, decision making and delivery. It is not uncommon for local authority financial plans to identify budget challenges in the later years of their medium term financial plans, especially given anticipated inflationary and demand pressures and the uncertainties inherent in longer term forecasting.
- 1.3 The focus of this year's budget setting process is to identify material and realistic savings and income initiatives linked to our investing, transforming and behaving commercially MTFs themes (see 2.1 below) that can then enable a financially sustainable medium term position. These will cover both locally controlled and nationally driven initiatives and also any changes in the wider economic environment.

* This is the £2.3m and £3.5m budget gap as set out in the February 2019 budget and council tax paper plus £0.4m of pre-existing corporate savings targets included in the MTFs.

Future budget pressure and challenges

- 1.4 West Suffolk continues to face considerable financial challenges as a result of increased cost and demand, plus pressures and constraints on public sector spending from central government. It is clear that even without the proposed removal in Revenue Support Grant (RSG), the council has underlying net cost pressures. This includes costs rising faster than income inflation.
- 1.5 There continues to be increasing demand for support and advice relating to housing options and homelessness. Whilst the council has already increased staffing levels in the housing team, this additional demand is likely to continue for the foreseeable future. Demand pressures are as a result of continued welfare reform challenges, including the introduction of Universal Credit, the affordability of the local housing market and changes to Homelessness legislation which came into force from April 2018.
- 1.6 The future of public sector spending from central government is uncertain. The 2020/2021 one year spending round provides some comfort in the assumptions that underpin our indicative budget for 2020/2021, however setting a medium term plan beyond 2020/2021 with any degree of certainty is extremely challenging.

- 1.7 The government continues to show their commitment to the increased business rates retention scheme to 75% (from the current 50%) alongside the fairer funding review (needs based assessment/funding), this is predicted now to be from April 2021.
- 1.8 The worst case scenario for the review of the needs based assessment / formula could be to re-set our financial needs settlement right back to a steady level of growth from 2013 rather than that actually experienced in West Suffolk, thus removing the majority of the growth we retain under the current 50% BRR scheme. This would remove a significant amount of income (£2.5m) from the budget in 2021/2022, which is not taken into account as yet in the budget gap numbers presented in 1.1 above. This situation will be monitored and reviewed as information becomes available. We will continue to lobby and input into DCLG consultations in order to make our position clear.

2. Key Assumptions

- 2.1 The 2020/2021 budget and medium term financial plans and approach will continue to follow the current West Suffolk Council Strategic Framework (three priorities – Growth, Housing and Families and Communities) and Medium Term Financial Strategy (six themes) below, until such time as a new set of priorities and themes emerge.
 1. aligning resources to both West Suffolk councils’ strategic plan and essential services;
 2. continuation of the shared service agenda and transformation of service delivery;
 3. behaving more commercially;
 4. considering new funding models (e.g. acting as an investor);
 5. encouraging the use of digital forms for customer access; and
 6. taking advantage of new forms of local government finance (e.g. business rate retention).
- 2.2 The 2020/2021 budget and medium term financial plans assumes the seven year (now six year) council tax harmonisation plan as set out in the Budget and Council Tax setting report to Shadow Council in February 2019. As is the case every year, the formal setting of council tax will be subject to the annual democratic process through to February Council in 2019.
- 2.3 It is important to note that there are limitations on the degree to which West Suffolk can identify all of the potential changes within its medium term financial projections. It is also important to remember that these financial models have been produced within a financial environment that is constantly changing and that they will be subject to significant change over time.

3. Proposed Approach for securing a balanced budget 2020-2024

- 3.1 The starting position is from the existing approved medium term financial plan which at February 2019 was balanced for 2020/2021 followed by a budget gap of £2.7m in 2021/2022 and £3.9m (cumulative from 2021/2022) in 2022/2023. This has enabled the methodology for revising this outlook to be focussed on three areas:

- 1 Challenging the pre-existing assumptions and updating these to reflect new knowledge and information.
 - 2 Collating new items or making changes to existing plans to reflect the outcome of the development of the West Suffolk 2020-2024 Strategic Framework and MTFs.
 - 3 Reflect any changes in the wider macro environment which require a change in approach.
- 3.2 The following approach will seek to validate these areas with their findings to be reporting through this committee during November 2019 and January 2020, in preparation of the Budget and Council Setting report to Council in February 2020.
- a) A round of Budget Challenge workshops across all service areas to review the Councils key budget assumptions (taking into account the 2018/2019 year end performance and current 2019/2020 data), service demands, planned housing growth, sensitivities and risks.
 - b) A detailed 'line by line' review of each services cost base to ensure that budgets are only set for planned and understood expenditure.
 - c) Reflect the forecast financial impact of our Service Delivery plans that will focus on benefits realisation of existing projects, transforming our processes and the way we work.
 - d) Significant review of the Capital Programme and investment plans, including funding, to revise the West Suffolk Capital Programme.
 - e) Significant review of the Councils reserves balances to ensure financial resilience is at the forefront of our planning.
 - f) Review of the Councils medium to longer term treasury management challenges and opportunities including borrowing requirements, revenue provisions for serving borrowing requirements, overall risk and budget exposure.
 - g) Review of the savings proposals embedded into the base budget in respect of delivery of key projects and review their robustness and timing.
 - h) Review and capture of the medium to longer term saving/income generating initiatives (i.e. Investing in our Growth agenda, Asset Management Strategy, Barley Homes) to provide narrative for future budgetary challenges and opportunities.
 - i) Review of medium to longer term direct and indirect reliance on government grant income streams i.e. Business rates retention, New Homes Bonus, Disabled Facilities Grant (through better care fund).
 - j) Trend analysis and financial risk profiling, historical and across the MTFs including income sources and key expenditure areas.

k) Review and challenge of known risk areas within the existing MTFS.

4. Timescales and Next Steps

4.1 The following high level timetable is proposed for delivery and agreement of a budget and medium term plan for West Suffolk Council for 2020/2021

Action	Timescales
PASC report – setting out a proposed approach to the 2020-2021 Budget and medium term plans	26 September 2019
Budget preparations following agreed approach	Sep-Nov 2019
PASC report – delivering a sustainable budget update report	28 November 2019
PASC report – delivering a sustainable budget update report	30 January 2020
Member Development Session(s) and briefing(s) – MTFS	January- February 2020
Cabinet – 2020-2021 Budget and Council Tax setting report	11 February 2020
Council - 2020-2021 Budget and Council Tax setting report	25 February 2020

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Work Programme 2019-2020

Report No:	PAS/WS/19/016	
Report to and date:	Performance and Audit Scrutiny Committee	26 September 2019
Cabinet Member:	Councillor Sarah Broughton Cabinet Member for Resources and Performance Tel: 01284 703894 Email: sarah.broughton@westsuffolk.gov.uk	
Chair of the Committee:	Councillor Ian Houlder Performance and Audit Scrutiny Committee Tel: 07597 961069 Email: ian.houlder@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: Rachael.mann@westsuffolk.gov.uk	

Decisions Plan: This item is not included in the Decisions Plan.

Wards impacted: Not applicable.

Purpose of report: To update members on the current status of its Work Programme, attached at Appendix 1.

Recommendation: It is **RECOMMENDED** that, the Performance and Audit Scrutiny Committee:

Notes the current status of its Work Programme for 2019-2020 attached at Appendix 1.

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**(West Suffolk Council)
Performance and Audit Scrutiny Committee
Work Programme – 2019-2020**

Description	Lead Officer
28 November 2019 (Time: 5.00pm) - Venue: West Suffolk House, Bury St Edmunds	
Internal Audit Mid-Year Progress Report 2019-2020	Service Manager (Internal Audit)
2019-2020 Performance Report (Quarter 2)	Service Manager (Finance and Performance)
Mid-Year Treasury Management Report and Investment Activity (April – September 2019)	Service Manager (Finance and Performance)
Delivering a Sustainable West Suffolk Budget 2020-2021 and Medium Term Plan – update report	Assistant Director (Resources and Performance)
Health and Safety Sub Committee – Progress on Work and Matters Considered (24 June and 21 October 2019)	Service Manager (Health and Safety)
Work Programme Update	Assistant Director (Resources and Performance)
30 January 2020 (Time: 5.00pm) Venue: District Offices, Mildenhall	
Ernst and Young – Certification of Claims and Returns Annual Report (2018-2019)	Assistant Director (Resources and Performance)
Ernst and Young – External Audit Plan and Fees 2019-2020	Assistant Director (Resources and Performance)
2019-2020 Performance Report (Quarter 3)	Service Manager (Finance and Performance)
Proposed Performance Indicators and Targets 2020-2021	Service Manager (Finance and Performance)
Treasury Management Report 2019-2020 Investment Activity - (April to December 2019)	Service Manager (Finance and Performance)
Annual Treasury Management and Investment Strategy Statements 2020-2021 and Treasury Management Code of Practice	Assistant Director (Resources and Performance)
Delivering a Sustainable West Suffolk Budget 2020-2021 and Medium Term Plan – update report	Assistant Director (Resources and Performance)
Work Programme Update	Assistant Director (Resources and Performance)

28 May 2020 (Time: 5.00pm) Venue: West Suffolk House, Bury St Edmunds	
Internal Audit Annual Report (2019-2020)	Service Manager (Internal Audit)
Outline Internal Audit Plan (2020-2021)	Service Manager (Internal Audit)
2019-2020 Performance Report (Quarter 4)	Service Manager (Finance and Performance)
Ernst and Young – 2020-2021 Indicative Fees	Assistant Director (Resources and Performance)
Work Programme Update	Assistant Director (Resources and Performance)