

Performance and Audit Scrutiny Committee



Title:	Agenda											
Date:	Thursday 28 May 2020											
Time:	5.00 pm											
Venue:	Facilitated by MS TeamsLive virtual meetings platform only. The meeting will be accessible by the press and public via a live stream; the link to which will be published on the Council's website alongside the agenda papers.											
Full Members:	<p style="text-align: center;">Chair Ian Houlder</p> <p style="text-align: center;">Vice Chair Karen Richardson</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"><u>Conservative Group (7)</u></td> <td style="width: 33%;">John Augustine Mary Evans Ian Houlder Elaine McManus</td> <td style="width: 33%;">Robert Nobbs Karen Richardson Peter Thompson</td> </tr> <tr> <td><u>The Independent Group (4)</u></td> <td>Trevor Beckwith Victor Lukaniuk</td> <td>Andy Neal John Smith</td> </tr> <tr> <td><u>Labour Group (1)</u></td> <td>Cliff Waterman</td> <td></td> </tr> </table>			<u>Conservative Group (7)</u>	John Augustine Mary Evans Ian Houlder Elaine McManus	Robert Nobbs Karen Richardson Peter Thompson	<u>The Independent Group (4)</u>	Trevor Beckwith Victor Lukaniuk	Andy Neal John Smith	<u>Labour Group (1)</u>	Cliff Waterman	
<u>Conservative Group (7)</u>	John Augustine Mary Evans Ian Houlder Elaine McManus	Robert Nobbs Karen Richardson Peter Thompson										
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<u>Labour Group (1)</u>	Cliff Waterman											
Substitutes:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"><u>Conservative Group (3)</u></td> <td style="width: 33%;">Stephen Frost Marion Rushbrook</td> <td style="width: 33%;">Clive Springett</td> </tr> <tr> <td><u>The Independent Group (2)</u></td> <td>David Palmer</td> <td>Mick Bradshaw</td> </tr> <tr> <td><u>Labour Group (1)</u></td> <td>Pat Hanlon</td> <td></td> </tr> </table>			<u>Conservative Group (3)</u>	Stephen Frost Marion Rushbrook	Clive Springett	<u>The Independent Group (2)</u>	David Palmer	Mick Bradshaw	<u>Labour Group (1)</u>	Pat Hanlon	
<u>Conservative Group (3)</u>	Stephen Frost Marion Rushbrook	Clive Springett										
<u>The Independent Group (2)</u>	David Palmer	Mick Bradshaw										
<u>Labour Group (1)</u>	Pat Hanlon											
By Invitation:	Sarah Broughton	Portfolio Holder for Resources and 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:	Virtual meeting only to be facilitated by MS TeamsLive.	T: 01638 719729 (Christine Brain) T: 07595 428484 (Leah Mickleborough) T: 01638 719237 (Sharon Turner) E: democratic.services@westsuffolk.gov.uk W: www.westsuffolk.gov.uk
Access to agenda and reports before the meeting:	<p>The agenda and reports will be available to view at least five clear days before the meeting on our website.</p> <p>A link to the meeting broadcast, and guidance on how members of the public can access the meeting broadcast will be made available on the Council's website where the agenda is published.</p>	
Viewing meetings:	The Council actively welcomes members of the public and the press to view its meetings and ensures that as many of its meetings as possible are available to the public.	
Public participation:	<p>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.</p> <p>As the meeting is taking place virtually, a person who wishes to speak must register by 9am the last working day before the day of the meeting. This can be done by sending the request to democratic.services@westsuffolk.gov.uk or telephoning 07595 428481 or 01638 719729 or 01638 719237.</p> <p>See Agenda Item 4 for further details on how to participate. If a member of the public cannot attend the meeting remotely, they may submit a written question or statement to Democratic Services by midday at the very latest on the day of the meeting and this will be read out on their behalf during the meeting.</p> <p>There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chair's discretion.</p>	
Recording of meetings:	All virtual meetings are automatically recorded and available to be viewed after the meeting. The Council may also use recordings for training purposes.	
Personal Information	<p>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.</p>	

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

1 - 8

To confirm the minutes of the meeting held on 30 January 2020 (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 by 9am the day before the Committee (27 May 2020) to enable the Council to ensure that there is time to brief them on how they can speak at the meeting.

There is an overall limit of 15 minutes for public speaking, which may be extended at the Chair's discretion.

5. Ernst and Young - Presentation of External Audit Plan and Fees 2019-2020

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Report No: **PAS/WS/20/007**

6. Internal Audit Annual Report (2019-2020)

55 - 80

Report No: **PAS/WS/20/008**

7. Internal Audit Plan (2020-2021)

81 - 94

Report No: **PAS/WS/20/009**

	<i>Page No</i>
8. 2019-2020 Performance Report - Year End Outturn Report No: PAS/WS/20/010	95 - 148
9. Work Programme Update Report No: PAS/WS/20/011	149 - 152

Part 2 – Exempt

NONE

Performance and Audit Scrutiny Committee



Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 30 January 2020** at **5.00 pm** in the **Council Chamber, College Heath Road, Mildenhall, Suffolk, IP28 7EY**

Present: **Councillors**

Chair Ian Houlder
Vice Chair Karen Richardson

Richard Alecock
John Augustine
Trevor Beckwith
Mary Evans

Victor Lukaniuk
Elaine McManus
Robert Nobbs
Cliff Waterman

In attendance:

Sarah Broughton, Cabinet Member for Resources and Performance

42. **Substitutes**

No substitutions were declared.

43. **Apologies for Absence**

Apologies for absence were received from Councillor John Smith.

44. **Minutes**

The minutes of the meeting held on 28 November 2019 were confirmed as a correct record and signed by the Chair.

45. **Public Participation**

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

46. **2019-2020 Performance Report (Quarter 3)**

The Committee received Report No: PAS/WS/20/001, which set out the current performance for the third quarter and forecasted financial outturn position for 2019-2020.

The report showed the current performance indicators for the third quarter, as set out in the following appendices attached to the report:

- Appendix A: Performance Indicators – Commentary
- Appendix B: Performance Indicators – Growth

- Appendix C: Performance Indicators – Families and Communities
- Appendix D: Performance Indicators – Housing
- Appendix E: Performance Indicators – Day to Day
- Appendix F: Income and Expenditure Report
- Appendix G: Capital Programme
- Appendix H: Earmarked Reserves
- Appendix I: Strategic Risk Register

Proposed performance targets for 2020-2021 had also been included in appendices B – E.

Members considered the report and asked questions of the Assistant Directors/Service Managers, to which responses were provided. In particular discussions and responses were provided on the following:

- Appendix A: % of customers satisfied with the overall journey and rate of return on investments.
- Appendix B: Debt over 90 days.
- Appendix C: Number of households in bed and breakfast and temporary accommodation (showing as a green value)
- Appendix E: Costs of current external borrowing, and update on pre-application advice; and
- Appendix F: Income and expenditure – supplies and service costs (mobile phone)

In response to a question raised regarding Appendix C, fly-tipping clearance, officers advised that the council had a duty to investigate fly-tipping incidents reported. However, if the incident was found to be on private land, then it was the land-owners responsibility to remove and dispose of correctly.

When considering Appendix G (Capital Programme) Councillor Lukaniuk suggested that more consideration should be given to property investments in Brandon. In response, officers explained that when making investments the council was not just looking at achieving a financial return, it also considered the wider social and economic return. Each proposed investment was considered on its own merits, and officers had looked at potential property investments in Brandon.

With regards to the redundant Bank in Brandon, officers had investigated this, at Councillor Lukaniuk's request, and concluded that it was not deemed to be a viable investment. However, officers wished to encourage all members to bring forward any ideas/propositions they had for investment across West Suffolk to their attention.

In response to a question raised regarding Appendix H, time limits on Section 106 reserves (S106). Officers advised that that each S106 had its own time limit. West Suffolk had an excellent record in spending its S106 monies and had not had to pay any back, unlike some local authorities in England.

The Committee **noted** the contents of the report.

It was then proposed by Councillor Cliff Waterman, and duly seconded by Councillor Victor Lukaniuk, and with the vote being 5 for, 1 against and 3 abstentions, it was

RECOMMENDED:

That Cabinet be asked to consider Brandon as a special case and looks at property investments in Brandon.

47. Delivering a Sustainable Medium Term Budget

The Committee received Report No: PAS/WS/20/002, which explained that at its meeting on 26 September 2019, the Performance and Audit Scrutiny Committee (PASC) agreed the principles and approach for delivering a balanced budget in 2020-2021 and a medium-term financial plan for the years up to 2023-2024. Those principles were:

- The 2020-2021 budget and medium-term financial plans will continue to follow the West Suffolk Council Strategic Framework (three priorities) and Medium-Term Financial Strategy (MTFS) (six themes).
- The budget and MTFS will reflect any new initiatives developed as part of the revised Strategic Plan.
- The budget and MTFS will include the forecast impact of initiatives that address our financial challenges and seize opportunities to reduce the existing budget gaps.
- The process will continue to communicate the overall West Suffolk financial challenges and opportunities through the MTFS to Leadership Team, staff, cabinet and all councillors.

Workshops took place during August-December 2019 alongside a detailed "line by line" review of each services cost base to ensure that budgets were only set for planned and understood expenditure. A report setting out the changes in cost and income assumptions that had been identified at that point through that process was presented to PASC on 28 November 2019.

The Committee on 30 January 2020 was updated on the workshops and line by line reviews which had now concluded and any further proposed changes in cost and income assumptions, as a result had been included in Table 1 of the report, including those relating to budget assumption changes:

- Confirmation received for the continuation of the Rural Services Delivery Grant in the Spending Round.
- Confirmation of the increase in the tax base for council tax setting purposes (number of properties chargeable for council tax)
- Known changes to property lease changes and renewals (retail and industrial units)

- An additional year of Housing Support Grant allocation to fund the additional resources within the housing team.

The net impact of each of these assumption changes was included in Table 1 of the report. These changes and the outcomes from the Budget Challenge workshops gave rise to a budget gap (cumulative) of £0.06m for 2020-2021, £1.7m for 2021-2022, £2.2m for 2022-2023 and £2.7m for 2023-2024. Officers explained that at this stage, the report did not include any assumptions on the final outcomes of the Parking Review Group or Council Tax.

The report also included information on corporate reviews – expenditure; corporate reviews – income assumptions; the current outlook; timescales and next steps.

The Committee considered the report, which included Table 1 and the budget assumptions changes.

Discussions were held on the budget gaps from 2021-2022 to 2022-2023; precepts; savings realised from the creation of the West Suffolk Council and the budget briefings being held on 4 February 2020 at West Suffolk House and 10 February 2020 in Mildenhall.

Councillor Victor Lukaniuk then moved the recommendation, this was duly seconded by Councillor Ian Houlder, and with the vote being unanimous, it was

RECOMMENDED:

That subject to the approval of Council, as part of the budget setting process, the proposals detailed in Section 2 and Table 1 of Report No: PAS/WS/20/002, be included in securing a balanced budget for 2020-2021 and the medium-term financial plans.

48. Treasury Management - December 2019

[Councillor Mary Evans arrived at 6.15pm during the consideration of this item and prior to the vote taking place].

The Committee received Report No: PAS/WS/20/003, which set out the Treasury Management Activities of West Suffolk Council from 1 April 2019 to 31 December 2019.

It was reported that the total amount invested at 1 April 2019 was £42,750,000 and at 31 December 2019 it was £43,900,000.

The 2019-2020 Annual Treasury Management and Investment Strategy Statements sets out the Council's projections for the current financial year. The budget for investment income for 2019-2020 was £142,141 which was based on a 0.90% target average rate of return on investments.

As at 31 December 2019, interest actually earned during the first nine months of the financial year amounted to £288,512 against a profiled budget for the period of £106,606 a budgetary surplus of £181,931. The surplus related to higher than expected cash balances due to slippages in the Capital programme and also the favourable interest rates secured on the investments carried over from the previous councils.

As at the end of December 2019 there had been no requirement for any additional external borrowing over and above the long-term £4m Barclays loans. As at the end of December 2019 a total of £16.8m had been borrowed internally from available cash balances which reflects the council's underlying need to borrow.

The report included assumptions on borrowing for the capital projects included within it, alongside the current £4m external borrowing in respect of the previous Newmarket Leisure Centre build. This new borrowing requirement was based around three specific projects and totalled £63.4m, being:

- Investing in our Growth Fund – including specific projects agreed from the fund
- Mildenhall Hub
- West Suffolk Operational Hub, Bury St Edmunds.

The report also included a summary of the capital borrowing budget for 2019-2020; a summary of capital borrowing for quarter three; borrowing and income – proportionality; borrowing and asset yields; external borrowing as at 31 December 2019 and other market considerations.

The Committee considered the report and did not raise any issues or concerns.

Councillor Ian Houlder then moved the recommendation, this was duly seconded by Councillor Elaine McManus, and with the vote being unanimous it was:

RECOMMENDED:

That subject to the approval of Council, the Treasury Management Report – December 2019, being Report No: PAS/WS/20/003, be approved.

49. Treasury Management - Strategy Statement 2020/21 and Treasury Management Code of Practice

The Committee received Report No: PAS/WS/20/004, which sought members approval of the Treasury Management Strategy Statement 2020-2021 (Appendix 1) and the Treasury Management Code of Practice (Appendix 2).

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice required that, prior to the start of each financial year, the Council formally approves a Treasury Management Policy Statement

and Investment Strategy setting out its treasury management policy and strategy for the forthcoming year.

The report included information on the Treasury Management Strategy Statement; Treasury Management Code of Practice; treasury advisors; counterparty ratings; approved investment counterparties and limits; revised Building Society limits and interest rate projections.

The Committee scrutinised the report and asked questions to which comprehensive responses were provided.

Discussions were held on the Council's potential borrowing for this financial year and future years as set out in Appendix 1; the affordability and repayment of any future loans; forward starting loans; higher yielding assets and credit ratings.

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

RECOMMENDED: That

1) Subject to the approval of Council, the Treasury Management Strategy Statement 2020-2021, attached as Appendix 1 to Report No: PAS/WS/20/004, be approved.

2) Subject to the approval of Council, the Treasury Management Code of Practice, attached as Appendix 2 to Report No: PAS/WS/20/004, be approved.

50. Reappointments to the Financial Resilience and the Health and Safety Sub-Committees (2019-2020)

Council at its meeting on 17 December 2019 considered an item for the appointment of Councillors to committees on a politically balanced basis following the Monitoring Officer receiving notification that Councillors Frank Warby and David Nettleton had joined the Conservative Group. The Monitoring Officer had also received notification that the remaining Members of the Spectrum Group had joined the Independent Group. This meant the Spectrum Group ceased to exist and therefore a review of the allocation of seats on committees was required.

The Committee received Report No: PAS/WS/20/005, which sought re-appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee for the remainder of the 2019-2020 civic year.

Attached at Appendix 1 and Appendix 2 to the report were the terms of reference for the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee. The Committee was asked to:

- 1) Re-appoint three members and one substitute member from the members of the Performance and Audit Scrutiny Committee to sit on

the Financial Resilience Sub-Committee for the remainder of the 2019-2020 civic year; and

- 2) Re-appoint six members and two substitute members from the members of the Performance and Audit Scrutiny Committee to sit on the Health and Safety Sub-Committee for the remainder of the 2019-2020 civic year.

The Committee considered the report and the proposed seating allocations for each sub-committee, and in doing so sought to make appointments that reflected the political balance as far as practically possible.

Councillor Elaine McManus moved the recommendations, this was duly seconded by Councillor Richard Alecock, and with the vote being unanimous, it was:

RESOLVED: That

- 1) Councillors Ian Houlder and Elaine McManus (Conservative Group), and Victor Lukaniuk (Independent Group), be appointed as full members to the Financial Resilience Sub-Committee, and Councillor Robert Nobbs (Conservative Group) as the Substitute Member for the remainder of the 2019-2020 civic year.
- 2) Councillors Ian Houlder, Karen Richardson, and Robert Nobbs (Conservative Group), Trevor Beckwith and John Smith (Independent Group), and Cliff Waterman (Labour Group) be appointed as the full members to the Health and Safety Sub-Committee, and Councillors John Augustine (Conservative Group) and Richard Alecock (Independent Group) as the Substitute Members for the remainder of the 2019-2020 civic year.

51. **Work Programme Update**

The Committee received Report No: PAS/WS/20/006, which updated Members on the current status of its rolling work programme of items for scrutiny during 2020-2021 (Appendix 1).

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

The meeting concluded at 6.44pm

Signed by:

Chair

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EY – Presentation of External Audit Plan and Fees 2019/2020

Report No:	PAS/WS/20/007	
Report to and date/s:	Performance and Audit Scrutiny Committee	28 May 2020
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: N/A

Wards impacted: All wards

Recommendation: It is recommended that the Performance and Audit Scrutiny Committee:

Note the External Audit Plan and Fees for 2019/2020.

1. Background / Context

- 1.1 The Council's appointed external auditors, Ernst and Young (EY), are required to provide an audit plan (attached at **Appendix A**) which covers the work they plan to perform in order to provide the Council with:
- An audit opinion on whether the financial statements of the Council give a true and fair view of the financial position as at 31 March 2020 and of the income and expenditure for the year then ended; and
 - A conclusion on the Council's arrangements to secure economy, efficiency and effectiveness (value for money).
- 1.2 When planning the audit EY take into account several key inputs:
- Strategic, operational and financial risks relevant to the financial statements.
 - Developments in financial reporting and auditing standards.
 - The quality of systems and processes.
 - Changes in the business and regulatory environment.
 - Management's views on all of the above.
- 1.3 Sections 2 and 3 of **Appendix A**, summarise EY's assessment of the key risks which drive the development of an effective audit for the Council, and outlines their planned audit strategy in response to those risks. Identification of these risks does not mean that these practices have actually taken place. Officers will be working with EY over the coming months to ensure that these risks are managed and where possible to come to an agreement over their treatment prior to the issuing of the Audit Results Report, and Audit Opinion.
- 1.4 The Accounts and Audit Regulations 2015 introduced revised statutory deadlines, with draft accounts needing to be prepared by 31 May and the publication of the accounts by 31 July. These deadlines have been relaxed for 2019/20 accounts due to the impact of the Covid 19 pandemic, with draft accounts now needing to be completed by 31 August, and audited accounts to be published by 30 November.
- 1.5 In addition to this, and due to resourcing issues throughout the sector as well as the increased complexity around local authority accounts work, EY will not be in a position to issue the Audit Results Report by the end of July, as in previous years. Instead, they have set out a provisional phasing plan to ensure that they are able to deliver both the 2019/20 statement of accounts work and the housing benefits subsidy work they are responsible for. That phasing plan will take audit work for the 2019/20 statement of accounts right up to September/October time, and it is expected that the Audit Results Report will be presented to the September meeting of PASC.
- 1.6 The planned and scale fees for carrying out this work for 2019/2020 is set out on page 37 of the Audit Plan at **Appendix A**. EY are currently in discussion with management to agree the planned fee for the year.

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 appendix have been compiled by the Finance team in consultation external audit.

4. Risks

- 4.1 The assessment of the key strategic or operational risks and the financial statement risks facing the Council have been identified by EY through their knowledge of the organisation's operations, and through discussion with members and senior officers.

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** – West Suffolk Council Audit Plan for the year ended 31 March 2020

7. Background documents

- 7.1 None

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West Suffolk Council

Audit Plan

Year ended 31 March 2020

12 May 2020



Performance & Audit Scrutiny Committee Members
West Suffolk Council
West Suffolk House
Bury St Edmunds
Suffolk
IP33 3YU

12 May 2020

Dear Performance & Audit Scrutiny Committee Member

2019/20 Initial Audit Plan

We are pleased to attach our Initial Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Performance & Audit Scrutiny Committee with a basis to review our proposed audit approach and scope for the 2019/20 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This initial Plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks. We will provide an updated plan if there are any additional audit risks and procedures that arise from the financial reporting requirements of the Covid-19 pandemic.

This report is intended solely for the information and use of the Performance & Audit Scrutiny Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you at the next available Performance & Audit Scrutiny Committee, as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

MARK HODGSON

Mark Hodgson

Associate Partner

For and on behalf of Ernst & Young LLP

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Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the via the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The 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 and further guidance (updated April 2018)" issued by the 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 in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Performance & Audit Scrutiny Committee and management of West Suffolk Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Performance & Audit Scrutiny Committee, and management of West Suffolk Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Performance & Audit Scrutiny Committee, and management of West Suffolk Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2019/20 audit strategy



Overview of our 2019/20 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Performance & Audit Scrutiny Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Audit risks and areas of focus

Risk / area of focus	Risk identified	Details
Misstatements due to fraud or error	Fraud risk	As identified in ISA 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 would otherwise appear to be operating effectively.
Incorrect capitalisation of revenue expenditure	Fraud risk	We have considered the key areas where management has the material opportunity and incentive to override controls. We have identified one area as being; incorrect classification of revenue spend as capital expenditure and manipulation of revenue expenditure funded through capital under statute (REFCUS).
Formation of West Suffolk Council	Fraud risk	We have considered the key areas where management has the material opportunity and incentive to override controls. We have identified one area as being; the manipulation of the opening balance sheet through the merging the demised councils financial statements.
Property, Plant and Equipment - Solar Farm Valuation	Significant risk	<p>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.</p> <p>The Council have engaged a new expert (Cornwall Insight) to provide this assumption data, which will form the basis of the Council's valuation methodology.</p> <p>Given the highly material nature of the asset, relatively small percentage variations in the assumptions applied could lead to material changes in the assets valuation.</p>
Property, Plant and Equipment - Valuation of Land and Buildings and Investment Properties	Significant risk	The fair value of land and buildings and investment properties represent significant balances in the Council's accounts and are estimates which are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

Overview of our 2019/20 audit strategy

Audit risks and areas of focus (Continued)

Risk / area of focus	Risk identified	Details
Pension Liability Valuation	Inherent Risk	<p>The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Suffolk County Council.</p> <p>The Council's pension fund liability is a material estimated balance and the Code requires that the liability be disclosed on the Council's balance sheet.</p>

Materiality

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Planning
materiality
£1.958m

Materiality has been set at £1.958 million for the Council which represents 2% of the combined prior years gross expenditure on provision of services for Forest Heath District Council and St Edmundsbury Borough Council.

Performance
materiality
£0.979m

Performance materiality has been set at £0.979 million for the Council, which represents 50% of materiality.

Audit
differences
£97,900

We will report all uncorrected misstatements relating to the primary statements (comprehensive income and expenditure statement, balance sheet, movement in reserves statement, cash flow statement and collection fund) greater than £97,900 for the Council. Other misstatements identified will be communicated to the extent that they merit the attention of the Performance & Audit Scrutiny Committee.

Overview of our 2019/20 audit strategy

Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of West Suffolk Council give a true and fair view of the financial position as at 31 March 2020 and of the income and expenditure for the year then ended; and
- Our conclusion on the Council's arrangements to secure economy, efficiency and effectiveness (Value for Money).

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

Taking the above into account, and as articulated in this audit plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities".

PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit with increased focus on, for example, the valuations of land and buildings, the auditing of groups, the valuation of pension assets and obligations, the introduction of new accounting standards in recent years as well as the expansion of factors impacting the value for money conclusion.

We are currently in the process of discussing the extent of these areas and the audit risks highlighted in this Audit Plan as relevant in the context of West Suffolk Council's audit, and the resultant impact on the scale fee. We have only set out the published Scale Fee in Appendix A, at this point in time.



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02 Audit risks



Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

<p>Fraud Risk - Misstatements due to fraud or error *</p>	<p>What is the risk?</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) 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>Areas susceptible to manipulation are:</p> <ul style="list-style-type: none"> ➤ Capitalisation of revenue expenditure on Property, Plant and Equipment and revenue expenditure funded through capital under statute (see below); and ➤ Merging of opening balance sheet items on the formation of West Suffolk Council (see below). 	<p>What will we do?</p> <p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Identifying fraud risks during the planning stages; ▶ Inquiry of management about risks of fraud and the controls put in place to address those risks; ▶ Understanding the oversight given by those charged with governance of management's processes over fraud; ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud; ▶ Determining an appropriate strategy to address those identified risks of fraud; and ▶ Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements and evaluating the business rationale for any significant unusual transactions.

Our response to significant risks (continued)

Fraud Risk - Incorrect capitalisation of revenue expenditure *

Financial statement impact

We have identified a risk of expenditure misstatement due to fraud or error that could affect the income and expenditure accounts.

We consider the risk applies to capitalisation of revenue expenditure and could result in a misstatement of cost of services reported in the Comprehensive Income and Expenditure Statement.

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

As the Council is more focused on its financial position over medium term, we have considered the risk of manipulation to be more prevalent in the inappropriate capitalisation of revenue expenditure on Property, Plant and Equipment and manipulation of revenue expenditure funded through capital under statute (REFCUS).

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ For significant capital additions, we will examine invoices, capital expenditure authorisations, leases and other data that support these additions. We review the sample selected against the definition of capital expenditure in IAS 16;
- ▶ We will extend our testing of items capitalised in the year by lowering our testing threshold. We will also review a larger random sample of capital additions below our testing threshold;
- ▶ Reviewing REFUS entries in the movement in reserves statement and testing of entries to ensure they meet the accounting definition of REFUS expenditure; and
- ▶ Journal testing - we will use our testing of journals to identify high risk transactions, such as items originally recorded as revenue expenditure and subsequently capitalised

Our response to significant risks (continued)

<p>Fraud Risk - Formation of West Suffolk Council *</p>	<p>What is the risk?</p>	<p>What will we do?</p>
<p>Financial statement impact</p> <p>We have identified a risk of misstatement due to fraud or error that could affect the reserve accounts.</p> <p>We consider the risk applies to the opening balance sheet of West Suffolk Council upon merging of balances from the demised Councils and could result in misstatement of the General Fund reserve.</p>	<p>There is a risk of management override of controls to manipulate opening reserve balances in West Suffolk Council to meet budget pressures and performance expectations of the new Council.</p> <p>The one area would be the manipulation of the opening balance sheet through the merging the demised councils financial statements.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Performing testing of the opening balance sheet position for West Suffolk Council and the process for merging balances of the demised Councils; ▶ Comparing opening reserve balance position to the Council's budget; ▶ Reviewing accounting disclosures relating to Council's opening balances disclosed in the Council's Statement of Accounts and comparing this to the disclosures required by the CIPFA Code of Practice; and ▶ Journal testing - we will use our testing of journals to identify transactions not appropriately included in the Council's statement of accounts, such as those denoted Forest Heath District Council or St Edmundsbury Borough Council which should be part of West Suffolk Councils statement of accounts.

Our response to significant risks (continued)

<p>Significant Risk - Property, Plant and Equipment - Solar Farm Valuation</p>	<p>What is the risk?</p>	<p>What will we do?</p>
<p>Financial statement impact</p> <p>The fair value of the Council's Solar Farm asset represent significant balances in the Council's accounts and is subject to significant estimation techniques and valuation changes.</p> <p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balance recorded in the statement of financial position.</p>	<p>The Council have engaged a new expert (Cornwall Insight) to provide key data to drive the estimation model, which will form the basis of the Council's valuation methodology. The Solar Farm will 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 relatively small percentage variations in the assumptions applied could lead to material changes in the assets valuation.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Review the information provided to the Council's Valuer as Management Expert (Cornwall Insight); ▶ Undertake procedures to ensure that we can rely on the Valuer as management's expert; ▶ Employ our EY Real Estate team as our expert to review the assumptions and conclusions of Cornwall Insight and the Council in relation to the valuation of the solar farm at the balance sheet date; and ▶ Review and test the accounting entries and disclosures made within the Council's financial statements in relation to Solar Farm asset.

Our response to significant risks (continued)

Significant Risk - Property, Plant and Equipment - Valuation of Land and Buildings and Investment Properties

Financial statement impact

The fair value of Property, Plant and Equipment (PPE) and Investment Property will represent significant balances in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the statement of financial position.

What is the risk?

The external valuer will apply a number of complex assumptions and judgements assess the Council's assets to determine their value. Some of the issues they will consider include whether there is any indication of impairment, increases in value and changes to useful lives.

As the Council's asset base is material, and the outputs from the valuer are subject to estimation, there is a risk fixed assets may be under/overstated.

We identified material audit adjustments in the prior year audits of the demised bodies in relation to those assets not valued during the financial year. The initial valuation of these assets did not follow expected market trends.

There is also the potential for significant impact of Covid-19 on the estimations and assumptions applied to asset valuations.

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.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Considering the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample testing key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- ▶ Considering the annual cycle of valuations to ensure that assets have been valued, as a minimum, within a 5 year rolling programme as required by the Code. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- ▶ Reviewing assets not subject to valuation in 2019/20 to confirm that the remaining asset base is not materially misstated;
- ▶ Considering changes to useful economic lives as a result of the most recent valuation;
- ▶ Where there are significant changes in valuation, or a lack of change where a movement is expected, we may need to engage our own EY valuation experts to perform a review of valuation assumptions and methodologies, particularly on those more complex methodologies such as depreciated replacement cost; and
- ▶ Testing that accounting entries have been correctly processed in the financial statements.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the risk?

Pension liability valuation - Inherent risk

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Suffolk County Council.

The Council's pension fund deficit will be a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. 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. For 2019/20 it is possible these entries will be subject to further volatility as a consequence of Brexit and Covid-19.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Liaise with the auditors of Suffolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to West Suffolk Council;
- ▶ Assess the work of the Pension Fund actuary (Hymans) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by The National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team;
- ▶ Review and test the accounting entries and disclosures made within the Council's financial statements in relation to IAS19; and
- ▶ Review the impact of Brexit and Covid-19 on the value of Pension Fund assets and consider whether there are any risks of material misstatement arising from this.

Other areas of audit focus (continued)

Impact of Covid-19

The ongoing disruption to daily life and the economy as a result of the Covid-19 virus will have a pervasive impact upon the financial statements. Understandably, the priority for the Council to date has been to ensure the safety of staff and the delivery of business critical activities. However, the financial statements will need to reflect the impact of Covid-19 on the Council's financial position and performance. Due to the significant uncertainty about the duration and extent of disruption, at this stage we have not identified specific risks related to Covid-19, but wish to highlight the wide range of ways in which it could impact the financial statements. These may include, but not be limited to:

- ▶ **Going concern** - management's assessment of whether the Council is a going concern will need to consider the impact of the current conditions on the Council's future performance. Additional narrative disclosure will be required, including on the future principal risks and uncertainties, including the impact on operations for 2020/21 and beyond.
- ▶ **Revenue recognition** - there may be an impact on income collection (Council and Business rates) if businesses and residents are unable to work and earn income due to the lockdown and restriction of movement due to COVID-19.

Tangible assets - there may be impairment of tangible assets if future service potential is reduced by the economic impact of the virus. The Council may also have already incurred capital costs on projects where the economic case has fundamentally changed.

Pensions - volatility in the financial markets is likely to have a significant impact on pension assets, and therefore net liabilities.

Receivables - there may be an increase in amounts written off as irrecoverable and impairment of year-end balances due to the increased number of businesses and residents unable to meet their financial obligations.

- ▶ **Holiday and sickness pay** - the change in working patterns may result in year-end staff pay accruals which are noticeably different to prior years.
- ▶ **Government support** - any Covid-19 specific government support is likely to be a new transaction stream and may require development of new accounting policies and treatments.
- ▶ **Annual Governance Statement**- the widespread use of home working is likely to change the way internal controls operate. The Annual Governance Statement will need to capture how the control environment has changed during the period and what steps were taken to maintain a robust control environment during the disruption. This will also need to be considered in the context of internal audit's ability to issue their Head of Internal Audit opinion for the year, depending on the ability to complete the remainder of the internal audit programme.

We will provide an update on the impact of Covid-19 on the Council's financial statements, and how we have responded to the additional risks of misstatement, later in our audit.

In addition to the impact on the financial statements themselves, the disruption caused by Covid-19 may impact on management's ability to produce the financial statements and our ability to complete the audit to the planned timetable. For example, it may be more difficult than usual to access the supporting documentation necessary to support our audit procedures. There will be additional audit procedures we have to perform to respond to the additional risks caused by the factors noted above.

Other areas of audit focus (continued)

What is the risk/area of focus?

Going Concern Compliance with ISA 570

This auditing standard has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after.

The revised standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, which for the Council will be the audit of the 2020/21 financial statements. The revised standard increases the work we are required to perform when assessing whether the Council is a going concern. It means UK auditors will follow significantly stronger requirements than those required by current international standards; and we have therefore judged it appropriate to bring this to the attention of the Performance & Audit Scrutiny Committee.

The CIPFA Guidance Notes for Practitioners 2019/20 accounts states 'The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.'

'If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a going concern basis.'

What will we do?

The revised standard requires:

- ▶ auditor's challenge of management's identification of events or conditions impacting going concern, more specific requirements to test management's resulting assessment of going concern, an evaluation of the supporting evidence obtained which includes consideration of the risk of management bias;
- ▶ greater work for us to challenge management's assessment of going concern, thoroughly test the adequacy of the supporting evidence we obtained and evaluate the risk of management bias. Our challenge will be made based on our knowledge of the Authority obtained through our audit, which will include additional specific risk assessment considerations which go beyond the current requirements;
- ▶ improved transparency with a new reporting requirement for public interest entities, listed and large private companies to provide a clear, positive conclusion on whether management's assessment is appropriate, and to set out the work we have done in this respect. While the Council are not one of the three entity types listed, we will ensure compliance with any updated reporting requirements;
- ▶ a stand back requirement to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern; and
- ▶ necessary consideration regarding the appropriateness of financial statement disclosures around going concern.

The revised standard extends requirements to report to regulators where we have concerns about going concern.

We will continue to discuss the detailed implications of the new standard with finance staff during 2019/20 ahead of its full application for 2020/21.



03

Value for Money Risks





Value for Money

Background

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

For 2019/20 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

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.

When considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work. We consider business and operational risks insofar as they relate to proper arrangements at both sector and organisation-specific level. In 2019/20 this will include consideration of the steps taken by the Authority to consider the impact of both Brexit and the coronavirus on its future service provision, medium-term financing and investment values. Although the precise impact cannot yet be modelled, we anticipate that Authorities will be carrying out scenario planning and that coronavirus and its impact will feature on operational risk registers.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders. This has resulted in the identification of the significant risk noted on the following page which we view as relevant to our value for money conclusion.



Value for Money Risks

What is the significant value for money risk?

Sustainable resource deployment: Medium Term Financial Planning

What arrangements does the risk affect?

The Council's Medium Term Financial Plan (MTFP) was set well before the current pandemic.

The MTFP needs to build in expected levels of grant funding from the Local Government settlement and any other income streams available to the Council (for example Solar Farm yields).

The MTFP will also need to consider the impact of COVID-19 and the impact of lost income and additional expenditure related to the pandemic.

There will be a need to identify any residual savings against any identified budget gaps over the next 4 year life of the MTFP for the period between 2020 to 2025.

What will we do?

Our approach will focus on:

- ▶ Assess the adequacy of the Council's budget setting process;
- ▶ Challenge the robustness of key assumptions used in medium term planning;
- ▶ Review the Council's approach to prioritising resources whilst maintaining services; and
- ▶ For a sample of initiatives test the adequacy of the Council's arrangements for delivering savings/ efficiencies.



04

Audit materiality



Materiality

Materiality

For planning purposes, materiality for 2019/20 has been set at £1.958 million. This represents 2% of the combined prior year gross expenditure on provision of services of Forest Heath District Council and St Edmundsbury Borough Council. It will be reassessed throughout the audit process. We have chosen this percentage on the basis of there being no shareholders; no traded debt or covenants; limited changes in the business environment; good viability of the business and limited external financing.

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We request that the Performance & Audit Scrutiny Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance Materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.979 million which represents 50% of planning materiality.

Audit difference threshold - we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet and collection fund that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Performance & Audit Scrutiny Committee, or are important from a qualitative perspective.

Specific materiality - We have set a specific materiality for the areas below which reflects our understanding that an amount less than our materiality may influence the economic decisions of users of the financial statements:

- Remuneration disclosures, related party transactions and councillor allowances - As these disclosures are considered to be of interest to users of the accounts we have adopted judgement in ensuring that we have tested the disclosures in sufficient detail to ensure they are correctly disclosed.



05

Scope of our audit



Our Audit Process and Strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Council's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our Audit Process and Strategy (continued)

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

For 2019/20 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Performance & Audit Scrutiny Committee.

Internal audit:

We will regularly meet with the Head of Internal Audit, and review internal audit plans and the results of their work. We will review the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.



Scope of our audit

Deadline for production of the financial statements

The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the accounts by 31 July. These deadlines have been relaxed for 2019/20 in light of Covid-19, with the draft accounts needing to be prepared by 31 July and the publication of the accounts by 30 November.

These changes provide risks for both the preparers and the auditors of the financial statements:

- ▶ The Council now has less time to prepare the financial statements and supporting working papers. Risks to the Council include slippage in delivering data for analytics work in format and to time required, late working papers, internal quality assurance arrangements, changes to finance team etc.
- ▶ As your auditor, we have a more significant peak in our audit work and a shorter period to complete the audit. Risks for auditors relate to delivery of all audits within same compressed timetable. Slippage at one client could potentially put delivery of others at risk.

To mitigate this risk we will require:

- ▶ good quality draft financial statements and supporting working papers by the agreed deadline;
- ▶ appropriate Council staff to be available throughout the agreed audit period; and
- ▶ complete and prompt responses to audit questions using the EY Canvas Portal.

If you are unable to meet key dates within our agreed timetable, we will notify you of the impact on the timing of your audit, which may be that we postpone your audit until later in the year and redeploy the team to other work to meet deadlines elsewhere. Where additional work is required to complete your audit, due to additional risks being identified, additional work being required as a result of scope changes, or poor audit evidence, we will notify you of the impact on the fee and the timing of the audit. Such circumstances may result in a delay to your audit while we complete other work elsewhere.

To support the Authority we will:

- ▶ Work with the Authority and officers to engage early to facilitate early substantive testing where appropriate.
- ▶ Provide an early review on the Authority's streamlining of the Statement of Accounts where non-material disclosure notes are removed.
- ▶ Facilitate a closedown workshop with Statutory Finance Officers to agree an approach to enable us all to achieve a successful closure of accounts for the 2019/20 financial year.
- ▶ Work with the Authority to implement/ embed/ improve the use of EY Client Portal, this will:
 - ▶ Streamline our audit requests through a reduction of emails and improved means of communication;
 - ▶ Provide on -demand visibility into the status of audit requests and the overall audit status;
 - ▶ Reduce risk of duplicate requests; and
 - ▶ Provide better security of sensitive data.
- ▶ Agree the team and timing of each element of our work with you.
- ▶ Agree the supporting working papers that we require to complete our audit.



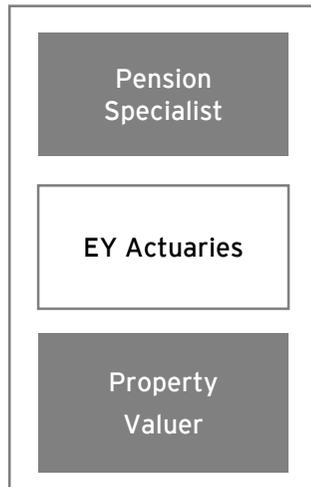
06

Audit team



Audit team

Audit team structure:



Working together with the Council

We will continue to work together with officers to establish strong communication and processes for the 2019/20 audit.

We will continue to keep our audit approach under review to streamline it where possible.

The engagement team is led by Mark Hodgson. Mark has significant public sector audit experience, with a portfolio of Local Authorities and Local Government Pension Funds and is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA).

Mark is supported by Mark Russell, Manager, who is responsible for the day-to-day direction of audit work and is the key point of contact for the finance manager.

Use of specialists

Our approach to the involvement of specialists, and the use of their work.

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings	EY Valuations Team and the Council's property valuer: Wilkes Head and Eve and Cornwall Insight
Pensions disclosures	EY Pensions Team, PwC (Consulting Actuary to PSAA) and Hymans Robertson (the Council's actuary)
Business rate appeals	Wilks, Head and Eve (the Council's management expert)

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



07 Audit timeline





Audit timeline

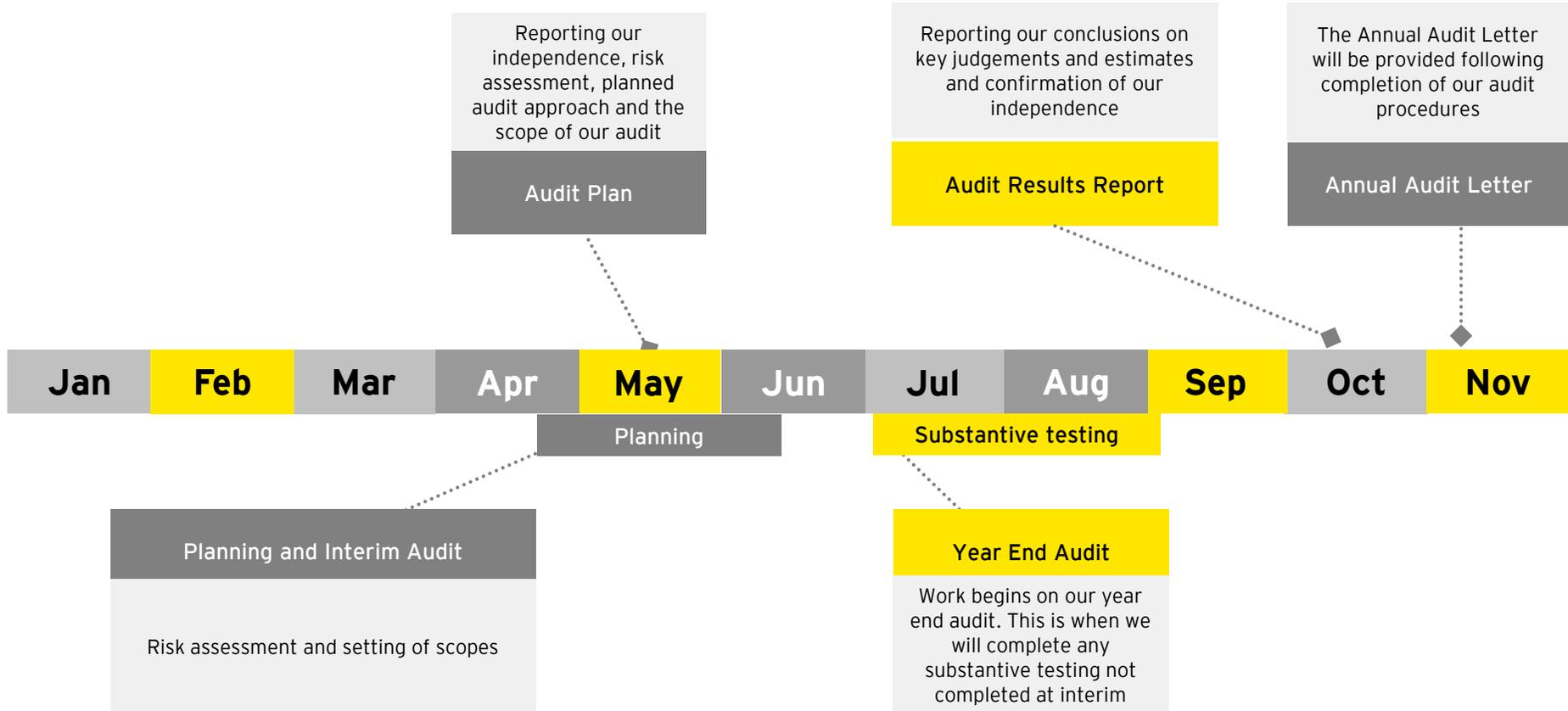
Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2019/20.

From time to time matters may arise that require immediate communication with the Performance & Audit Scrutiny Committee and we will discuss them with the Audit Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

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08

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
<p>▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between the you, your affiliates and directors and us;</p> <p>▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;</p> <p>▶ The overall assessment of threats and safeguards;</p> <p>▶ Information about the general policies and process within EY to maintain objectivity and independence.</p> <p>▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard [note: additional wording should be included in the communication reflecting the client specific situation]</p>	<p>▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</p> <p>▶ Details of non-audit services provided and the fees charged in relation thereto;</p> <p>▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;</p> <p>▶ Written confirmation that all covered persons are independent;</p> <p>▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;</p> <p>▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and</p> <p>▶ An opportunity to discuss auditor independence issues.</p>

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Mark Hodgson, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

At the time of writing, we need to calculate the audit fee in relation to the certification of the Housing Benefit Claim for our provisional engagement. We do not expect that any additional safeguards will be required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Council. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Relationships, services and related threats and safeguards

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.
There are no other threats at the date of this report.

Description of service	Related independence threat	Period provided	Safeguards adopted and reasons considered to be effective
We have been engaged to undertake the audit of the Housing Benefits Subsidy Claim 2019/20. Page 46	Self review threat - figures included in the return are also included in the 2019/20 financial statements.	Relates to 2019/20 return for the period to 31 March 2020.	We have assessed the related threats to independence and note that although certain figures in the return are included in the financial statements the agreed upon procedures are being performed after the signing of the financial statements for 2019/20. The agreed upon procedures focus on the specific requirements of the certification arrangements. No other threats to independence have been identified.

Other communications

EY Transparency Report 2019

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2019:

[https://www.ey.com/Publication/vwLUAssets/ey-uk-2019-transparency-report/\\$FILE/ey-uk-2019-transparency-report.pdf](https://www.ey.com/Publication/vwLUAssets/ey-uk-2019-transparency-report/$FILE/ey-uk-2019-transparency-report.pdf)

New UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

Summary of key changes

- Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates
- A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries
- A narrow list of permitted services where closely related to the audit and/or required by law or regulation
- Absolute prohibition on the following relationships applicable to UK PIE and its affiliates including material significant investees/investors:
 - Tax advocacy services
 - Remuneration advisory services
 - Internal audit services
 - Secondment/loan staff arrangements

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An absolute prohibition on contingent fees.

Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential.

- Permitted services required by law or regulation will not be subject to the 70% fee cap.
- Grandfathering will apply for otherwise prohibited non-audit services that are open at 15 March 2020 such that the engagement may continue until completed in accordance with the original engagement terms.
- A requirement for the auditor to notify the Performance & Audit Scrutiny Committee where the audit fee might compromise perceived independence and the appropriate safeguards.
- A requirement to report to the Performance & Audit Scrutiny Committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor. Our current understanding is that the requirement to follow UK independence rules is limited to the component firm issuing the audit report and not to its network. This is subject to clarification with the FRC.

Next Steps

We do not provide any non-audit services which would be prohibited under the new standard.



09

Appendices



Appendix A

Fees

Public Sector Audit Appointments Ltd (PSAA) has published the fee scale for the audit of the 2019/20 accounts of opted-in principal local government and police bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table below.

	Planned fee 2019/20	Scale fee 2019/20
	£'s	£'s
Total Fee - Code work (Note 1)	Note 1	66,925
Total audit		66,925
Other non-audit services not covered above - Housing Benefits (Note 2)	Note 2	-
Total other non-audit services	Note 2	-
Total fees	To be confirmed	66,925

All fees exclude VAT

Note 1 - We are currently in discussion with management to agree the fair fee required to perform an ISA compliant audit for the Council. This will result in a significant increase in the scale fee set by PSAA Ltd. This discussion will take into account the recurring audit risks as set out within this audit plan.

We will provide an update to this Committee once those discussions have concluded.

- The agreed fee presented is based on the following assumptions:
- Officers meeting the agreed timetable of deliverables;
- Our financial statements opinion being unqualified;
- Appropriate quality of documentation is provided by the Council; and
- The Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Note 2 - We need to assess the impact of the merged Council's on the one-Council certification requirements. We will advise officers of the proposed fee once that assessment is complete.

Appendix B

Required communications with the Audit Committee

We have detailed the communications that we must provide to the Performance & Audit Scrutiny Committee.

		Our Reporting to you
Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the Performance & Audit Scrutiny Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.</p> <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team</p>	Audit Plan - May 2020
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process. 	Audit Results Report - October 2020
Group audits	<ul style="list-style-type: none"> ▶ An overview of the type of work to be performed on the financial information of the components ▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements 	<p>Audit Results Report - October 2020</p> <p>Audit Plan - May 2020</p>

Appendix B

Required communications with the Performance & Audit Scrutiny Committee (continued)

Our Reporting to you

Required communications	 What is reported?	 When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Audit Plan - May 2020</p> <p>Audit Results Report - October 2020</p>
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	<p>Audit Results Report - October 2020</p>
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Performance & Audit Scrutiny Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Performance & Audit Scrutiny Committee may be aware of 	<p>Audit Results Report - October 2020</p>
Internal controls	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit 	<p>Audit Results Report - October 2020</p>

Appendix B

Required communications with the Performance & Audit Scrutiny Committee (continued)

Our Reporting to you

Required communications	 What is reported?	  When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit Results Report - October 2020
Financial statements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Corrected misstatements that are significant ▶ Material misstatements corrected by management 	Audit Results Report - October 2020
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Performance & Audit Scrutiny Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Audit Results Report - October 2020
Related parties	<ul style="list-style-type: none"> ▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report - October 2020

Appendix B

Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - October 2020
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report - October 2020
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - October 2020
Fee Reporting	<ul style="list-style-type: none"> ▶ Breakdown of fee information when the audit plan is agreed ▶ Breakdown of fee information at the completion of the audit ▶ Any non-audit work 	Audit Plan - May 2020 Audit Results Report - October 2020 Annual Audit Letter - November 2020

Additional audit information

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Performance & Audit Scrutiny Committee reporting appropriately addresses matters communicated by us to the Performance & Audit Scrutiny Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- ▶ The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.



Internal Audit Annual Report 2019-2020

Report No:	PAS/WS/20/008	
Report to and date:	Performance and Audit Scrutiny Committee	28 May 2020
Cabinet Member:	Councillor Sarah Broughton Cabinet Member for Resources and Performance Tel: 07929 305787 Email: sarah.broughton@westsuffolk.gov.uk	
Lead officer:	Jon Snares Service Manager (Internal Audit) Tel: 01284 757239 Email: jon.snares@westsuffolk.gov.uk	

Decisions Plan: N/A

Wards impacted: N/A

Recommendation: Performance and Audit Scrutiny Committee:

It is recommended that Members are asked to note the contents of the:

- (1) Internal Audit Annual Report 2019-2020; and**
- (2) Annual Fraud Report 2019-2020**

1. Background / Context

- 1.1 It is vital for our communities continued confidence and the smooth and proper running of a local authority that thorough, open and transparent auditing takes place. This Internal Audit Annual Report is part of that process, together with the Annual Governance Statement, to help inform those who have responsibility for the council's framework of risk management, control and governance processes.
- 1.2 In summary, the conclusions of this report should give our residents and councillors confidence in our processes and that the council has a good bill of health in how it works and manages risk as well as looking at ways of improving. In essence this should be seen as a very positive result and is confirmation that overall, controls and processes are working well.
- 1.3 Internal auditing is an independent and objective assurance and consultancy function designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. A professional, independent and objective internal audit service is one of the key elements of good governance.

2. Proposals

- 2.1 The Public Sector Internal Audit Standards (PSIAS) govern internal audit within the public sector. These Standards require the Service Manager (Internal Audit) to provide an annual report to those charged with governance which includes an opinion on the adequacy and effectiveness of the council's framework of risk management, control and governance processes. The Internal Audit Annual Report at **Appendix A** gives an overview of the work carried out during the year which forms the basis of this opinion.
- 2.2 The annual audit opinion, included at **Appendix A**, has been split into the four constituent elements of governance, risk, internal control, and financial control, with a specific conclusion drawn on each, as well as the direction of travel.
- 2.3 The council recognises that fraud, theft and corruption are an ever-present threat to the resources available in the public sector. The purpose of the report at **Appendix B** is to demonstrate West Suffolk's progress in developing and maintaining an anti-fraud and anti-corruption culture and publicise the action taken where fraud or misconduct have been identified.

3. Alternative Options

- 3.1 The Public Sector Internal Audit Standards require that an annual internal audit report is provided to those charged with governance. It is also good practice to provide an annual fraud report. No alternative options were considered.

4. Consultation and engagement

- 4.1 These reports were produced in consultation with the Leadership Team.

5. Risks

- 5.1 Risks are covered within the reports at Appendices A and B.

6. Implications arising from the proposal

- 6.1 Any implications arising are covered at Appendices A and B.

7. Appendices

- 7.1 Appendix A – Internal Audit Annual Report 2019-2020
Appendix B - Annual Fraud Report 2019-2020

8. Background documents

- 8.1 None.

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Internal Audit Annual Report 2019/20



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Jon Snares – Service Manager (Internal Audit) - jon.snares@westsuffolk.gov.uk

This report has been prepared solely for the use of Members and Management of West Suffolk Council. Details may be made available by internal audit to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose. The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The audit opinion is based solely on the work undertaken as part of the agreed internal audit plan.

Introduction – purpose of annual internal audit report

The purpose of the Internal Audit Annual Report is to meet the Service Manager (Internal Audit)'s annual reporting requirements as set out in the Public Sector Internal Audit Standards (the 'Standards') which govern how internal audit teams operate in the public sector and the Accounts and Audit Regulations 2015. In particular to:-

- Include an opinion on the overall adequacy and effectiveness of the council's governance, risk and control framework, and therefore the extent to which the council can rely on it;
- Inform how the audit plan was discharged and the overall outcomes of the work undertaken that supports the annual audit opinion;
- Include a statement on conformance with the Standards and the results of the internal audit quality assurance processes; and
- Draw attention to any issues particularly relevant to the council's Annual Governance Statement

<p>Annual Opinion</p> <p>For the twelve months ended 31 March 2020, based on the work we have undertaken and information from any other sources of assurance, my opinion on the adequacy and effectiveness of the West Suffolk Councils arrangements for governance, risk, internal control and its sub-set financial control is:</p>	<p>Governance</p> 	
	<p>Risk</p> 	
	<p>Internal Control</p> 	
	<p>Financial Control</p> 	

Audit Opinion Definitions

Good Assurance	Risks are managed well with no significant (medium risk) or fundamental (high risk) control issues or risks raised.
Reasonable Assurance	In general, risks are managed well. A number of significant (medium risk) control issues and risks have been raised.
Limited Assurance	Management of risks is only partially achieved. Fundamental (high risk) and/or significant (medium risk) control issues and risks have been raised.
No Assurance	Management of risks is not achieved. Fundamental (high risk) and significant control issues and risks have been raised.

In order to make the annual audit opinion informative and transparent, the opinion has been split into the four constituent elements of governance, risk, internal control, and financial control, and a specific conclusion drawn on each.

It should be noted that an opinion of 'Reasonable Assurance' for any of the four opinion elements should be interpreted as a good result, and indicates that in general controls and processes are fit for purpose and working well, while recognising that there are opportunities for further improvements.

This year, for the first time, we have also included a direction of travel (see below) for each element of the audit opinion to highlight our view of whether the adequacy and effectiveness of arrangements has changed compared to the previous year.

Where issues have been raised as a result of audit work undertaken actions have been agreed with management to address any findings raised. Progress against these actions, where not already followed up in 2019/20, will

be followed up by internal audit as part of our 2020/21 work plan.

Council services recognise that while they may be delivering a good service they can always improve or look for best practice. They will therefore often proactively engage with internal audit to help achieve this and therefore audit activity in service areas demonstrates the council's culture of continuous improvement.

Governance



Governance comprises the systems, processes, culture and values by which West Suffolk Council is directed and controlled and through which it accounts to, engages with, and where appropriate, leads its communities.

Each year local authorities are required to reflect on how their governance arrangements have worked – identifying any significant governance issues that should be drawn to the attention of the public – in the interests of accountability and transparency.

Work on the 2019/20 Annual Governance Statement (AGS) is currently underway, and no significant governance issues are expected to be disclosed for the period to 31 March 2020. The 2019/20 AGS will of course reference the council’s response to the challenges posed by the Covid-19 pandemic including any governance impacts starting to come through in 2020/21.

The Performance and Audit Scrutiny Committee helps to ensure that governance arrangements are working effectively through considering reports that come before them, including approval of the Annual Governance Statement.



Governance framework remains the same
- assessed as **Good Assurance**

Risk



Good risk management is part of the way we work. It is about taking the right risks when making decisions or where we need to encourage innovation in times of major change – balancing quality, cost and affordability. This puts us in a stronger position to deliver our goals and provide excellent services.

Work during the year in this area on which the annual audit opinion on risk is based, included:

- review of risk management arrangements in a number of change programme / significant project areas as well as a number of corporate / business area audits;
- consideration of relevant reports presented to Leadership Team; and
- attending the Strategic Risk Management Group meetings during the year to gain assurance over, and feed into as necessary, the strategic risk management process.

The conclusion drawn from this work was that risk management arrangements for projects and strategic risks have continued to operate as expected during the period.



Risk framework remains the same - assessed as **Reasonable Assurance**

Internal Control



This takes into account the outcome of our audit work during the 2019/20 year. As our audit plans include different activities each year assurance may vary from year to year. However, the assurance level still gives insight into West Suffolk Council's control environment.

During the year we carried out the following reviews:

- ARP Enforcement (ARPE) – Good Assurance
- Members Allowances – Good Assurance
- Council Tax and Overpayments – Reasonable Assurance
- Housing and Council Tax Benefits – Reasonable Assurance
- Non-Domestic Rates (NDR) – Reasonable Assurance
- Access to ICT Systems (Operations) – Reasonable Assurance
- Access to ICT Systems (Planning & Regulatory Control) – Reasonable Assurance
- Heritage Assets – Reasonable Assurance
- Civic Regalia – Reasonable Assurance
- Houses in Multiple Occupation (HMOs) – Reasonable Assurance
- Property (Health & Safety) – Reasonable Assurance
- Disclosure and Barring Service (DBS) Checks – Reasonable Assurance
- Follow up audits on actions agreed in previous audits on Transparency and Open Data, Lone Working, Violence Register, Cyber Security, CCTV, Events Management, Payment Card Industry Data Security Standard (PCI DSS), and Tree Management and Inspections – no opinions are issued in follow up audits as they only look at implementation of previously agreed actions
- Note: the NDR review was undertaken by the East Suffolk Internal Audit Team and the ARPE review was undertaken by the Fenland Internal Audit Team on behalf of the five councils currently working together as the Anglia Revenues Partnership



Internal Control remains the same - assessed as **Reasonable Assurance**

Financial Control



Our audit plan includes providing assurance over our key financial systems. This work is also of particular interest to the external auditor when planning and performing their audit of West Suffolk's annual Statement of Accounts.

During the year we carried out the following reviews:

- Treasury Management – Good Assurance
- General Ledger – Good Assurance
- Payroll (Reduced Scope) – Good Assurance
- Car Parks Cash Handling (Reduced Scope) – Good Assurance
- Creditors (Reduced Scope) – Reasonable Assurance
- Debtors (Reduced Scope) – Reasonable Assurance
- Follow up audits on actions agreed in previous audits on Procurement Cards, Procurement Compliance, Grant Payments - Shop Front Payment Scheme, Grant Payments – Housing Assistance and Grant Payments – Greener Business were also undertaken.



Financial Control remains the same - assessed as **Good Assurance**

Our Work



West Suffolk Council is responsible for establishing and maintaining risk management processes, control systems and governance arrangements. Internal audit plays a vital role in providing independent risk based and objective assurance and insight on how these arrangements are working. Internal audit forms part of West Suffolk Council's assurance framework.

Scope of Work

Our risk-based 2019/20 internal audit plan, approved by the Performance and Audit Scrutiny Committee in May 2019, was prepared taking into account the critical activities and key risks to support the basis of the annual internal audit opinion.

This audit plan remained flexible to enable us to respond to emerging risks and maintain effective focus as demonstrated by the added value work undertaken in the year. In addition, we were still able to complete all Priority 1, and much of the Priority 2 and 3 work included within the approved plan.

The Covid-19 pandemic has not significantly impacted on the activity or scope of internal audit work in 2019/20, and the annual audit opinion is based on work undertaken before the impacts of the pandemic were felt.

In 2020/21 audit resources will continue to be used where they add maximum value, whether by directly supporting the council's response to Covid-19 or providing assurance to the council in the usual way. In any event, there is a clear intention to ensure that sufficient audit work will be undertaken in 2020/21 to provide a robust annual audit opinion at the end of that year.

Restriction on Scope

In carrying out our work we identified no unexpected restrictions to the scope of our work.

We have not experienced any impairment to our independence or objectivity during the conduct and delivery of the 2019/20 audit plan.

Our Work



Detailed below are those areas that were identified by management and internal audit as likely to benefit from internal audit working with services to review relevant arrangements on behalf of management, and assist in making improvements where appropriate. Some of these areas also feed into the annual audit opinion.

Added Value

The following pieces of added value work have been carried out during the year:

Enforcement Evidence Handling

A review of the newly introduced process within the Planning and Regulatory Service to manage the storage and disposal of evidence which has either been seized or voluntarily surrendered. The review included the initial logging of items, record movement, location and disposal. Some suggestions for improvement that would strengthen arrangements were made, which have been actioned by the service.

Single Council Assurance Work – ARP

A health check was carried out to provide a view on the project governance and approach to the ARP database conversion from the existing Forest Heath and St Edmundsbury databases into the new West Suffolk Council database to enable the awarding of housing benefits and collection of taxes and recovery action. The health check concluded the implementation plan was on target, well managed, with clear actions and timescales in place.

Expenditure Review

Participation in the review of council expenditure.

Single Council Assurance Work Payroll

A post implementation audit review was conducted following the completion of the payroll project ready for the new West Suffolk Council. The review concluded that implementation of the new payroll system was well managed with no significant actions arising.

Demand Analysis

As part of the preparation to develop the Transformation and Change Plan for West Suffolk Council, a need was identified to better understand the demand information that is currently held across service areas. Internal Audit were asked to support this work.

Shared Legal Service Gateway Review

Participation in the review into the implementation and delivery of the Babergh and Mid Suffolk District Councils and West Suffolk Council Shared Legal Services team.

Single Council Assurance Work - General Ledger

A post implementation audit review was conducted following the completion of the financial system project ready for the new West Suffolk Council. The review concluded that implementation of the new West Suffolk

financial system was well managed with no significant actions arising.

Grounds Maintenance Enquiries

This was an extensive exercise carried out working alongside colleagues from the Customer Services team to identify areas for improvement in the existing grounds maintenance enquiries process.

Anglia Revenues Partnership (ARP) Performance Management

A significant piece of work was carried out to provide assurance over elements of the ARP performance management framework (governance, target setting, monitoring, and reporting). The results of this work are feeding into the target operational model being developed by the partnership, to make sure they are best organised to deliver and execute their services in the future.

Capital Strategy and Flexible Use of Capital Receipts Strategy

This piece of work provided assurance to the S151 Officer that the council is complying with its Capital Strategy and Flexible Use of Capital Receipts Strategy, and also that prudential framework requirements, and capital flexibilities requirements set out by central government, are properly followed.

Mildenhall Hub Project Assurance

Performing the Project Assurance role for the Mildenhall Hub Project and in doing so, consider for each stage of the project whether it is on track and in accordance with agreed governance.

Western Way Development

Feeding into the Gateway Review process for the Western Way Development.

Temporary Accommodation

Advice was provided having been asked to comment on temporary accommodation documents.

Credit Notes

This was a data analysis exercise, focusing on the scale and timing of when credit notes are raised.

Other Significant Work

Other key work undertaken during 2019/20 includes:

Annual Governance Statement

Commencement of work on the 2019/20 West Suffolk Annual Governance Statement.

Financial Vetting

During the year Internal Audit responded to around 45 requests for financial vetting or other related financial advice including assessments of organisations' financial suitability to undertake specified contracts for the council.

West Stow Accounts

Independent Examination of the West Stow Anglo Saxon Village Trust 2018/19 accounts.

Fee Earning Work

Internal audit is continuing to undertake fee earning work during 2019/20 and by the end of the financial year this is likely to result in approximately £11,000 of income being earned.

Fee earning work consists of the following:

- audit of the council tax, housing and council tax benefits, and housing benefit overpayments systems at the Anglia Revenues Partnership (ARP) on behalf of East Cambridgeshire District Council and Breckland Council;
- fee earning grant certification work for the following organisations to check that the conditions of the relevant specific grant determinations have been complied with:
 - New Anglia LEP - to provide assurance to the Department for Business Innovation & Skills; and
 - Suffolk County Council - to provide assurance to the Trading Standards Institute

Our Work



We recognise the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards. We continually focus on delivering high quality audits, seeking opportunities to improve where we can.

Quality Assurance

We are committed to training and developing internal audit staff, with training provision continually reviewed through the appraisal process and regular one to one meetings.

In addition, the Standards require that internal audit 'must develop and maintain a 'quality assurance and improvement programme' that covers all aspects of the internal audit activity'. This quality assurance and improvement programme is designed to check internal audit's conformance with the Standards and the Code of Ethics and also assess its efficiency and effectiveness and identify any areas for improvement.

Currently, West Suffolk Council's internal audit's quality assurance and improvement programme consists of the following elements:

- an external assessment to independently assess conformance with the Standards every five years – an external quality assessment was undertaken in March 2018, no areas of non-compliance with the Standards were identified.
- An ICT Audit Risk Assessment was carried out in 2019/20, being one of the recommendations arising from the external quality assessment.

- a quality review process is undertaken for each individual audit. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting.
- customer satisfaction questionnaires are issued with audit reports for completion by the service area subject to audit; and
- quality assurance checks by the internal audit team to ensure the Standards are consistently followed.

The results of the above Quality Assurance processes within the year have been satisfactory with nothing of significance to report. We therefore consider that we have continued to comply with the Standards.

Although internal and external auditors carry out their work with different objectives in mind, many of the processes are similar and it is good professional practice that they should work together closely. With this in mind internal audit hold regular liaison meetings with the external auditors, and the external auditors take into account work performed by internal audit in planning and performing their own work.

Our Work 	<p>Internal Audit's performance is measured and monitored throughout the year using a range of indicators.</p> <p>Performance against relevant indicators is summarised below.</p>
--	--

Performance against Key Indicators

Performance Indicator	2018/19 Actual	2019/20 Target	Actual 2019/20
Percentage completion of Priority 1 work within the approved 2019/20 Audit Plan	100%	80%	100%
High risk actions implemented or satisfactory / reasonable progress made by target date	92%	90%	93 %
Average no. of days from fieldwork completion to issue of draft report	7 days	15 days	6 days
Average no. of days from receipt of final management comment to issue of final report	3 days	10 days	3 days
% of satisfactory (or better) ratings received from customers on individual audits	100%	90%	100 %

Our Work 	<p>Audit reviews undertaken during the year issued with a limited assurance opinion are shown below.</p>
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Details of Limited Assurance Audits

No audits were issued with a limited assurance audit opinion

Glossary of Terms

Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Internal Audit Annual Opinion

The Service Manager (Internal Audit)'s view, based on internal audit work undertaken and any other relevant assurances, of the adequacy and effectiveness of West Suffolk's arrangements for governance, risk and control.

Governance

Governance comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the outcomes for intended stakeholders are defined and achieved.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Control

Any action taken by management, Performance and Audit Scrutiny Committee, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.

Impairment

Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations (funding).

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INTRODUCTION

West Suffolk Council spends millions of pounds of public money each year on essential local services. It is essential that we continue to protect and preserve our ability to provide these services by ensuring assets are protected against risk of loss or damage.

This report summarises the work which has taken place during 2019/20 to prevent and detect fraud, theft and corruption. The council aims to show its commitment to minimising the risk of fraud, theft and corruption and deter any would-be fraudsters by publishing this information.

The Risk of Fraud

Fraud, theft and corruption are an ever-present threat to the resources available in the public sector. They are costly, in terms of both reputational risk and financial losses.

The council's mitigating controls include:

- clear policies and procedures;
- availability of specialist / qualified staff to identify and investigate potential areas of fraud;
- active participation in the National Fraud Initiative; and
- a sound internal control environment as demonstrated by internal and external audit opinions.

Whilst there are mitigating controls in place to manage the risks of fraud, theft and corruption, these risks cannot be completely eradicated. West Suffolk Council recognises the vulnerability to fraud and key fraud risk areas and takes positive action to minimise those risks. Emphasis is placed on preventative and early detection work in areas at greatest risk of fraud.

Policies and Procedures

The council has a range of interrelated policies and procedures to provide a corporate framework to counter fraudulent activity. These include:

- Codes of Conduct for Members and Officers
- Code of Corporate Governance
- Constitution – including Contract and Financial Procedure Rules
- Anti-Fraud and Anti-Corruption Policy
- Whistleblowing Policy
- Anti-Money Laundering Policy
- Recruitment and Selection procedures

Corporate Fraud, Theft, Bribery and Corruption Arrangements

- ✓ West Suffolk's Anti-Fraud and Anti-Corruption Policy is in place to minimise the risk to the council's assets and good name, promote a culture of integrity and accountability in councillors, employees and all those that the council does business with, and enhance existing procedures aimed at preventing, discouraging, detecting and investigating fraud and corruption.
- ✓ Regular messages are published on the intranet to increase staff awareness. This can include topics such as housing benefit, business rates and council tax fraud, mandate and invoice fraud, vishing scams (the practice of making phone calls purporting to be from reputable companies to induce officers to reveal information), grant fraud, on-line shopping fraud and general fraud awareness. Where appropriate, messages are also posted on West Suffolk social media accounts to alert the public to scams.
- ✓ Internal audit receives and takes action on regular alerts from the National Anti-Fraud Network – an organisation recognised as a centre of good practice dedicated to protecting the public purse from fraud, abuse and error.
- ✓ The Anglia Revenues Partnership (ARP) provides the revenues and benefits service on behalf of five partner authorities, including West Suffolk. The ARP has a dedicated fraud team which internal audit liaises with on a regular basis.
- ✓ Staff vigilance continues to support the anti-fraud culture. For example, the finance team have strong controls in place which help to identify attempted mandate fraud.

INTERNAL AUDIT

Fraud and corruption risks are identified as part of the annual audit planning process and flexibility is included within the annual Internal Audit Plan to undertake irregularity investigative work, coordination of the NFI data matching exercise and proactive anti-fraud and anti-corruption work, including raising awareness.

It is recognised that due to the unprecedented Covid-19 pandemic that pressure on resources and deployment of staff to undertake processes/transactions could potentially slightly increase the risk of fraud from external parties

Internal Audit are actively seeking to utilise tools to assist with identifying any potentially fraudulent claims in respect of the Covid-19 business grants.

REPORTED SUSPICIONS

The Internal Audit team has a responsibility to investigate suspected irregularities resulting in potential loss to West Suffolk resources / monies.

An investigation was undertaken in 2019/20 following the report of missing ICT equipment. This resulted in strengthening controls for the security of such equipment. Subsequent to the investigation, further intelligence was received, enabling the police to submit a case to the Crown Prosecution Service.

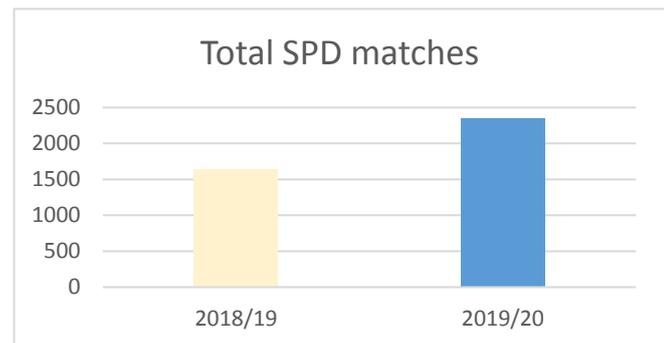
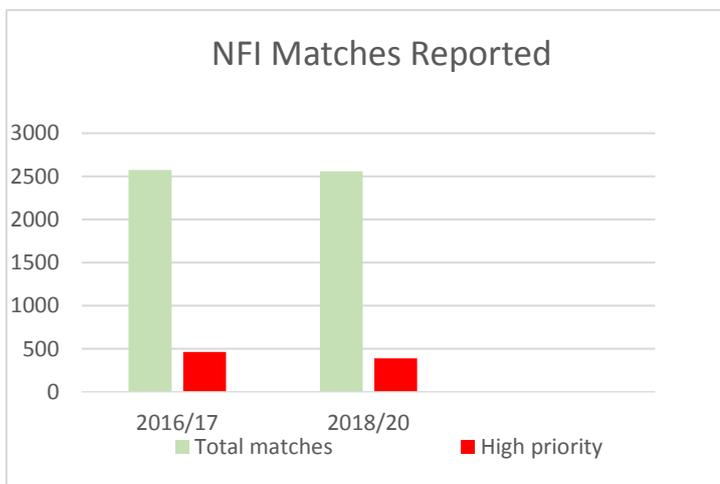
NATIONAL FRAUD INITIATIVE

The National Fraud Initiative (NFI) is a mandatory exercise run by the Cabinet Office to match and compare electronic data within and between public and private sector bodies to prevent and detect fraud and error. These bodies include police authorities, fire and rescue authorities, NHS as well as local authorities and a number of other public sector bodies. Where a match in data is found, this indicates that there may be an inconsistency in the application, claim or payment which needs further investigation.



Cabinet Office

- The main exercise takes place over a two year period, matching records such as benefits, student loans, payroll, pensions, licences, creditor payments, housing register, and parking permits.
- The current NFI exercise initially saw data matches being released in Quarter 4 of 2018/19 with additional matches released during 2019/20. This produced a slight reduction in the number of matches reported.
- A separate annual exercise to match electoral register data to single person discount (SPD) records is also undertaken to identify where SPD may not be applicable as there is more than one liable person living at the property. The most recent exercise has seen an increase in the reported matches.



- The next biennial exercise should see data matches released in Quarter 4 of 2020/21.

- ✓ Where fraud or error is found, recovery is made by way of the housing benefit overpayment process, credits obtained from suppliers (for example for duplicate invoice payments) or revised council tax bills are issued.

REVENUES AND BENEFITS (ARP) FRAUD ARRANGEMENTS

ARP investigate council tax fraud, tenancy fraud (working with the homelessness and housing teams) and offences relating to council tax support. Housing Benefit frauds are passed to the DWP to investigate.



Proactive work includes:

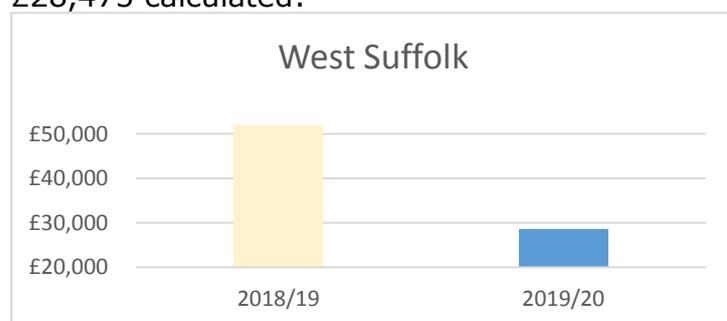
- Checks are made on single person discount (SPD) applications by the ARP Fraud Team to proactively prevent discounts being incorrectly granted
- Identifying potential tax evasion due to properties not on the council tax or business rates databases
- New staff recruited to the ARP revenues and benefits team are given an induction session, to include training on fraud awareness, key documents and the role of the ARP Fraud Team
- Working with housing teams and social housing providers to recover properties
- Investigating referrals from West Suffolk Council

The data below has been provided by ARP to summarise some of the fraud work undertaken by them during 2019/20.

Council Tax Reduction Scheme

Every effort is made to recover debt caused by fraud in line with Department for Work and Pensions (DWP) guidance.

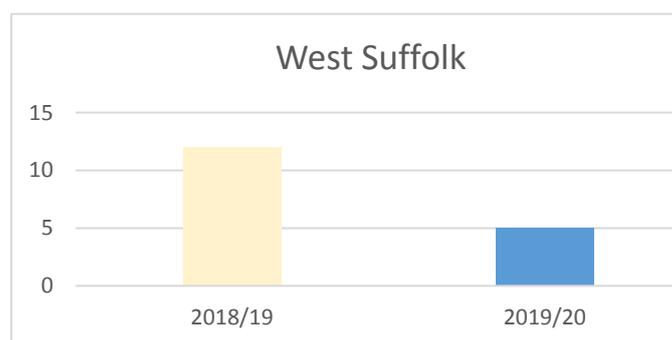
36 cases of ineligible council tax reduction scheme awards were identified with savings of £28,475 calculated:



New council tax bills are issued for the period in question to enable collection to be made.

Savings are calculated from the actual overpayment.

Sanctions Applied



Investigations can be closed without a sanction because it is considered to be a genuine error, there is insufficient evidence of fraud, or it is not in the public interest to pursue the fraud. In these instances, the benefit is corrected, and the action taken is recovery action in respect of an overpayment; whilst this is not recorded as a fraud, there is a saving to the taxpayer.

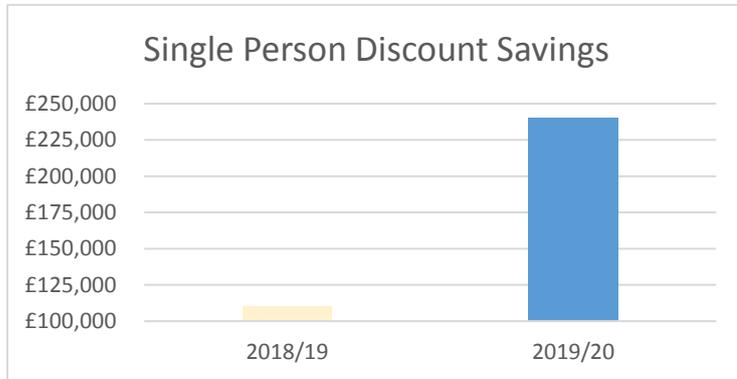
Housing Benefit

Housing benefit fraud is investigated by the Single Fraud Investigation Service (SFIS) which is a partnership between the DWP Fraud Investigation Service, HMRC, and local authorities.

ARP referred 97 cases to SFIS on behalf of West Suffolk.

Single Person Discount fraud

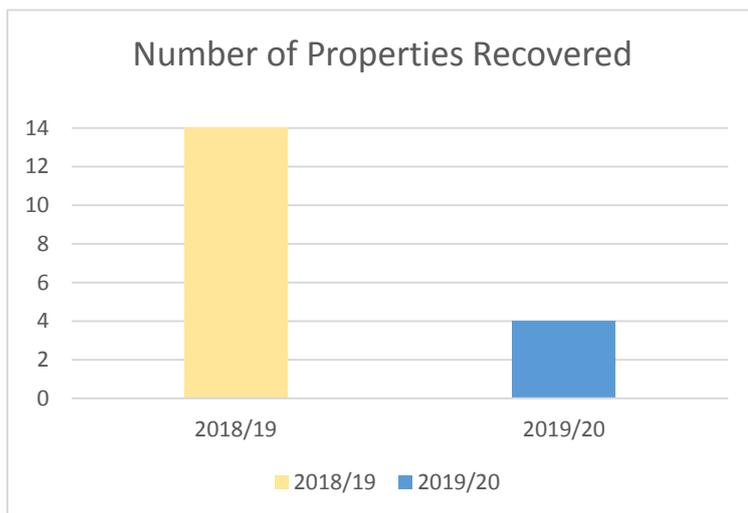
299 cases were identified in 2019/20, with savings of £240,362 calculated.



In line with DWP guidance, the savings are calculated from when the eligibility is removed, the liability for the remainder of the current year plus another 52 weeks.

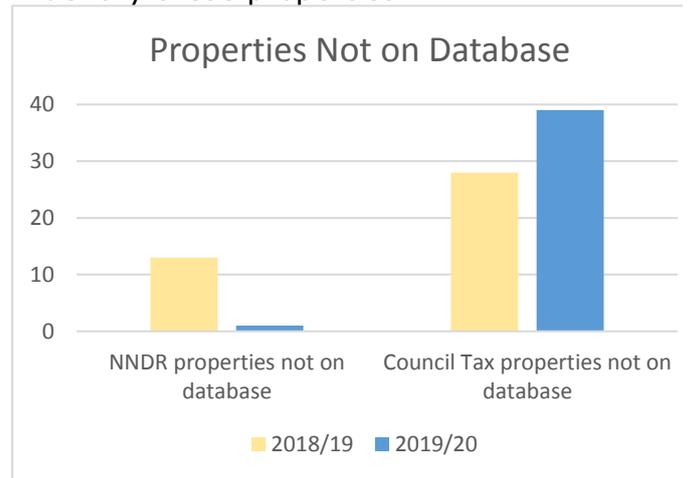
Social Housing Fraud

Joint working with the Housing Team and Housing Associations resulted in a number of properties being recovered. These properties can then be offered to those who are eligible for social housing.

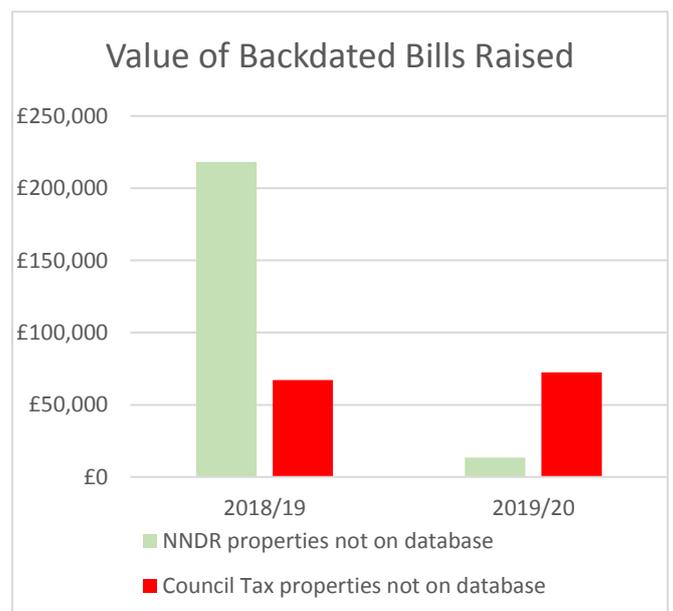


Other Fraud Activity

Work continues to identify properties which are not on the council tax or business rates databases. This can occur as the property has not been declared to the Valuation Office or incorrect information on the property status has been declared; Officer vigilance can often identify these properties.



Backdated bills are raised for these properties. A decrease in value is showing from 2018/19, this is due to three significant business units being identified as missing from the database in 2018/19.



HEALTH CHECK

A fraud health check review has been completed by internal audit to evaluate the counter fraud arrangements at West Suffolk Council against the following good practice guidance.



CIPFA Code of Practice – Managing the Risk of Fraud and Corruption

- This provides a number of key principles to embed effective standards for countering fraud and corruption.
- An annual self-assessment, along with consideration of progress of actions and assessment of risks and controls, is undertaken against this voluntary Code.
- Any actions arising are incorporated into the annual audit work plan.

Fighting Fraud and Corruption Locally

- The CIPFA Local Government Counter Fraud and Corruption Strategy 2016-19 estimates that fraud costs local government £2.1bn a year.
- The Strategy sets out the approach local authorities should take to transform counter fraud and corruption performance, including a self-assessment to identify and understand major risks and the counter fraud and corruption culture.
- An annual self-assessment, along with progress of actions and risk controls, concluded that there were no high risks for West Suffolk Council. A small number of actions were raised to further strengthen the counter fraud arrangements, these are incorporated into the annual audit work plan.
- West Suffolk Internal Audit participated in a workshop to support the updating of the counter fraud and corruption strategy for local government which has recently been published.

Fraud and Corruption Tracker

CIPFA also produces a national Fraud and Corruption Tracker report, this data is collated from a national survey to identify trends and statistics.

The 2019 report estimated approximately 71,000 frauds had been detected or prevented nationally in 2018/19 with a value of £253m. Key messages from the report include:

- Council tax single person discount, procurement and housing fraud are the highest perceived risk areas;
- Business rates fraud continues to grow marginally;
- Council tax fraud represented 79% of identified fraud but is only 12.1% of detected value.

Suffolk Counter Fraud Group

This newly created group, of which West Suffolk is a member, aims to:

- Identify and share emerging national and local fraud risks;
- Explore the sharing and matching of data within Suffolk authorities to identify fraud and error;
- Share best practice and explore joint working for proactive counter fraud exercises.



Internal Audit Plan 2020-2021

Report No:	PAS/WS/20/009	
Report to and date:	Performance and Audit Scrutiny Committee	28 May 2020
Cabinet Member:	Councillor Sarah Broughton Cabinet Member for Resources and Performance Tel: 07929 305787 Email: sarah.broughton@westsuffolk.gov.uk	
Lead officer:	Jon Snares Service Manager (Internal Audit) Tel: 01284 757239 Email: jon.snares@westsuffolk.gov.uk	

Decisions Plan: N/A

Wards impacted: N/A

Recommendation: **Performance and Audit Scrutiny Committee:**

It is recommended that, the Internal Audit Plan for 2020-21 be approved.

1. Background / Context

1.1 The objectives of internal audit are to:

- provide a professional, independent and objective assurance and advisory service that assists the Assistant Director (Resources and Performance) in her statutory duty as Section 151 Officer to ensure that the council's finances are properly administered; and
- work with management to improve the operation of the councils.

1.2 The internal audit service is delivered and developed in accordance with the Internal Audit Charter approved by this committee in May 2019.

2. Proposals

2.1 The proposed 2020-21 Audit Plan, provided at **Appendix B**, is a risk-based plan of work for the internal audit team which takes into account the need to produce an annual internal audit opinion for the council which concludes on the overall adequacy and effectiveness of the council's framework of governance, risk management and internal control.

2.2 The ongoing challenges for the council resulting from the Covid-19 pandemic have been taken into account in producing the draft audit plan. Because of these challenges it is more important than ever that the audit plan is flexible and can adapt as circumstances change, and that audit resources are used where they add maximum value, whether by directly supporting the council's response to Covid-19 or providing assurance to the council in the usual way.

2.3 Final approval of the Audit Plan is the responsibility of the Performance and Audit Scrutiny Committee.

3. Alternative Options

3.1 The Public Sector Internal Audit Standards require that a risk-based plan of internal audit work is produced. There are no alternative options.

4. Consultation and engagement

4.1 The draft Audit Plan was produced in consultation with Leadership Team and Service Managers.

5. Risks

5.1 An approved Audit Plan ensures that risk-based plans are in place to determine the priorities of the internal audit activity, consistent with the council's goals.

6. Implications arising from the proposal

6.1 Any implications arising from the proposal are covered in **Appendix A**.

7. Appendices

- 7.1 Appendix A – Internal Audit Plan Report
- Appendix B – Internal Audit Plan

8. Background documents

- 8.1 N/A

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West Suffolk Internal Audit Plan 2020/21

Introduction

The role of internal audit is that of an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

What is the Internal Audit Plan and why does it matter?

The proposed 2020/21 Audit Plan, provided at **Appendix B**, is a risk based plan of work for the Internal Audit team that provides a framework for ensuring that audit resources are focused on activities that will make the most difference to supporting West Suffolk priorities.

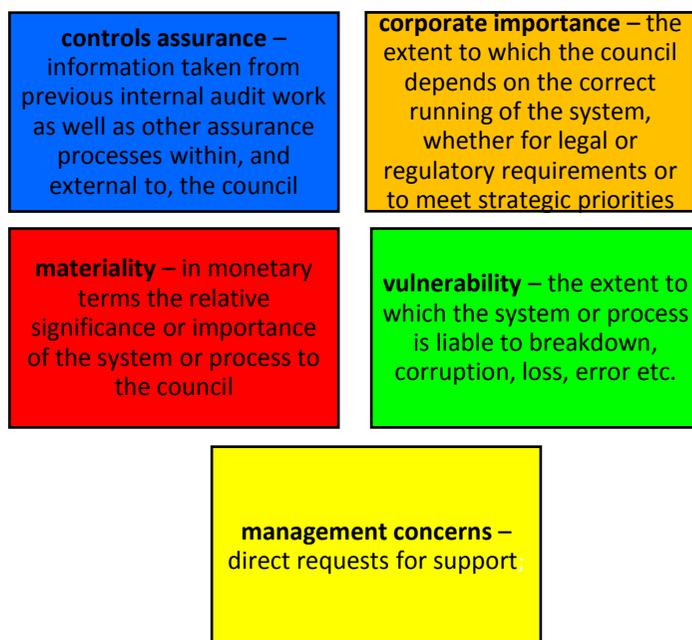
The Internal Audit Plan takes into account the need to produce an annual internal audit opinion which underpins West Suffolk Council's Annual Governance Statement – the following diagram shows key sources of information that help to inform the Audit Plan:



How was the draft Internal Audit Plan produced?

A series of meetings was held with senior managers within the council to discuss and gain a better understanding of any current or upcoming service or corporate challenges or risks.

From these meetings, and a review of the Strategic Risk Register, a list of potential audit areas was produced and then risk assessed using the following criteria:



Each auditable area was given a score based on the above risk assessment and from this score, allocated a priority from 1 (high) to 3 (low) resulting in a risk based proposed plan of work. It is clear that there are now also a number of additional significant challenges for the council as a result of the Covid-19 pandemic and this has also been taken into account in producing the draft audit plan. It is more important than ever that the audit plan is flexible and that

audit resources are used where they will add maximum value, whether by directly supporting the council's response to Covid-19 or providing assurance to the council in the usual way. This will be monitored and assessed on an ongoing basis throughout the year.

What is included in the draft Internal Audit Plan?

Appendix B provides information on the key audit areas we have prioritised in our work programme for 2020/21.

In essence the draft Internal Audit Plan includes two categories of work – that which supports the annual internal audit opinion (assurance work) and other, non-assurance work, as follows:

Assurance work

- main financial systems
- corporate and business area audits
- follow up work on previous audits to check whether agreed actions have been implemented
- added value work – areas identified by management and Internal Audit that would benefit from appropriate audit input in the form of providing support and advice to management including reviewing relevant arrangements
- proactive anti-fraud work
- other assurance related work – working groups, general advice and assistance, liaison with external audit

Non-Assurance Work

- fee earning – ARP audits on behalf of other partners and grant certification work for other organisations
- financial vetting, and financial due diligence for investment decisions
- annual Independent Examination of West Stow Anglo Saxon Village Trust accounts

Delivering the Plan

The intention is that as far as possible the proposed audits will be undertaken in priority order and as many of the audits completed as possible within the available resources. It should however be recognised that not all of the identified pieces of work may be undertaken, and the plan may be subject to significant changes, due to:

- potentially changing risks / priorities (particularly regarding Covid-19 related impacts) within the year and the need for flexibility in the use of audit resources to respond to these accordingly; and
- the need to work up and agree with officers a detailed scope for each audit area which will determine the audit resources required for each piece of work.

The draft Audit Plan as presented at **Appendix B** represents the Internal Audit Service Manager's current view of how audit resources can be most effectively used – where significant deviations to the plan are required this would be reported to the Performance and Audit Scrutiny Committee as appropriate.

The Internal Audit Service Manager will remain alert to changing circumstances and emerging risks through a number of channels, including:

- attendance at senior officer meetings including Senior Management Team (Leadership Team plus Service Managers), officer working groups, feedback from the Section 151 Officer, and networking with other West Suffolk colleagues;
- liaison and meetings with external audit;
- committee reports; and
- professional reference material, websites, and discussion forums.

Where any sources of assurance other than the work contained within this Plan are relied on in forming the annual audit opinion, additional work may be undertaken by Internal Audit where necessary and appropriate to validate these other sources of assurance.

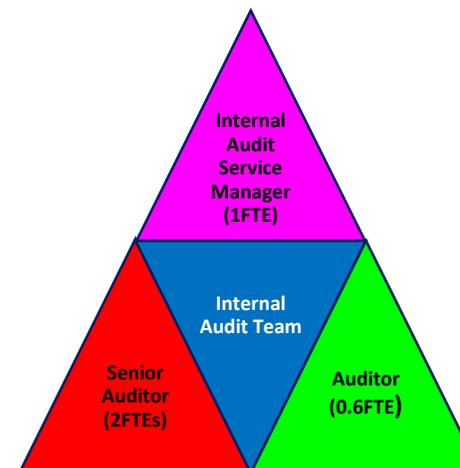
What staff resources does the Internal Audit team have and how are these allocated?

West Suffolk Council's internal audit resource requirements are based on a recognition that:

- the ability to be flexible wherever possible and react to services' need for advice and assistance is a crucial element of internal audit's ability to add maximum value;
- the council has a statutory obligation to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, thereby covering a broad spectrum of work; and
- audit coverage needs to be appropriate and sufficient to enable the Internal Audit Service Manager to discharge his duty to provide a robust annual internal audit opinion in support of the West Suffolk Annual Governance Statement.

The Internal Audit Service Manager considers that the current Internal Audit staff resource is adequate to fulfil the requirements of this Audit Plan and meet statutory obligations. The following full-time equivalent posts are filled:

The following full-time equivalent posts are filled:



The training and personal development needs of internal audit staff are established through a review process. The existing skills, knowledge and experience of internal audit staff have been taken into account when preparing the draft audit plan.

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

MAIN FINANCIAL SYSTEMS				
These are the main financial systems that support the running of the council. These audit reviews are carried out to provide independent assurance to the Assistant Director (Resources and Performance) / S151 Officer that arrangements are operating effectively, and in line with the Financial Procedure Rules and Treasury Management Strategy as appropriate. These audits are carried out annually and the coverage of each audit is decided on a risk basis.				
Audit area	Outline Scope	Priority	Audit Opinion Area	Link to Relevant Risks in Strategic Risk Register
Creditors	To provide assurance that payments made are valid, authorised, accurate and timely, in respect of goods and services received by the council and that they have been properly accounted for in the council's accounts.	1	Financial Control	Poor financial management Poor financial planning
Debtors	To provide assurance that invoices are complete, accurate and timely, VAT is accurately calculated, that all invoices are paid and accounted for in the council's accounts, and for those not paid timely action is taken to recover them; with uneconomic and irrecoverable amounts written off in line with the council's write-off policy.	1	Financial Control	Poor financial management Poor financial planning
Treasury Management	Annual audit required to satisfy the requirement for internal audit to sign off the Annual Statement of Compliance with the Treasury Management Code of Practice as reported to committee. Provides assurance that accurate, complete and timely information is produced to allow for effective monitoring and decision making in line with the investment strategy; that transactions are complete, accurate, valid and timely and made with institutions in line with the Treasury Management Strategy; and that treasury management activities are monitored and scrutinised in accordance with the CIPFA Code of Practice.	1	Financial Control	Poor financial management Poor financial planning
Car Parks Cash Handling	Audit required due to significant sums involved and risks associated with cash handling. Provides assurance that effective controls are in place over car parking cash collection, retention and banking systems due to the materiality of cash involved.	1	Financial Control	Poor financial management Poor financial planning
Anglia Revenues Partnership (ARP) audits: ➤ Council Tax ➤ Housing Benefit Overpayments Recovery	Audits required as agreed with other ARP partners. West Suffolk currently undertakes the audits of Council Tax, Housing Benefits Overpayment Recovery, and Housing Benefits, on behalf of all the ARP partners for which a fee is charged. The audits of National Non-Domestic Rates and ARP Enforcement are currently undertaken by other partners. Provides assurance over the administration of the revenues and benefits systems.	1	Internal Control	Poor financial management Poor financial planning

➤ Housing Benefits				
Payroll	To provide assurance that key controls exist for payroll processing including adequate documentation for starters and leavers, controls over amendments to individual payroll records verifications to ensure that statutory deductions are correctly calculated and promptly paid to the Inland Revenue, reconciliations between the payroll system and the general ledger are correctly and promptly undertaken, and any changes to pay and rewards have been correctly implemented.	1	Financial Control	Poor financial management Poor financial planning
General Ledger	To provide assurance that financial transactions are correctly recorded including ensuring their completeness and integrity, with the aim of providing the data from which the council's annual Statements of Accounts can be prepared.	1	Financial Control	Poor financial management Poor financial planning

ADDED VALUE WORK

Areas identified by management and internal audit that would benefit from audit input in the form of providing support and advice to management including reviewing relevant arrangements on behalf of management and/or assisting in making improvements. Care will be taken to ensure these activities do not impinge upon internal audit independence.

These pieces of work will generally be one-off activities (unlike the annual financial systems reviews) and will not always result in a formal report being issued or an opinion provided. However, these pieces of work will contribute to a balanced audit plan which enables the Service Manager (Internal Audit) to give his statutory annual audit opinion on the adequacy and effectiveness of the council's framework of risk management, control and governance processes.

Work included in this category will be discussed and agreed with management during the year.

CORPORATE AND BUSINESS AREA AUDITS

Reviews of systems, processes or tasks where the internal controls are identified, tested, and evaluated. These are therefore more traditional pieces of audit work in contrast to the 'Added Value Work' referred to above. Again, unlike the annual financial systems reviews these pieces of work will generally be one-off activities but they will normally result in a formal report being issued and an opinion provided.

Work included in this category is likely to include, but not necessarily be restricted to, the following pieces of work. An ongoing assessment of potential work areas will ensure that audit resource will be used in those areas which will benefit most from audit input.

Audit area	Outline Scope	Priority	Audit Opinion Area	Link to Relevant Risks in Strategic Risk Register
Impact of Covid-19 on Internal Controls	A risk assessment will be undertaken to understand the impact on controls as a result of challenges faced in responding to the Covid-19 pandemic. This risk assessment is likely to result in the performance of a number of separate pieces of audit work to be agreed with management.	1	Potentially all opinion areas	Covid-19 risk
Asset Management	To provide assurance over the arrangements in place for the operational management of the council's land and buildings and the maintenance / improvement thereof.	1	Internal Control	Poor performance
IT Audit	IT Audit work arising from the IT audit risk assessment carried out by an expert external party. Detailed discussions will be held with the ICT team to agree the scope of this work.	1	Internal Control	Cyber security

Contract Extensions	Review a sample of contracts to determine whether the terms of the contracts have been complied with and value for money obtained when contracts are extended.	2	Internal Control	Poor financial management
Fleet Management	Review to provide assurance regarding driver licensing; operator licensing; fleet maintenance and motor insurance.	2	Internal Control	Poor performance
Declarations of Interests - Staff	Review the adequacy of the policies, procedures and key controls surrounding declarations of interests for staff, specifically that declarations have been completed and are up to date and current.	2	Governance	Maintain and promote our public image, maintain effective communications
Declarations of Interests - Members	Review the adequacy of the policies, procedures and key controls surrounding declarations of interests for members, specifically that declarations have been completed and are up to date and current; and that any potential conflicts of interest identified are traced to minutes of meetings to test whether or not these have been declared.	2	Governance	Maintain and promote our public image, maintain effective communications
Gifts and Hospitality – Staff and Members	The purpose of this audit is to provide assurance that the integrity of staff and members is not compromised by the offering and/or acceptance of gifts and hospitality; to enable individuals to work without fear of allegations of corruption and protect the reputation of the council.	2	Governance	Maintain and promote our public image, maintain effective communications
Safeguarding	Light touch audit of safeguarding within the council.	2	Governance	Safeguarding children and vulnerable adults

Follow Ups	Priority	Link to Relevant Risks in Strategic Risk Register
Whilst it is management's responsibility to manage the risks associated with the areas under their authority, internal audit will monitor progress against the implementation of all agreed audit recommendations deemed to be high / medium risk.	1	Potentially all risks

FRAUD, IRREGULARITY AND PROBITY			
Proactive testing of systems and processes to identify potential fraud and misappropriation or non-compliance with policies and procedures; and potentially reactive investigations into potential wrongdoing, fraud and corruption.			
Subject	Outline Scope	Priority	Link to Relevant Risks in Strategic Risk Register
Irregularity Investigations	Reactive work where suspected irregularity has been detected.	1	Poor financial management Poor financial planning
Data Matching	Co-ordinating review of National Fraud Initiative matches, and developing of other data matching reports.	1	Poor financial management Poor financial planning
Proactive Fraud and Corruption Work	Proactive anti-fraud work that includes targeted testing of processes with inherent risk of fraud.	1	Poor financial management Poor financial planning

Fraud Awareness and Publicity	Continuing to raise awareness of fraud issues and how to report suspicions.	2	Poor financial management Poor financial planning
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OTHER AUDIT ACTIVITY TO SUPPORT THE AUDIT OPINION

Includes providing advice on systems and processes and attendance at working groups to advise on risk and control, as well as responses to specific enquiries.

Subject	Outline Scope	Link to Relevant Risks in Strategic Risk Register
Annual Governance Statement Working Group	Production of the West Suffolk Annual Governance Statement and its associated documents.	All risks
Information Governance Working Group	Audit support and advice on information governance policies and practices.	Breach of data protection and information security
Strategic Risk Management Group	Feed in to review of strategic risks prior to submission to Performance and Audit Scrutiny Committee.	All risks
General Advice and Assistance	Provision of advice and assistance on the risk, governance and internal control environment.	All risks
Financial Due Diligence in respect of investment decisions and potential suppliers / contractors	Financial due diligence checks on businesses (prospective suppliers, contractors, industrial unit tenants and partners) to minimise financial risks to the council.	Poor financial management Poor financial planning
Internal Audit External Working Groups	Participation in the Suffolk Working Audit Partnership (consisting of the Suffolk local authority internal audit teams) and other relevant groups to share learning and good practice.	All risks
Liaison with External Audit	To ensure there is no duplication of work between internal and external audit, and exchange knowledge as appropriate.	All risks

FEE EARNING

Fee earning services to other local authorities who request our assistance. Approximately £11k is expected to be earned in 2020/21

Subject	Outline Scope
Audit of council tax and housing benefits systems on behalf of other ARP partners	See 'Main Financial Systems' above
Certification of grants on behalf of other organisations	Grant certification work for Suffolk County Council to provide assurance that the conditions of the specific grant determinations have been complied with.

OTHER WORK	
Subject	Outline Scope
Corporate support provided in response to Covid-19	Assistance as required to contribute to maintaining key council services in support of council strategic priorities and responsibilities
West Stow Anglo Saxon Village Trust Annual Accounts	Independent Examiner's report on the 2019-20 accounts to provide assurance on the charity trustees' preparation of the accounts.
Disabled Facilities Capital Grant (DFG)	To provide assurance to Suffolk County Council that the conditions of the grant allocated to, and spent by West Suffolk Council, have been complied with. The grant is for the provision of adaptations to disabled people's homes to help them to live independently in their own homes for longer.

Priority Key

1	High
2	Medium
3	Low

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2019/2020 Performance Report – Year End Outturn

Report No:	PAS/WS/20/010	
Report to and date:	Performance and Audit Scrutiny Committee	28 May 2020
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: It is **RECOMMENDED** that Members **note** the 2019/20 Revenue and Capital Outturn positions and forward any relevant issues or comments to Cabinet for their consideration.

1. Background / Context

- 1.1 The performance management framework seeks to enable greater understanding of progress towards the council's strategic priorities, as well as giving insight on the delivery of the large range of day to day services to the residents of West Suffolk.
- 1.2 The purpose of the evolution and development of the performance management framework is to ensure that performance information supplied to the Performance and Audit Scrutiny Committee, Cabinet and Leadership Team clearly shows:
- Progress towards strategic goals;
 - Insight on initiatives that will ensure future progress;
 - Areas that require decisions and actions to keep on track to their goals;
 - Items with a significant level of risk associated with them;
 - Flexibility in approach allowing the escalation of performance successes and challenges; and
 - The relationship between the performance indicators and financial delivery.

COVID 19 impact

- 1.3 Since the outbreak of COVID-19 in the UK, a number of events have occurred which have had a significant impact on West Suffolk Council's financial position. Some of these have been restrictions imposed by Government that have affected West Suffolk Council's investments and services; and others have been announcements of Government financial support.
- 1.4 This report presents performance for the financial year 2019/20 up to 31 March 2020. As such there are only 8 days of the impact of the lock-down announced on 23 March 2020 included in these reports. The financial impact of COVID-19 has been separated out where possible to provide context to the outturn position.
- 1.5 Funding has been received from central government in 2020/21 that is to cover costs borne as a result of COVID-19. Therefore, the deficit driven by COVID-19 in 2019/20 will be funded through the MTFS reserve at year end and restored by the funding in 2020/21. The underlying deficit will be funded from the General Fund.

2. Proposals

- 2.1 This report shows the final performance and financial outturn position for West Suffolk for 2019/20.
- 2.2 The attached appendices detail the performance as follows:

Appendix A: 2019/20 Performance Indicators – Commentary

This appendix shows a high-level summary of the councils’ budget monitoring outturn position for revenue, capital and reserves, and draws out a number of key performance indicators at strategic priority level.

Appendices B to E: Performance Indicators by Strategic Priority

These appendices support Appendix A and include more detail around how the council is performing against each strategic priority and corporate day to day service delivery.

Appendix F: Income and Expenditure Report

This appendix shows the current revenue forecast position across West Suffolk, analysed across the different categories of income and expenditure.

Appendices G to H: Financial Performance

These appendices contain the financial outturn positions for the council in respect of capital and earmarked reserves.

3. Performance Summary

- 3.1 The table below shows the year end performance status for all indicators, grouped by strategic priority and corporate day to day service delivery, and is further detailed in appendices A to E.

Key Performance Indicators					
Quarter 4 - 2019/20					
App.	Strategic Priority	On or Exceeding Target	Below Target within tolerance	Below Target, outside of tolerance	Data ONLY Indicators
B	Inclusive Growth	1	1	0	0
C	Families & Communities	4	2	1	3
D	Housing	4	0	0	1
E	Day to Day	20	5	2	2
	West Suffolk Totals:	29	8	3	6

Note: Appendix A is a summary of Appendices B-E

4. Financial Outturn Summary

4.1 Revenue

- 4.1.1 The year-end revenue outturn position shows an **overspend of £406,312**. A summary by income and expenditure type can be found in Appendix F, with comments for significant variances.

- 4.1.2 Of this £406k variance, £335k can be directly attributed to the impact on council income services and the emergency responses to the challenges caused by the COVID-19 outbreak at the end of March. The overspend will be

funded from the MTFS reserve for the COVID-19 related costs and the General Fund for the underlying deficit.

- 4.1.3 It is possible that this financial outturn position may change as a result of statement of accounts preparation and the audit of our draft accounts. Any changes will be reported in the presentation of the final accounts and audit report.

4.2 **Capital Programme**

- 4.2.1 The Council has spent £30.9m of its revised capital budget of £49.1m for 2019/20. A further £14.9m of spend is currently expected to be re-profiled into future financial years as a result of project timings and more accurate project spend profiling.

- 4.2.2 Further detail by individual capital project can be found in **Appendix G**.

4.3 **Earmarked Reserves**

- 4.3.1 The council's balance on Earmarked Revenue Reserves at the end of the financial year is **£35.7m**, against a budgeted closing balance of **£33.3m**. The main reason for the balance increase is due to timings on the larger capital projects which are likely to move into future years, and further details can be found in the Capital Programme **Appendix G**.

- 4.3.2 Details of the individual reserve balances and movements during the year can be found in **Appendix H**.

5. **Flexible Use of Capital Receipts**

- 5.1 As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of non-housing assets to fund the revenue costs of service reform and transformation. Guidance on the use of this flexibility was issued in March 2016 which applies to the financial years 2016/17 through to 2019/20. As part of the final government settlement announced on 6th February 2018 this timeframe for flexible use of capital receipts has been extended for a further three years out to 2022/23.

- 5.2 In order to comply with this Direction, the Council must consider the Statutory Guidance issued by the Secretary of State. This Guidance requires authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy and to report against that strategy as required.

- 5.3 Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

"Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual

local authorities to decide whether or not a project qualifies for the flexibility.”

5.4 West Suffolk Council has identified the move to a single council as qualifying transformational expenditure and estimated this cost at £500,000. The ongoing revenue savings generated by the move to single council amount to £300,000 a year.

5.5 The cost of moving to a single council spans the financial years 2018/19 and 2019/20. A total of £368,000 of the project costs were incurred during 2018/19 and the remaining budget of £132,000 was carried forward to 2019/20. The project was finalised during 2019/20 with a spend of £64,000, bringing the final total cost to £432,000.

6. Alternative Options

6.1 In order for the Council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. There are no alternative options.

7. Consultation and engagement

7.1 This report and the figures and commentary therein have been compiled by the Finance team in consultation with the relevant budget holders, services and Leadership Team.

8. Risks

8.1 The West Suffolk Risk Register is a document that records all known strategic risks that may impact the ability to deliver services and performance of West Suffolk Council. Each risk is described and the relative inherent impact and probability of the risk coming to pass is estimated. The actions and controls that are undertaken to mitigate this risk are then laid out resulting in a revised residual impact and probability estimate.

8.2 The challenges presented by the COVID-19 outbreak and accompanying lockdown have obviously impacted all of the risks contained in the register. In order to provide focus for the urgent risks presented a dedicated section has been added to Appendix I for COVID-19 specifically – risk reference WS00. The actions and controls are based around the development of county wide recovery plans. This is a developing position and will be defined in greater detail as these plans are devised.

8.3 The West Suffolk Strategic Risk Register is updated regularly by the Risk Management Group. The Group is comprised of service representatives, including Health and Safety, supported by a Director and the Portfolio Holder for Resources and Performance. Assistant Directors and / or Service Managers may be required to provide further information as requested by the Group.

8.4 The aim of this process is to provide assurance that all strategic risk has been identified and that there are mitigating actions and controls in place to reduce these risks to an acceptable level.

- 8.5 At its most recent assessment in May 2020, the Group reviewed the Target Risk, the risk level where the Council aims to be, and agreed a Current Risk assessment. These assessments form the revised West Suffolk Strategic Risk Register at **Appendix I**.
- 8.6 Part of this assessment included the consideration of the controls and actions in place to address the individual risks. Where Target Risk levels are lower than the Current Risk assessment, further action is either being taken or planned in order to treat the risk and meet the target.
- 8.7 Some individual controls or actions have been updated and those that were not ongoing and had been completed by Mar 2020 have been removed from the register.

9. Implications arising from the proposal

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

10. Appendices

- 10.1 **Appendix A** – Performance Indicators - Commentary
Appendix B – Performance Indicators - Growth
Appendix C – Performance Indicators - Families and Communities
Appendix D – Performance Indicators - Housing
Appendix E – Performance Indicators - Day to Day
Appendix F – Income and Expenditure Report
Appendix G – Capital Programme
Appendix H – Earmarked Reserves
Appendix I – Strategic Risk Register

11. Background documents

- 11.1 None.

PASC BALANCED SCORECARD

March 2020

Budget Monitoring - Over/(Under) spend (all figures are in £000s)

	West Suffolk (Exc. COVID-19 Impact)	West Suffolk (Inc. COVID- 19 Impact)
Revenue		
Income Year-end variance	(663)	(458)
Expenditure Year-end variance	777	907
Net Year-end variance to Budget	114	449
Capital		
Net Year-end variance to Budget (allowing for Carry Forward)	(3,333)	
Reserves		
Net Year-end variance to Budget	2,530	

Key Performance Indicators

	Value	Target	Trend
Families & Communities			
Number of households in Temporary Accommodation (as at last day of month)	66	55	
Number of households in Bed and Breakfasts (as at last day of month)	3	15	
Day-to-Day			
Total Amount of Debt over 90 Days (£)	274,689	100,000	
% Rate of return on investment - WS	0.78%	0.90%	
Car park income (£)	4,891,404	5,162,500	
Income from entire property portfolio (£)	5,663,124	5,576,888	
Void properties (%)	6.55%	6.90%	

PASC BALANCED SCORECARD

March 2020

Commentary

Q4 performance has been overshadowed by the COVID-19 outbreak and resultant lockdown on 23rd March (8 days before year end). This triggered the business continuity plans across all services at West Suffolk Council to meet the challenges presented by the outbreak.

Financial Performance - The underlying revenue position for West Suffolk is very much in line with previous reports and delivers a result within 0.25% of budget.

This underlying performance (excl. COVID-19 impact) is caused by a number of operational factors including increased Trade Waste, Grounds Maintenance and Apex income alongside their associated costs, below budget Planning Application income (which may be a timing issue connected to when planning applications come forward) and higher cash balances driving higher interest receivable.

The capital spend outturn shows the impact of timing changes in the Leisure Capital Investment Fund, Mildenhall Hub and 19/20 Cornhill schedules.

The Earmarked Reserve balance at the year end is currently forecasted to be just under £2.5m higher than budgeted, mainly as a result of the timing profile of major capital projects such as the Leisure Capital Investment Fund.

COVID-19 has caused a material impact caused by the costs and loss of income driven by responding to the outbreak and the lockdown.

The homelessness provision, PPE and homeworking IT costs along with the loss of car park and Apex income have driven an incremental unforecast cost pressure of £335k into the last weeks of 2019/20.

Debt over 90 days - This position is increasing with £134k Property-related (£79k for one tenant) and £67k Trade Waste. The council is taking a pragmatic approach and is working with tenants regarding payment profiles as a result of COVID-19.

Number of Households in Temporary Accommodation - In order to respond to the increased challenges to provide accommodation during the COVID-19 outbreak more places have been found and funded at the end of March. This position will continue during the lock-down period.

Number of Households in Bed & Breakfasts - Strategic choice to move vulnerable people out of B&Bs into the increased provision of temporary accommodation (see above). This position will continue during the lock-down period.

Car Parking - Car parking income receipts began to decline at the end of 2019 and tailed off significantly as the impact of COVID 19 affected the movement of people and the demand for parking spaces. Car Parking charges were temporarily ceased in March.

Property Income - This has remained strong through 2019/20 with healthy void rates seen across the portfolio. There will be significant impacts on these metrics in 2020/21 as tenants seek to offset the lost income caused by the COVID-19 lockdown.

STRATEGIC PRIORITY - INCLUSIVE GROWTH

Month Ending

Mar-20

Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
G1	No. of Small Businesses still in existence after 1 year of grant award		100%	100%	Q		9 grants issued in the last 12 months all 9 businesses are still active and trading.
G2	% of new Start Up Businesses of whole business community.		0.93%	1.00%	A		Previous year 0.86% so upward trend. Opening of Haverhill Epi-Centre in Jan 2021 (delay due to COVID-19) will provide support for this figure to improve again to 1.0%

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STRATEGIC PRIORITY - FAMILIES & COMMUNITIES	
Month Ending	Mar-20

Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
F1	Number of cases of accepted statutory homeless	Outcome - trend of homeless numbers	37	No target	Q		
F2	Number of households in Bed and Breakfasts (as at last day of month)	Output - indicator of demand and process	3	15	M		
F3	Number of households in Temporary Accommodation (as at last day of month)	Output - indicator of demand and process	66	55	M		
F4	Number of households prevented from being homeless	Outcome - impact of prevention processes	28	30	M		Awaiting offers to be finalised in order that cases can be effectively closed
F5	Number of Households in bands A&B	Output - indicator of demand and process	655	No target	M		
F6	Total number of Households in all bands	Output - indicator of demand and process	1,855	No target	M		
F7	Residual household waste per household (kg)	Outcome - impact of awareness campaigns and initiatives	497	560	Q		Waste growth in West Suffolk has continued to stay below target (under target is better with this indicator). Overall there has been a reduction in residual waste collected combined with an increase in recycling and composting. Over the year there has been regular communication of good waste management practices encouraging residents to recycle as much as they can including engagement with residents, both face to face and through social media to encourage the reduction of food waste through the Food Savvy campaign. 2019/20 also saw the largest number of households since the schemes inception subscribing to the Garden Waste Collection Service.
F8	Number of flytipping incidents recorded in West Suffolk	Outcome - impact of prevention initiatives	630	590	Q		Over the last four quarters there have been 630 recorded incidents of fly tipping in West Suffolk, which is higher than the 560 recorded for the same period last year. However, we do not believe that the actual level of fly tipping in West Suffolk has risen significantly over this time period, but rather that these increases are due to the improvements we continue to make to our recording processes and the targeted enforcement we are carrying out in hotspot areas, which has raised awareness and reporting of incidents. Of the 630 incidents recorded, 518 of the incidents were relatively small in size, being the equivalent of a 'small van load' or less and the remaining 112 were classed as being equivalent to a 'transit van' load. Around 75% of the fly tipping incidents recorded are from incidents located within a small number of housing estates across some of the main urban areas of West Suffolk. These incidents tend to be small in nature and are not carried out as part of organised crime or for financial gain,

STRATEGIC PRIORITY - FAMILIES & COMMUNITIES	
Month Ending	Mar-20

Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
F9	Number of actions to combat flytipping in West Suffolk	Activity - focus on prevention	1,579	1,350	Q		<p>In response to these incidents 1,579 interventions were carried out to combat incidents of fly tipping, both proactively to reduce breaches of legislation and reactively to deter and investigate offenders. Of these interventions 739 were proactive 'Duty of Care' inspections where businesses are asked to demonstrate how they dispose of waste generated through their activities. In addition to this and in response to identified incidents 611 investigations were carried out, which led to 226 warning letters and 15 fixed penalty notices being issued and paid. We have had 5 successful prosecutions which included prosecuting an individual and a business that resulted in nearly £2,500 worth of fines and costs being awarded. A further three cases are also pending further court action involving fly tipped household waste.</p> <p>We will investigate every incident that is reported to us and where we are able to obtain evidence that allows us to identify an offender, will take enforcement action in line with councils Enforcement Policy. Also, as part of the Suffolk Fly tipping Action Group (STAG), which involves all Suffolk councils and external partners, we are currently delivering the 'SCRAP fly tipping' campaign. This is predominately social media based and is designed to raise awareness of fly</p>
F10	Heritage income (£)	Output - impact of demand and advertising	331,688	307,118	Q		The higher footfall into the venues has helped boost income.
F11	Overall Apex budget (£)	Output - impact of advertising and act variety	513,595	517,884	Q		<p>Average audience numbers are up on previous years as is the number of tickets sold. Again despite the close down in Mid-March, the service was able to beat the set target. The Apex continues to provide a broad range of popular events and activities. Considerable effort goes into the selection of events that are both popular and affordable and marketing of those events is then carefully targeted.</p> <p>The membership scheme, as well as providing an income stream, has proven popular with regular visitors.</p> <p>The café facility on site (currently managed by Sodexo) has grown in popularity and is contributing towards the improving income position.</p>

STRATEGIC PRIORITY - HOUSING

Month Ending Mar-20

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Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
H1	Number of housing units delivered for affordable, social or intermediate rent		327	200	Q		Affordable housing delivery has considerably exceeded its target at year end by over 50%. This is due largely to two strategic sites coming on stream at the same time, in addition to small and medium site provision. Whilst in March our survey which asked about the impacts of COVID registered providers were relatively optimistic about the future pipeline, we do expect there to be an impact on housing numbers delivered over the next year, which we are monitoring carefully.
H2	Housing completions by year (net additional houses)		901	824	A		Housing delivery had increased due to delivery of two strategic sites at Haverhill and Marham park and the developer has increased pace in their delivery rate in Marham Park due to the strength and demand in the local market. This position however may change for next year due to COVID and remains an area which we must carefully monitor. As such we are in the process of preparing a Housing Delivery plan which will consider the actions that the Council can play in enabling housing delivery.
H3	Housing Delivery Test		105	95	A		This year two separate figures were published Former St Edmundsbury Area 94% and Former Forest Heath Area 120%. However, Planning advisory service has confirmed West Suffolk can combine the figure. In any event and in particular in light of any impact on the market as a result of COVID we are preparing a housing delivery action plan. This will be published for consultation with the 5 year land supply Summer 2020.
H4	Number of long term empty homes brought back into use (PA)		127	64	Q		<p>We have now allocated all existing properties that have been left empty for over two years to officers in all but rural areas. This means we are engaging with more empty home owners than ever before and have a much better understanding of our empty stock. We are better able to prioritise our resources to assisting owners and better able to identify those properties that will not return to use without significant intervention. Senior officers continue to progress those more complex long standing cases and continue to explore options with legal, housing, finance and asset team colleagues.</p> <p>Of the properties brought back into use in the past year, 120 are rated as medium to high priority i.e. in greatest housing demand or causing significant impact to the amenity. 95 were brought back through informal engagement, 1 grant was completed and 3 properties through more formal engagement with the owner. The remaining 28 are a mix of data cleansing and redevelopment projects.</p> <p>Going forward we are working with West Suffolk Lettings Partnership to create a role for them in the empty homes process. This ensures we meet our responsibilities under GDPR whilst generating business for WSLP. It is intended they contact empty home owners at the 6 month empty date thus beginning our informal engagement at a much earlier point.</p> <p>The Council Tax empty homes premium is proving to be a motivating policy. We have already seen an impact with several contacts from empty home owners who are taking action in a bid to avoid the premium. Going forward this will play an even greater role as Cabinet have agreed to increase the premium for properties</p>

STRATEGIC PRIORITY - HOUSING

Month Ending **Mar-20**

Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
H5	Housing improvement - Number of residents/households supported via our help.	All homes available are safe, decent and healthy to live in. Homes are suitable for physical and mental health and well being.	1,363	1,400	Q		<p>In March, we have completed 21 grants and have assisted 36 residents with their housing concerns, resulting in 57 direct housing interventions. We are currently deferring all routine inspections of HMO's during the COVID-19 crisis however, an email has been sent to 150 letting agents and landlords of HMO's to provide them with advice and guidance on managing their properties during the current crisis. Orbit have not, to date, provided their figures for the last quarter.</p> <p>Whilst the number of recorded housing interventions for this year currently stands at 1363 and is below our annual KPI target of 1400 interventions, the actual number of interventions is very likely to be above target once Orbit have provided their quarterly intervention</p>

STRATEGIC PRIORITY - DAY TO DAY

Month Ending

Mar-20

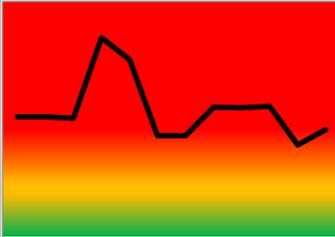
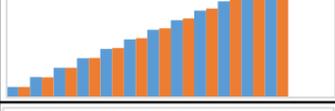
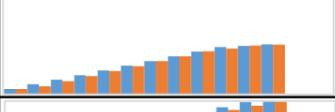
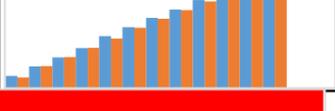
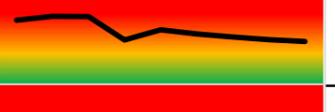
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Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
D1	Total number of Complaints	Output - measure of customer satisfaction	4	No target	Q		1 - ARP, 2- Operations, 1- Families & Communities Oct & Nov 19 only
D2	Total number of Compliments	Output - measure of customer satisfaction	4	No target	Q		2- Waste, 1 - Property, 1 - Customers Services Oct & Nov 19 only
D3	% Response rate to annual canvass of electors	Output - effectiveness of process	94.63%	95.00%	A		Due to the 12 December General Election resources that would have been working on the annual canvass return were redirected to election planning and delivery. Although response to the annual canvass was lower, there was an increase in new registrations which assists with having an up to date register. In addition, in January 2020 resource was refocussed on completing some of the end of canvass processes to ensure the
D4	% of phone calls answered	Activity - indicator of process and demand	89.00%	90.00%	Q		Based on 39,738 calls offered with 35,233 answered. Nearly 4,500 of these calls received in March related to the Garden Waste service when subscriptions for the new year commenced.
D5	Number of unique users of the West Suffolk Councils website	Output - indicator of customer engagement	46,515	37,600	M		The accumulated average figures are showing an increase from last month, which perhaps don't really reflect the increases for the second half of March due to the coronavirus outbreak. In past years they have increased in March with garden waste renewal, but this year the numbers of users have increased substantially too. Figures were fairly usual for the first two weeks of March but as the lockdown was implemented from Friday 20 March the figures, especially for the number of users, have risen. Total unique page visits for March 157,872, users 51,765. February 2020 was 128,588 and 42,870
D7	Uptake of pre-application advice (% of all applications - major/minor).	We want to ensure all stakeholders and Members have high confidence in West Suffolk as a planning authority. We want to be the regional planning employer of choice	23.65%	30.00%	M		241 applications were received in March 2020, 57 of those had a pre-app. It should be noted that the percentage of pre-apps does not take into account the relative complexity of pre-app requests. Neither does it reflect the fees received (which are linked to complexity). Pre-app income is monitored through monthly budget management and monitoring.

STRATEGIC PRIORITY - DAY TO DAY

Month Ending

Mar-20

Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
D8	Total Amount of Debt over 90 Days (£)	Output - scale of debt issue	274,689	100,000	M		£108k of debt was resolved in February. Outstanding debt position continues to be an issue with Trade Waste and Commercial Property debts still to be collected. This is now a focus for management to improve.
D9	% Undisputed Invoices paid within 30 Days	Output - impact of AP activity.	94.35%	95.00%	M		
D10	% Collection of Council Tax - WS	Output - results of collection activity	101.50%	100.00%	M		
D11	% In year Council Tax collection rate WS	Output - results of collection activity	98.63%	98.00%	M		
D12	% Collection of Business Rates - WS	Output - results of collection activity	102.86%	100.00%	M		
D13	Council Tax Reduction Scheme claims - Days taken to process - WS	Output - results of collection activity	6.92	8.00	M		
D14	Housing Benefits Claims - Days taken to process - WS	Output - results of collection activity	4.81	8.00	M		
D15	% of Customers satisfied with the overall journey		86.00%	80.00%	Q		Based on 781 responses 86% of customers were satisfied with the customer journey
D16	% completion of Priority 1 work within the approved Audit Plan	Output - progress against plan	N/A	80.00%	Q		Annual indicator - needs to be calculated annually due to Priority 1 work mainly scheduled for Qs 3 and 4. Added Value work not included in calculation as not detailed separately in plan approved at PASC as this work is more likely to change over the course of the year.

STRATEGIC PRIORITY - DAY TO DAY

Month Ending

Mar-20

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Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
D17	% of Total Helpdesk Calls completed on time - WS	Output - efficiency of helpdesk team	97.30%	100.00%	Q		
D18	Time taken to complete recruitment process - advert to offer (days)	Output - efficiency of process.	29.30	50.00	Q		The data on the balanced scorecard shows end to end recruitment which is Advert to Offer. Posts that are not recruited are not included as there is no offer. If there is a second recruitment exercise we measure again end to end (advert to offer).
D19	Average number of sick days lost per FTE per annum	Output - indicator of healthy, motivated workforce	6.01	6.50	Q		Sickness continues to reduce and is robustly and consistently managed throughout the organisation.
D20	% of Voluntary turnover	Output - indicator of employee satisfaction	8.59%	7-12%	Q		
D21	Car park income (£)	Output - indicator of demand trend	4,891,404	5,162,500	M		
D22	Income from entire property portfolio (£)	Output - indicator of premises demand	5,663,124	5,576,888	M		
D23	Void properties (%)	Output - indicator of premises demand	6.55%	6.90%	M		
D24	Income from Waste & Street Scene services (£)	Output - indicator of demand and capacity	2,677,517	2,485,221	M		Trade Waste income improved through expansion of RoRo offering.
D25	% Rate of return on investment - WS	Output - key to delivery of Treasury Management Strategy	0.78%	0.90%	M		Higher rates becoming available through longer term placement and use of new investment routes.

STRATEGIC PRIORITY - DAY TO DAY

Month Ending

Mar-20

Ref.	Indicator	Rationale	Current Value	Target	Frequency	Trend	Commentary
D26	Cost of Current External Borrowing - WS	Output - key to delivery of Treasury Management Strategy	4.24%	3.83%	M		Relates to £4m Loan.
D27	Building Control - Market Share		58%	59%	Bi-annual		Market share is slightly below the target but income is on target and reflects an increased number of high value and high complexity applications, including several public estate projects. New Marketing and Development Officer recently appointed.
D28	The average time it takes to deal with an application from validation to decision (days)		67	56	Q		The average time for end to end over the past year is 67 days. This is broken down as follows across the various categories of development. Majors – 128 days, Minors – 79 days, Others 61 days. Work continues within the team to bring this figure down, whilst recognising the variable complexity of caseloads.
D29	Renewal energy Production from Other West Suffolk Investments MWH		2,612	2,100	Q		In Q4 the sites generated 422.87MWh against a target of 500MWh. The existing sites generated as expected, but it was anticipated that one additional large install would be online by now. This install is currently delayed, with the hope it will be commissioned in 2020.
D30	% of poor rated food businesses brought to compliance by our interventions (within 3 months)		40%	80%	Q		Of the 5 food businesses rated 0-2 during October-December 2019, officer intervention resulted in 2 being brought up to a compliant level within 3 months. Of the remaining businesses, one changed ownership in January, was revisited in February resulting in voluntary closure for two weeks, was then revisited again in early March 2020 and had improved to a broadly compliant standard. Another was due for a revisit which was cancelled due to COVID-19 restrictions and the business is currently not open for trading/inspection. The CEH team carried out further intervention visits at the third business and their second site in West Suffolk, a further

March 2020		Year End Actual £	Annual Budget £	Year End (positive)/ negative Variance £	Income / Expenditure/ Reserves (positive)/ negative Net-Off £	Net Year End (positive)/ negative Variance £	Impact attributable to COVID-19 £	Variance Notes - figures in brackets represent underspends or additional income achieved.
Housing Benefits	Transfer Payments, eg. Housing Benefits	32,873,737	35,345,402	(2,471,665)	2,471,665	0	0	Final variance underspend offset by the Housing Benefit Equalisation Reserve
	Government Grants Outside Aggregate External Funding (AEF)	(32,360,985)	(34,904,220)	2,543,235	(2,543,235)	0	0	Final variance overspend offset by the Housing Benefit Equalisation Reserve
	Overpayments Recovered	(417,810)	(491,182)	73,372	(73,372)	(0)	0	Final variance overspend offset by the Housing Benefit Equalisation Reserve
	Total Benefits:	94,942	(50,000)	144,942	(144,942)	0	0	This forecast variance includes £246k of HB subsidy foregone due to increased use of B&Bs for homelessness provision. This is offset by increases in overpayments recovered.
Income	Income from Business Rates	(2,404,417)	(2,109,324)	(295,093)	295,093	0	0	Income/Expenditure/Reserves Net-Off comprises: £33k Pool Levy payable higher than budgeted; £94k S31 Grant compensation lower than budgeted; (£423k) Share of Suffolk Pooling higher than budgeted. Overall (£295k) benefit transferred to the Business Rates Retention Reserve (see reserves below).
	Council Tax Income	(9,481,825)	(9,481,825)	0	0	0	0	On budget.
	Grants:							
	Formula Grant - Business Rate Retention Scheme	(4,451,218)	(4,451,218)	0	0	0	0	On budget.
	New Homes Bonus Grant	(1,848,172)	(1,848,172)	0	0	0	0	On budget. Grant transferred to the Strategic Priorities & MTFs Reserve in line with the approved budget.
	Other Grants	(2,415,308)	(2,267,537)	(147,771)	152,097	4,326	0	Income/Expenditure/Reserves Net-Off comprises: (£118k) additional ARP New Burdens grant transferred to the partnership via Third Party Payments (see below) below; and (£34k) additional New Burdens Grant transferred to the ARP Reserve (see Reserve contributions).
	Contributions:	(20,600,940)	(20,158,076)	(442,864)	447,190	4,326	0	
	Contributions - Suffolk County Council	(456,244)	(388,846)	(67,398)	36,000	(31,398)	0	Income/Expenditure/Reserves Net-Off comprises: Income reimbursement of Civil Parking Enforcement (CPE) upfront costs: (£20k) Staffing Costs, see Cost of Employment; (£16k) Other setup costs - see Supplies & Services. Net overall additional income variance comprises: £34k reduction in Recycling Performance Payments (RPPs) on Blue Bin & Multi-Bank recycle as a result of a fall in worldwide commodity prices; Increased contributions on: (£34k) Tree Maintenance; (£6k) Parks; (£4k) Community Centres; (£20k) Garden Waste
	Contributions - Other Organisations	(696,453)	(525,965)	(170,488)	166,510	(3,978)	0	Income/Expenditure/Reserves Net-Off comprises: (£13k) contribution towards Olding Road Skatepark Lighting, see also additional spend on Premises; and (£153k) Lifelink Funding (transferred to reserves)
	Other Contributions	(409,232)	(320,369)	(88,863)	146,585	57,722	0	HB contributions re: B&B lower than budgeted, offset by reduced expenditure.
	(1,561,929)	(1,235,180)	(326,749)	349,095	22,346	0		

Income and Expenditure - Year End Outturn against Budget

Appendix F

March 2020	Year End Actual £	Annual Budget £	Year End (positive)/ negative Variance £	Income / Expenditure/ Reserves (positive)/ negative Net-Off £	Net Year End (positive)/ negative Variance £	Impact attributable to COVID-19 £	Variance Notes - figures in brackets represent underspends or additional income achieved.
Reimbursements:							
Service Level Agreement (SLA) Income	(859,831)	(857,094)	(2,737)	0	(2,737)	0	Service Level agreement income in line with budgets overall.
Other Reimbursements	(2,657,822)	(2,247,444)	(410,378)	25,250	(385,128)	0	Income/Expenditure/Reserves Net-Off comprises: £25k ARP reimbursement in respect of Computer & Staffing Costs; Additional income variance comprises: (£60k) income from SCC re: West Suffolk Operational Hub; (£114k) income within Car Parks relating to unplanned Business Rates and Electricity charges recouped on car parking from Derbyshire CC; (£35k) Utility Costs reimbursed from Industrial Tenants; (£78k) recovered from Babergh and Mid Suffolk for Legal Services; (£51k) reimbursement of Homelessness prevention costs; (£44k) fees from staff member seconded to Residential Care Services and East Cambs DC.
	(3,517,653)	(3,104,538)	(413,115)	25,250	(387,865)	0	
Sales:							
Sales - Tickets	(1,438,920)	(1,221,687)	(217,233)	172,629	(44,604)	55,000	Income/Expenditure/Reserves Net-Off comprises: £151k Apex Artists/Performers Fees; £22k Bury Festival Artists/Performers Fees; Related costs held within Supplies & Services below. Additional income Variance comprises: Ticket Sale income higher than budgeted, mainly due to the success of: (£195k) The Apex; and (£27k) The Bury Festival.
Fees - Planning Income	(1,589,828)	(1,725,600)	135,772	0	135,772	0	Income below budget at the year end: Planning Application Fees have come in under budget by around 8.68% (11.8% in 2018/19), however fees increased by £13k from the previous year. Budget forecasting had anticipated the submission of 2 major applications in Haverhill by the end of the financial year, these submissions were not made by the developers at the time they had indicated, hence the shortfall in income was higher than forecasting had originally anticipated in Q3. The two major applications (NW and NE Haverhill) are expected to be submitted Redrow and Persimmon in Q1 of 2020/21 reporting.
Fees - Building Regulations	(338,856)	(340,000)	1,144	0	1,144	0	Income broadly in line with budget as at the year end.
Fees - Refuse Collection & Disposal	(4,185,600)	(3,985,155)	(200,445)	189,000	(11,445)	0	Income/Expenditure/Reserves Net-Off comprises: £171k additional Tipping Charges (see Third Party Payments); £18k Rolonof Cardboard Rebates (see Supplies & Services). Additional Income above budget comprises: (£193k) Trade Waste as a result of success and expansion of the Rolonof and Skip Services; (£88k) Garden Waste Income higher than budget; Income below budget comprises: £31k Street Cleansing; £25k Black and Blue Bins; and £25k Bulky and Clinical Waste.
Fees - Car Parking	(6,022,841)	(6,349,987)	327,146	(120,000)	207,146	150,000	Income/Expenditure/Reserves Net-Off comprises: Off Street Car Parking year end position overall is around £207k lower than budgeted, which equates to 3.8% of the budget. On-street parking also fell short of the budget by around £120k or 13.6%, however these monies are committed to Suffolk County Council so have been included in the net off column. Off Street Car Parking Income below budget: Car Parking income receipts had begun to decline at the end of 2019 and tailed off significantly towards the year end as the impact of COVID-19 affected the movement of people and the demand for parking spaces. In addition to this Car Parking charges were temporarily ceased towards the end of March 2020 which has also affected the year end position.

March 2020		Year End Actual £	Annual Budget £	Year End (positive)/ negative Variance £	Income / Expenditure/ Reserves (positive)/ negative Net-Off £	Net Year End (positive)/ negative Variance £	Impact attributable to COVID-19 £	Variance Notes - figures in brackets represent underspends or additional income achieved.
Income	Growth Income	0	(358,745)	358,745	0	358,745	0	Income from "Investing in our Growth" agenda is dependent on timing and profiling of suitable projects. Income below Budget is offset by reduced borrowing and associated costs.
	Other Sales	(6,229,173)	(5,557,314)	(671,859)	217,500	(454,359)	0	Income/Expenditure net-off comprises: £70k MHCLG Brexit Grant transferred to Suffolk County Council; £68k Administration fees (including off-street car parks); £43k Landscapes income offset within Third Party Payments; £102k DEFRA grant re; Pollution Prevention - see Third Party Payments; and £20k Haverhill House Security Income offset in Contract Cleaning Additional income above budget includes: (£61k) Council Tax Court Costs; (£101k) Solar Income; (£11k) Feed-in Tariff income; (£18k) Graduate Training income; (£55k) Vehicle Sales; (£46k) Apex & Nowton Park hire, commission & merchandise fees; (£22k) District Highways Admin Fees; (£34k) CCTV income; (£29k) Food Safety & Water Sampling income; (£49k) Tenancy Sustainment Fund income; Income below budget includes: £48k Reduction in Scrap Sales as a result of commodity prices; £57k Grounds Maintenance Services; £36k Reduction in Land Charges income; £42k Reduction in Licensing Income; £52k Reduction in Market Income; and a number of other smaller variances.
		(19,805,218)	(19,538,488)	(266,730)	459,129	192,399	205,000	

March 2020	Year End Actual £	Annual Budget £	Year End (positive)/ negative Variance £	Income / Expenditure/ Reserves (positive)/ negative Net-Off £	Net Year End (positive)/ negative Variance £	Impact attributable to COVID-19 £	Variance Notes - figures in brackets represent underspends or additional income achieved.
Rental:							
Rents - Industrial Units	(2,658,300)	(2,601,348)	(56,952)	0	(56,952)	0	Income higher than budget as a result of occupancy levels.
Rents - Shops	(1,813,831)	(1,809,988)	(3,843)	0	(3,843)	0	Additional Income above budget comprises: (£42k) Provincial House income higher than budgeted, and (£32k) Ehringhausen Way, Haverhill income higher than budgeted. Income below budget comprises: £86k Town Centre income lower than budget re: The Guineas, Newmarket;
Rents - Land	(947,599)	(956,428)	8,829	0	8,829	0	
Other Rental	(533,259)	(495,244)	(38,015)	0	(38,015)	0	Additional Income above budget comprises: (£16k) income for College Heath Road; (£15k) Town Centres & Shops
	(5,952,989)	(5,863,008)	(89,981)	0	(89,981)	0	
Investment Interest & Dividends received	(384,152)	(387,642)	3,490	(202,506)	(199,016)	0	Income/Expenditure/Reserve Net-Off comprises: (£203k) Reduction in Share Valuations, offset by Reserves contribution. Additional Income above budget comprises: (£259k) Investment interest received on higher cash balances; Income below budget comprises: £4k Dividend income (Verse and Shares); £56k Loan Interest (primarily Barley Homes due to profiling of drawdown).
Total Income (excl. Benefits):	(51,822,881)	(50,286,932)	(1,535,949)	1,078,158	(457,791)	205,000	

	March 2020							
	Year End Actual £	Annual Budget £	Year End (positive)/ negative Variance £	Income / Expenditure/ Reserves (positive)/ negative Net-Off £	Net Year End (positive)/ negative Variance £	Impact attributable to COVID-19 £	Variance Notes - figures in brackets represent underspends or additional income achieved.	
Expenditure	Total Cost of Employment	26,257,729	27,108,820	(851,091)	332,651	(518,440)	0	<p>Income/Expenditure/Reserves Net Off Comprises: £490k reduction in the Employers Pension deficit payment to Suffolk County Council which is dependent on the 3 year triennial valuation. This positive variance has been reflected in a transfer to the Invest to Save reserve (see reserves below); (£128k) Cost of Change funded from Reserves; (£202k) Early Retirement costs funded from Reserves; £115k ARP Salary costs reflected in the ARP overall year end position and reimbursement; £20k Civil Parking Staffing - see SCC Contributions above; £30k Licensing Carry Forward for Agency Cover; £10k Learning & Development Carry Forward for Staff Survey.</p> <p>Cost of Employment underspend includes: (£863k) underspend on Salaries and associated costs as a result of Vacancies; £112k overtime cost higher than budgeted; £45k other pay higher than budgeted (primarily Maternity Pay); £77k Agency Staff higher than budgeted;</p>
	%	50%	54%	-46%	-36%	-57%		
	Premises Costs	5,020,694	4,722,824	297,870	(33,000)	264,870	0	<p>Income/Expenditure/Reserves Net-Off comprises: (£13k) Skate park lighting contribution - see Other Contributions; (£20k) Additional costs of caretaker at Haverhill House, recovered in other sales.</p> <p>Overspend comprises; £78k Grounds Maintenance and District Highways; £114k Additional Grounds Maintenance works, £90k of which relates to Leisure properties, the remainder being Cemeteries, Car Parks and Industrial Sites. £72k Contract Cleaning, including variation orders and costs associated with West Suffolk Operational Hub.</p>
	%	10%	9%	16%	4%	29%		
	Transport Costs	1,432,429	1,236,154	196,275	0	196,275	0	<p>Overspend comprises: £67k Vehicle Maintenance; £45k Spare Parts; £38k Plant & Vehicle Hire; £41k Vehicle Efficiencies yet to be realised. These costs are higher than budgeted as a result of the fleet service trying to extend the useful life of its existing vehicles, in order to balance these costs against capital programme spend.</p>
%	3%	2%	11%	0%	22%			
Supplies & Services Costs	11,008,551	10,061,830	946,721	(126,452)	820,269	130,000	<p>Income/Expenditure net-off comprises: (£180k) ICT Hardware Costs, funded from reserves and ARP; (£16k) CPE upfront costs reimbursed by SCC; £316k Feasibility timings, offset by reduced reserves; £77k Locality/Community Chest Budgets, offset by lower reserve contributions; (£173k) Artistes/Performers Fees, offset by increased ticket income; (£83k) Corporate Savings - offset in other contributions; (£38k) External Printing re: WSOH capitalised costs; (£18k) Cardboard Rebates, realised in Refuse Income; (£86k) Bad Debt Provision included in Benefits; £76k Abbeycroft Management Fee rebate re: Haverhill Leisure Centre works & business rates. (transferred to reserves)</p> <p>Net overspend is in respect of: £93k Legal/Court Fees; £156k Material & protective clothing purchases in Operations; £70k ICT Hardware, Comms and associated costs; £102k Homeless Accommodation & Prevention costs; £62k Bank Charges; £193k Bad Debts Provision; £46k on Mobile Phones - increased device numbers; £28k Planning Application Refund relating to prior year; £33k on Special Event costs (see Other Sales);</p>	

	March 2020						
	Year End Actual £	Annual Budget £	Year End (positive)/ negative Variance £	Income / Expenditure/ Reserves (positive)/ negative Net-Off £	Net Year End (positive)/ negative Variance £	Impact attributable to COVID-19 £	Variance Notes - figures in brackets represent underspends or additional income achieved.
	21%	20%	51%	14%	90%		
Third Party Payments, eg. Provision of services by other organisations that could be performed in-house.	3,096,463	2,617,194	479,269	(367,059)	112,210	0	Income/Expenditure/Reserves Net-Off comprises: (£171k) Waste Tipping Charges offset in Refuse Income above; (£102k) DEFRA Funding from Government Grants; (£119k) ARP New Burdens Funding; (£70k) MHCLG Brexit Funding passed on to SCC; (£68k) Car Park Administration Fees; £42k Landscape income reduction; £120k On Street Parking income reduction in payment to SCC; Overspend mainly comprises: £97k Property Services - asset preservation and security;
	6%	5%	26%	39%	12%		
Capital Costs, eg. Interest on borrowing, Minimum Revenue Provision	564,937	1,668,080	(1,103,143)	1,104,537	1,394	0	No change to borrowing assumptions
	1%	3%	-60%	-118%	0%		
Net Contributions to/(from) Reserves (excluding Employee-related contributions which are included under the Total Cost of Employment)	4,799,948	2,922,031	1,877,917	(1,843,893)	34,024	0	Reserves Net Off Comprises: (£295k) Business Rates Equalisation Reserve re: net effect of Pooling Benefit, Levy & S31 Grants - see Business Rates above; (£34k) ARP Reserve re: New Burdens Grant (£153k) Lifelink Contribution to SP & MTFs Reserve; (£63k) Monies transferred to S106 Reserve; (£490k) pension deficit credit to the Invest to Save Reserve; (£1,104k) MRP/Borrowing costs transferred to the Capital Projects Financing Reserve. (£76k) Abbeycroft Mgt Fee reduction transferred to Invest to Save Reserve; (£32k) Carry Forward Locality Budgets; (£316k) Feasibility Funding timing differences; £232k Housing Benefits Equalisation; £331k Cost of Change and Early Retirements; £40k ICT additional hardware funding; £202k Share Revaluation Funding; (£45k) Portfolio Holder Budget transfer to SP & MTFs Reserve; (£30k) Licensing Staffing Carry Forward; (£10k) Learning & Development Staff Survey Carry Forward.
	9%	6%	102%	198%	4%		
Total Expenditure (excl. Benefits):	52,180,751	50,336,933	1,843,818	(933,216)	910,602	130,000	
Net (Surplus) / Deficit:	452,812	1	452,811	0	452,811	335,000	

Expenditure

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: £25k

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
INCOME (sorted by total variance value)										
Fees - Other	(135,302)	(15,014)	(160,392)	(165,837)	(85,397)	(51,282)	(613,224)	192,000	(421,224)	(£192k Income/Expenditure net off comprises: (£70k) MHCLG Brexit grant not budgeted, passed on to Suffolk County Council - see also Miscellaneous Expenses; (£102k) DEFRA funding received on Prevention of Pollution - see also Third Party Payments R5020; (£20k) Additional Security Staff at Haverhill House - see also R2700 Contract Cleaning; Positive Variances in respect of: (£61k) Council Tax Court Costs recovered; (£18k) L&D - graduate training costs; (£15k) Electoral Registration; (£34k) CCTV income - (£20k) WSOH & (£10k) Shopwatch; (£21k) additional Apex Merchandising Admin & Postal Fees; (£22k) additional Highways Income from Admin etc; (£10k) additional Private Water Sampling income; (£19k) additional Food safety income (Health Certificates); (£49k) Housing Options Tenancy Sustainment Fund income; (£43k) Christmas Fayre Stallholders income; Negative Variances in respect of: £22k Legal Services, offset by increased BMS income; plus a number of smaller positive variances across the other services
Business Rates Retention Scheme - Share of Suffolk Pooling	(422,660)	0	0	0	0	0	(422,660)	422,660	0	Forecast based on current SCC monitoring and is dependent on predicted collectable Business Rates across the whole of Suffolk
Interest on Investments	(258,921)	0	0	0	0	0	(258,921)	0	(258,921)	Investment interest received on unplanned higher cash balances.
Sales - Tickets	0	5,219	0	0	(222,453)	0	(217,234)	172,629	(44,605)	Ticket Sale income higher than budgeted: (£27k) Bury Festival; and (£195k) The Apex (average audience numbers are up on previous years). Based on actuals to date. See also R4803 Artists/Performers Fees.
Fees - Refuse Collection & Disposal	0	0	0	0	(200,445)	0	(200,445)	189,000	(11,445)	Additional income received for: (£193k) - Trade Waste as a result of expansion of Rolonof & Skip Service (£88k) - Garden Waste Income NB. For Trade Waste Tipping Charges £171k higher than budgeted (TPP), and Cardboard Rebates £18k higher (Misc. Expenditure). (see expenditure) Lower income received for: £31k Street Cleansing; £21k Blue Bin Recycling
Contributions - Other Organisations	100,731	0	(189,578)	0	(37,790)	(43,851)	(170,488)	166,510	(3,978)	Includes (£13k) contribution towards Olding Road Skatepark Lighting, see also additional spend on R2004 R&M Play Areas, plus (£153k) Lifelink Funding (transferred to reserve)

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: **£25k**

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
Government Grants Within AEF	(152,097)	0	0	0	0	0	(152,097)	152,097	0	(£144k) ARP New Burdens Funding, £118k transferred to Breckland Council, see also Third Party Payments - Other £35k transferred to the ARP Reserve.
Reimbursement - Utility & Other Costs	(257)	(2,521)	(1,696)	10	(146,414)	0	(150,878)	0	(150,878)	(£114k) 2 years Car Park Derbyshire CC reimbursement re: Parkway Multi-Storey Car Park; (£35k) Vicon/Provincial House & Ehringhausen Way - additional Recharge of costs incurred eg. Business Rates, Utilities, Security etc.
Sales - Solar Income	0	0	0	(101,661)	0	0	(101,661)	0	(101,661)	Generation significantly exceeded expectations throughout the financial year.
Reimbursement - Other Bodies	(12,895)	26,500	(51,905)	0	(12,542)	(43,534)	(94,376)	0	(94,376)	(£44k) Housing Development & Strategy additional income received from Staff seconded to Residential Care Services and East Cambs DC; (£51k) reimbursement of Homeless Prevention Costs; (£13k) ICT costs reimbursed by Suffolk County Council.
Corporate Savings - Savings List	(83,762)	0	0	0	0	1	(83,761)	83,761	0	Additional Single Council Savings identified over and above the £300k budgeted. Realised in Supplies & Services
Reimbursement - BMS	0	(77,820)	0	0	0	0	(77,820)	0	(77,820)	Forecasting an additional recharge to Babergh Mid Suffolk reflecting current Legal Services staff share split and other spend within the service.
Contributions - S106	0	0	0	0	0	(76,372)	(76,372)	62,824	(13,548)	Includes £63k S106 contribution towards Destination Management Organisation (DMO) expenditure - Economic Development. Transferred to SP & MTF Reserve.
Fees - Administration	0	0	0	0	(68,186)	(6,548)	(74,734)	68,000	(6,734)	Mainly relates to Off Street Car Park RingGo administration fees (£68k) - see corresponding costs in TPP - Other
Contributions - Suffolk County Council	0	0	(3,749)	(510)	(63,140)	0	(67,399)	36,000	(31,399)	£34k reduction in Recycling Performance Payments (RPPs) on Blue Bin & Multi-Bank recycle as a result of a fall in worldwide commodity prices. Offset by increased contributions on Tree Maintenance (£10k), Parks (£6k) and Garden Waste (20k), plus reimbursement of up-front costs incurred in respect of Civil Parking Enforcement (£26k).
Reimbursement - SCC	0	0	0	0	(65,609)	0	(65,609)	0	(65,609)	(£54k) West Suffolk Operational Hub additional income; (£7k) Printing & Copying Costs.
Rents - Industrial Units	0	0	0	0	(56,361)	0	(56,361)	0	(56,361)	Additional income as a result of higher occupancy than budgeted.
Sales - Surplus Vehicles & Plant	0	0	0	0	(54,914)	0	(54,914)	0	(54,914)	Vehicle sales during the year.
Fees - Planning Performance Agreement	0	0	0	(37,231)	0	0	(37,231)	0	(37,231)	See also Pre-Application reduced income. Pre-application income and Planning Performance Agreements (PPAs) are a similar process however we
Rents - Other Property	0	0	0	0	(26,081)	0	(26,081)	0	(26,081)	Additional £16k income for College Heath Road, plus £15k Town Centres & Shops
Total Surplus Variances over £25k (20 lines)	(965,163)	(63,636)	(407,320)	(305,229)	(1,039,331)	(221,587)	(3,002,266)	1,545,481	(1,456,785)	
Total Surplus Variances below £25k (22 lines)	(145,112)	(48,250)	(6,735)	(2,544)	(136,266)	(35,170)	(374,077)		(374,077)	
Total Income Surplus:	(1,110,275)	(111,886)	(414,055)	(307,773)	(1,175,597)	(256,757)	(3,376,343)	1,545,481	(1,830,862)	

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: **£25k**

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
Government Grants Outside AEF	2,543,235	0	0	0	0	0	2,543,235	(2,543,235)	0	Housing Benefits - reduction in grant monies which relates to a lower amount paid out than budgeted - see also R6200 Rent Allowances and R6230 Discretionary Benefits.
Growth Income Assumptions	358,745	0	0	0	0	0	358,745	0	358,745	Income from "Investing in our Growth" agenda is dependent on timing and profiling of suitable projects.
Fees - Car Parking	0	0	0	0	348,667	(21,521)	327,146	(120,000)	207,146	Income below Budget in effect by reduced housing and Off Street Car Parking year end position overall is around £207k lower than budgeted, which equates to 3.8% of the budget. On-street parking also fell short of the budget by around £120k or 13.6%, however these monies are remitted to Suffolk County Council so have been included in the net off column. Car Parking income receipts had begun to decline at the end of 2019 and tailed off significantly towards the year end as the impact of COVID-19 affected the movement of people and the demand for parking spaces. In addition to this Car Parking charges were temporarily ceased towards the end of March 2020 which has also affected the year end position.
Site Revaluations	202,506	0	0	0	0	0	202,506	(202,506)	0	Relates to 2018/19 IFRS9 valuation changes, offset by transfer from reserves.
Fees - Planning Application	0	0	0	140,157	0	0	140,157	0	140,157	Planning Application Fees have come in under budget by around 8.68% (11.8% in 2018/19), however fees increased by £13k from the previous year. Budget forecasting had anticipated the submission of 2 major applications in Haverhill by the end of the financial year, these submissions were not made by the developers at the time they had indicated, hence the shortfall in income was higher than forecasting had originally anticipated in Q3. The two major applications (NW and NE Haverhill) are expected to be submitted Redrow and Persimmon in Q1 of 2020/21 reporting.
Business Rates Retention Scheme - S31 Grants	94,079	0	0	0	0	0	94,079	(94,079)	0	Budget based on NNDR1. Forecast based on in-year monitoring from ARP. Final position will reflect NNDR3.
Contributions - HB Payments towards B&B Accommodation	0	0	77,676	0	0	0	77,676	0	77,676	Reduced contributions in Housing Options - Advice & Prevention, offset by reduced Temporary Accommodation costs.
Overpayments Recovered	73,372	0	0	0	0	0	73,372	(73,372)	(0)	Housing Benefits - lower contributions than budgeted.
Interest on Loans	55,821	0	0	0	0	0	55,821	0	55,821	Includes Barley Homes loan interest.
Fees - Markets	0	0	0	0	52,152	(83)	52,069	0	52,069	We have seen a reduction in trader attendance for the Bury Wednesday market and are reviewing the layout of the market. In addition, both Haverhill markets have seen a significant drop.
Sales - Scrap Materials	0	0	0	0	48,227	0	48,227	0	48,227	Reduction in income mainly as a result of a fall in Cardboard prices.

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: **£25k**

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
Fees - General Landscapes	0	0	0	0	43,991	0	43,991	(42,500)	1,491	Forecast in line with Actual income, income likely to be lower than budget - offset by lower Third Party Payments.
Fees - Licensing	0	0	0	40,015	1,821	0	41,836	0	41,836	Licensing income is down because there are a number of outstanding fees from a variety of licenced activities, such as premises, which we currently do not have the resource to follow up as well as some premises no longer require a licence as they have closed or changed use
Fees - Land Charges	0	0	0	36,312	0	0	36,312	0	36,312	Income down on budget by £36k. Personal search companies also use our data to provide Land Charge responses. We only have 50% of the market. This does fluctuate and it is not just the housing market that makes our income unpredictable.
Business Rates Retention Scheme - Levy Payable to Pool	33,488	0	0	0	0	0	33,488	(33,488)	0	Budget based on NNDR1. Forecast based on in-year monitoring from ARP. Final position will reflect NNDR3.
Fees - Pre-Application Income	0	0	0	32,846	0	0	32,846	0	32,846	See also Planning Performance Agreement increased income. Pre-application income and Planning Performance
Total Deficit Variances over £25k (16 lines)	3,361,246	0	77,676	249,330	494,858	(21,604)	4,161,506	(3,109,180)	1,052,326	
Total Deficit Variances below £25k (15 lines)	111,314	32,410	4,945	14,234	87,071	45,521	295,495	25,250	320,745	
Total Income Deficit:	3,472,560	32,410	82,621	263,564	581,929	23,917	4,457,001	(3,083,930)	1,373,071	
Total Income (Surplus) / Deficit:	2,362,285	(79,476)	(331,434)	(44,209)	(593,668)	(232,840)	1,080,658	(1,538,449)	(457,791)	

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: **£25k**

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
EXPENDITURE (sorted by total variance value)										
Rent Allowances	(2,205,952)	0	0	0	0	0	(2,205,952)	2,205,952	0	Based on figures from Anglia Revenues Partnership
Total Cost of Employment	(623,987)	(49,877)	21,130	(56,734)	(179,174)	37,551	(851,091)	332,651	(518,440)	See individual Salary Variances Analysis
Minimum Revenue Provision	(592,037)	0	0	0	0	0	(592,037)	592,037	0	Variance as a result of no expected borrowing in 2019/20. Balance transferred to the Capital Projects Financing Reserve.
Interest on Borrowing	(512,500)	0	0	0	0	0	(512,500)	512,500	0	Variance as a result of no expected borrowing in 2019/20. Balance transferred to the Capital Projects Financing Reserve.
Services - Feasibility Services	(316,316)	0	0	0	0	0	(316,316)	316,316	0	Underspend relates to Provincial House feasibility spend now capitalised (£82k), 33-35 High Street Haverhill (£10k), western Way Planning Stage (£206k), Newmarket Cinema (£21k) offset by reduced reserves contribution.
Discretionary Benefits	(265,713)	0	0	0	0	0	(265,713)	265,713	0	Based on figures from Anglia Revenues Partnership
TPP - Agency Fees	0	0	0	0	(99,753)	0	(99,753)	120,000	20,247	On Street Car Parking - see also reduction in Car Park Income.
Management Fees	0	0	0	0	(76,399)	0	(76,399)	76,399	0	Variance relates to; (£76k) rebate from Abbeycroft Leisure for Haverhill Leisure Centre works & Business Rates. Transferred to the Risk and Recession Reserve.
R of Plant & Equipment	0	0	0	(75,654)	1,259	0	(74,395)	0	(74,395)	Underspend mainly driven by lower spend on Solar Farm (new Maintenance Contract).
Premises Costs Financed from Reserves	0	0	1,896	0	(48,641)	0	(46,745)	0	(46,745)	Increased reserve contributions based on R&M overspend.
Community Chest Grants	0	0	(29,928)	0	(10,000)	0	(39,928)	0	(39,928)	Forecast underspend of £40k Community Chest Grants. see also Contributions from Reserves, corresponding under-utilisation
Water Services	0	0	(1,077)	0	(33,611)	0	(34,688)	0	(34,688)	Underspend arising from: (£14k) West Suffolk House; (£6k) Public Conveniences; (£6k) Depots; plus various smaller variances.
Computing - Purchase of Infrastructure Software	(36,317)	30	2,097	0	0	0	(34,190)	0	(34,190)	Underspend arising in ICT.
Locality Budgets	0	0	(31,615)	0	0	0	(31,615)	31,615	0	Underspend to be carried forward into 2020/21 - funded from the Strategic Priorities & MTFS Reserve.
Contributions	0	0	0	0	(38)	(30,862)	(30,900)	0	(30,900)	(£49k) Economic Development; £13k Strategic Tourism & Markets.
Comms - Postages	0	(28,339)	0	0	3,304	0	(25,035)	0	(25,035)	Underspend mainly on Electoral Registration
Total Surplus Variances over £25k (16 lines)	(4,552,822)	(78,186)	(37,497)	(132,388)	(443,053)	6,689	(5,237,257)	4,453,183	(784,074)	
Total Surplus Variances below £25k (50 lines)	(643,957)	(387,253)	(473,067)	(180,490)	(703,202)	(447,902)	(2,835,871)		(2,835,871)	Includes £1m of specific vacancy savings in Cost of Employment.
Total Expenditure Surplus:	(5,196,779)	(465,439)	(510,564)	(312,878)	(1,146,255)	(441,213)	(8,073,128)	4,453,183	(3,619,945)	

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: **£25k**

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
Contributions to Reserves	1,123,174	25,309	336,922	30,000	87,585	106,371	1,709,361	(2,300,901)	(591,540)	Includes the following additional contributions: £295k Business Rates equalisation reserve re: net effect of Pooling Benefit, Levy & S31 Grants - see Business Rates above; £493k to Invest to Save Reserve re: SCC Pension Credit £153k Lifelink contribution from NHS - West Suffolk CCG to SP & MTFS Reserve £11k ICT "Innovate" Funding to Computer Equipment Reserve; £63k Destination Mgt Organisation contribution - Economic Development; £288k MRP/borrowing cost Benefit re: Growth Commission & Unallocated Capital Balance; £133k Funding received transferred to Housing Options Reserve.
Increase in Provision for Bad Debts	279,712	0	0	0	0	0	279,712	(86,895)	192,817	Increase in bad debt provision for sundry debts and HB overpayments, as a result of rising debt levels.
TPP - Other	188,442	(38,576)	376	97,837	1,202	(5,155)	244,126	(316,059)	(71,933)	Income/Expenditure Net off comprises: £119k relates to ARP New Burdens grant paid to the Partnership - see also Other Grants above; £101k re Prevention of Pollution relating to Defra funding - see Fees Other above; £68k on Off Street Car Parks - RingGo, SixCard, Leisure Centre refunds etc. (see corresponding income in Fees - Admin); £43k Fees - General Landscapes (see corresponding Income); £70k MHCLG Brexit Funding transferred to SCC (see also R9390 Fees Other); and £102k DEFRA Funding - Prevention of Pollution (see also R9390 Fees Other). Remaining Variance relates to: (£39k) Legal Services;
TPP - Waste Tipping Charges	0	0	0	0	171,438	0	171,438	(171,000)	438	Additional Tipping Charges associated with Trade Waste, partly as a result of increased prices, but also includes increased charges, also greater tonnage tipped than expected.
Artistes/Performers Fees	0	0	0	0	172,974	(1,558)	171,416	(172,629)	(1,213)	£151k The Apex £22k Re: Bury Festival - see also increased Ticket Income forecast.
Financed from Reserves	177,368	(26,613)	(66,173)	12,245	(35,132)	108,223	169,918	457,008	626,926	£61k Community Chest resulting from lower forecast spend £50k Solar Farm funding not utilised due to lower R&M costs £141k Local Plan lower utilisation as a result of timing of spend £215k Projects & Feasibility; £255k Interest & Capital Financing; (£125k) Housing Options additional utilisation (£13k) ICT additional utilisation.

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: **£25k**

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
ICT Hardware Funded from Reserve	134,154	0	0	0	0	0	134,154	(110,000)	24,154	Additional hardware purchases forecasted in ARP budgets £70k - offset within Reimbursement - ARP; plus ICT hardware costs funded from the Computer Renewals Reserve £110k - contributions from Reserves.
Grounds Maintenance - Additional Works	550	0	0	0	113,005	0	113,555	0	113,555	Overspend comprises the following: £31k Other Parks & Play Provision; £32k Abbey Gardens; £20k Nowton Park; £7k West Stow Country Park; £14k Cemeteries; £7k Off Street Car Parks; £7k Industrial & Business Units
Services - Fees and Charges	(14,013)	0	0	270	114,509	0	100,766	0	100,766	Overspend mainly relates to Off Street Car Parks - £97k re: Derbyshire CC Cinema Parking Income.
TPP - Security	0	0	102	0	96,748	0	96,850	0	96,850	£89k additional Security costs associated with Woodlands Hotel; £3k additional security Vicon House.
Services - Legal/Court Fees	5,699	35,416	600	44,965	7,094	0	93,774	0	93,774	Major variances: £35k Legal Services; £20k Health & Safety at Work Act; £25k Development Control (offset by Reserve Contributions).
Materials - General	0	0	0	755	92,379	0	93,134	0	93,134	Increased forecast costs on: £18k - Street Cleansing £18k - Trade Waste £21k - Grounds Maintenance £39k Waste & Cleansing Operatives. Approx. £25k of this additional spend can be attributed to COVID-19 PPE.
Contract Cleaning	0	0	6,052	0	85,179	0	91,231	(20,000)	71,231	Income/Expenditure Net-Off comprises: £20k additional costs for Haverhill House Caretake/Security, recovered in Fees - Other; Overspend made up of: £19k West Suffolk House (variation orders), see also additional income from SC; £13k West Suffolk Operational Hub. Remaining overspend is in respect of consumables and variation orders across other sites.
Grounds Maintenance - Contract	0	0	0	0	78,715	0	78,715	0	78,715	Forecast Overspends on: £65k District Highway Services. £14k Grounds Maintenance Operatives.
Computing - Purchase of Hardware	20,249	3,024	8,848	2,737	32,042	434	67,334	(70,497)	(3,163)	Various overspends, including: £20k Anglia Revenues Partnership; £15k Waste & Street Scene; Plus a number of smaller variances.
Accommodation Costs	0	370	65,855	0	0	0	66,225	0	66,225	£28k Housing Options - Advice & Prevention; £21k Housing Options - Severe Weather Emergency Provision; £10k Housing Options - Outreach Services.
Services - Bank Charges	60,628	0	0	0	1,768	0	62,396	0	62,396	Mainly relates to increased Bank & associated charges - under review

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: **£25k**

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
Miscellaneous Expenses	5,362	1,658	(61,624)	17,300	43,864	51,838	58,398	(72,761)	(14,363)	£21k Trade Waste Cardboard Collection Rebates (Roro Service); £25k Hsg Development & Strategy re: S106 monies funded from Reserves; (£20k) Housing Options - Severe Weather Emergency Provision (SWEP); (£45k) Families & Communities Portfolio Holder Budget - requested to Carry Forward;
Electricity	0	0	244	(2,495)	54,740	0	52,489	0	52,489	Main overspends are: £25k West Suffolk House - costs shared with SCC; £26k West Suffolk Operational Hub - budget being worked through.
TPP - Recycling Disbursements	0	0	0	0	47,820	0	47,820	0	47,820	Increased costs in respect of Blue Bins, mainly arising from West Suffolk's share of additional haulage costs due to redevelopment of the Materials Recycling Facility (MRF).
External Printing	0	36,254	(6,245)	(3,094)	21,352	(794)	47,473	(38,000)	9,473	£38k Additional costs associated with the Refuse Round Reviews. See also increased Salary Costs Capitalised re: West Suffolk Operational Hub.
Mobile Phones - Equipment Purchase & Call Charges	(1,641)	5,473	12,079	12,248	14,830	2,686	45,675	0	45,675	Relates to a number of overspends across all services, arising from additional devices and increased usage.
R & L of Buildings	0	0	1,814	0	43,293	0	45,107	0	45,107	Various overs & unders, but includes Athenaeum Boiler Replacement & Refit works to 36 James Carter Road - see corresponding additional utilisation of Building Maintenance Reserve
Spare Parts	0	0	0	0	43,724	0	43,724	0	43,724	Overspends across Waste and Street Scene Services.
Vehicles - Project Efficiencies	0	0	0	0	41,250	0	41,250	0	41,250	Relates to the West Suffolk Operational Hub business case. Vehicle efficiencies not realised as a result of round
Events - Equipment	0	0	0	0	0	37,208	37,208	0	37,208	Relates to Bury Christmas Fayre.
Vehicle Maintenance - Contract	0	0	0	0	36,480	0	36,480	0	36,480	Increased maintenance costs associated with Waste & Cleansing Services.
Homeless - Prevention Costs	0	0	36,267	0	0	0	36,267	0	36,267	Housing Options - Private Rented Sector Fund.
Business Rates	135	2,851	(4,334)	(12,529)	49,008	0	35,131	0	35,131	(£28k) - underspend on Industrial Properties (fewer vacancies) (£9k) - Guildhall, BSE (not WS any longer) (£13k) Solar Farm (lower than budgeted) (£8k) - Bus Stations £80k West Suffolk Operational Hub - budget included in overall net position
Services - Special Events	0	0	560	0	17,435	14,735	32,730	0	32,730	Additional spend on Leisure Events, see also increase in R9308 Leisure Service Income
Hire of Plant	0	0	0	0	32,154	0	32,154	0	32,154	Overspend mainly in respect of Grounds Maintenance Operatives.
Refunds	0	0	0	30,520	(1,680)	0	28,840	0	28,840	Refund of duplicate Planning Application Fee £28k relating to 2018.
Premises - Project Efficiencies	0	0	0	0	28,650	0	28,650	0	28,650	West Suffolk Operational Hub - Actual benefits realised through on various Premises cost lines.

Budget Variances by Assistant Director - by detailed account line

Appendix F (ii)

March 2020

Variance Level: £25k

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Notes (figures in brackets represent underspends or additional income)
Protective Clothing	0	0	426	198	25,323	292	26,239	0	26,239	Includes: £13k Waste & Cleansing Operatives; £4k Vehicle Workshop; £4k West Suffolk Operational Hub.
Total Deficit Variances over £25k (34 lines)	1,979,819	45,166	331,769	230,957	1,517,749	314,280	4,419,740	(2,901,734)	1,518,006	
Total Deficit Variances below £25k (66 lines)	681,520	402,525	411,175	174,156	1,026,893	329,273	3,025,542	(13,000)	3,012,542	
Total Expenditure Deficit:	2,661,339	447,691	742,944	405,113	2,544,642	643,553	7,445,282	(2,914,734)	4,530,548	
Total Expenditure (Surplus) / Deficit:	(2,535,440)	(17,748)	232,380	92,235	1,398,387	202,340	(627,846)	1,538,449	910,603	
GRAND TOTAL (SURPLUS) / DEFICIT:	(173,155)	(97,224)	(99,054)	48,026	804,719	(30,500)	452,812	0	452,812	

Salary Variances by Assistant Director

Appendix F (iii)

March 2020

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Notes (figures in brackets represent underspends or additional income)
Salaries - Basic Pay	(364,157)	(139,344)	(75,784)	(117,209)	(384,360)	(99,108)	(1,179,962)	All services showing vacancies. Resource and Performance £129k due to vacancies generated through the restructure and senior roles vacated prior to the restructure process.
Salaries - Employers National Insurance	(15,761)	(10,694)	(5,596)	(19,447)	(42,019)	(12,215)	(105,732)	Associated savings allied with establishment vacancies.
Salaries - Other Pay	11,059	4,811	12,368	1,695	14,519	501	44,953	Variance mainly relates to Maternity Cover.
Salaries - Overtime	2,365	129	7,973	585	98,819	2,838	112,709	Variance mainly comprises: £7k Anglia Revenues Partnership; £50k Waste & Cleansing Operatives; £22k CCTV; £6k Trade Waste; £9k Markets; Plus a number of other smaller variances.
Salaries - Statutory Sick Pay	0	0	0	0	151	0	151	
Salaries - Employers Superannuation	(581,435)	(57,815)	84,466	(17,789)	(110,568)	(38,996)	(722,137)	Associated savings allied with establishment vacancies. Includes £490k reduction in pension payment to SCC re: deficit fund - transferred to the Invest to Save Reserve.
Salaries - Apprenticeship Levy	0	30,865	0	0	0	0	30,865	Current rate of around £7k per month
Salaries - ARP Efficiency Savings	49,646	0	0	0	0	0	49,646	Relates to ARP payline differences, and offset within Reimbursement - ARP.
Car Allowances	(4,268)	(765)	4,432	(14,626)	(8,569)	(10,663)	(34,459)	Associated savings allied with establishment vacancies.
Essential User Lump Sum	2,759	1,667	624	(6,604)	7,900	2,627	8,973	
Car Allowances - DTA	0	0	0	0	8,682	0	8,682	
Lease Cars - Lease Charges	10,596	(768)	3,771	10,924	(7,675)	(9,177)	7,671	
Salaries - Project Efficiencies	0	0	0	0	22,750	0	22,750	
Capitalised Salaries	0	10,704	0	0	(168,622)	187,359	29,441	Under-capitalisation as a result of timings of Capital projects coming to fruition. Includes £141k WSOH Capitalised Salaries not budgeted.
Capitalised Salaries - Single Council	0	0	0	0	0	0	0	
Salaries - Vacancy Savings	170,043	62,158	88,255	88,003	262,256	52,721	723,436	Budgeted vacancy saving (2.5% of Basic Pay, Employers NI, Pension etc.). Actual estimate showing through in each line in Cost of Employment.

Salary Variances by Assistant Director

Appendix F (iii)



March 2020

Details	Resources and Performance £	HR, Legal and Democratic £	Families and Communities £	Planning and Regulatory £	Operations £	Growth £	Total Variance £	Notes (figures in brackets represent underspends or additional income)
Agency Staff	(4,248)	(43,760)	14,079	7,570	103,662	(65,000)	12,303	Includes: (£65k) Strategic Property; (£50k) HR & Payroll; (£6k) ICT; £11k Trade Waste; £16k Grounds Maintenance; £73k Waste & Cleansing Operatives; £14k Housing Options Advice & Prevention; £12k Mobile Marketing
Seconded Staff Costs	0	0	(40,000)	0	0	0	(40,000)	Mainly relates to Housing Options - Severe weather Emergency Provision (SWEP)
Pension Costs - Early Retirements	202,362	0	0	0	0	0	202,362	Funded from the Invest to Save Reserve.
Pension Fund Interest Costs	0	0	0	0	0	0	0	
Expected Return on Pension Assets	0	0	0	0	0	0	0	
Medical Fees	497	106	150	135	1,493	96	2,477	
Officers Professional Subscriptions	(463)	1,972	(192)	(1,326)	1,618	(2,445)	(836)	
Gratuities	(617)	0	0	0	0	0	(617)	
Insurance - Employees	521	0	0	0	0	0	521	
Insurance - Professional Indemnity	0	0	0	0	0	0	0	
Staff Advertising Costs	300	5,326	1,619	2,308	3,119	5,083	17,755	
Recruitment & Interview Expenses	0	1,000	(2,000)	0	(3,100)	0	(4,100)	
Staff CRB Police Checks	0	0	(36)	0	(50)	0	(86)	
Professional Development Training	3,815	(31,303)	0	4,668	4,837	3,945	(14,038)	
Corporate Training Costs	225	(19,908)	0	0	0	0	(19,683)	
Compensation for Loss of Office	128,234	0	0	0	0	0	128,234	Compensation arising from staffing restructures - funded from Invest to Save
Child Care Voucher - Service Charge	580	0	0	0	0	0	580	
Staff Welfare Costs	0	14,246	4,800	0	0	0	19,046	
Drug & Alcohol Abuse Initiatives	0	911	0	0	0	0	911	
Trade Union Expenses	0	408	0	0	0	0	408	
Public Transport	2,555	3,436	4,289	3,575	1,226	1,886	16,967	
Subsistence	238	976	330	804	514	816	3,678	
Reimbursement - Staffing Costs	(10)	(332)	(13,269)	0	0	0	(13,611)	
Employee Costs Financed from Reserves	(238,823)	116,097	(69,149)	0	14,243	17,283	(160,349)	under-utilisation of reserves arising from staffing vacancies, see also underspends in Basic Pav. NI. Pensions etc.
Total Salary Variances:	(623,987)	(49,877)	21,130	(56,734)	(179,174)	37,551	(851,091)	

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Description	Revised Budget for Year £	Actual Spend Year to date £	Actual Spend for Year £	Over/(under) Spend For Year £	Proposed Carry Forward £	Notes	Total Project Budget 2019-2023 £
Resources & Performance							
Leisure Capital Investment Fund, including: Newmarket Leisure Centre; Brandon Leisure Centre & Health Hub; and Haverhill Leisure Centre Refurbishment)	1,519,720	1,470,670	1,470,670	(49,050)	49,050	Funded from the Strategic Priorities & MTFS Reserve and the Business Rates Pilot Reserve. Works have commenced on Newmarket Leisure Centre, and some initial work has starting on Brandon Leisure Centre.	1,519,720
Unallocated Project Balance	3,000,000	0	0	(3,000,000)	0	Additions to the Capital Programme to be considered on a case by case basis.	3,000,000
Single Council	132,210	63,786	63,786	(68,424)	0	Transformational programme as part of the move to the Single Council, funded from the Flexible Capital Receipts policy.	132,210
Families & Communities							
Housing Solutions	406,133	0	0	(406,133)	406,133	Funded from Capital Receipts. Project scoping currently under review.	406,133
Customer Access Project	101,008	0	0	(101,008)	101,008	Funded from Capital Receipts. Project scoping currently under review.	101,008
Planning & Regulatory Services							
Private Sector Disabled Facilities Grants	1,392,048	793,473	793,473	(598,575)	598,575	Funded from external government grant. Current year underspend to be carried forward	4,092,048
Private Sector Renewal Grants	250,000	108,035	108,035	(141,965)	0	Funded from Capital Receipts.	1,000,000
Community Energy Plan	1,324,255	1,059,524	1,059,524	(264,731)	264,731	Funded from the Strategic Priorities & MTFS Reserve.	1,324,255
Historic Buildings & Environment Grants	29,653	0	0	(29,653)		Budget relates to Queensbury Lodge	29,653
West Stow Renewable Energy Project	250,315	250,315	250,315	0	0	Funded from the Strategic Priorities & MTFS Reserve.	250,315
Operations							

March 2020 - Capital Programme Year End Outturn Position

Appendix G



Description	Revised Budget for Year £	Actual Spend Year to date £	Actual Spend for Year £	Over/(under) Spend For Year £	Proposed Carry Forward £	Notes	Total Project Budget 2019-2023 £
Mildenhall Hub (including Renewable Energy Investment & Mildenhall Swimming Pool)	15,000,000	13,519,696	13,519,696	(1,480,304)	1,480,304	Funded from Capital Receipts, external partner contributions, Strategic Priorities & MTFS Reserve and capital borrowing when required. Works progressing on site, with completion expected Winter 2020.	25,284,000
Palace Cottage & Coach House, Newmarket - Conversion & Refit	238,248	286,219	286,219	47,971		Funded from Capital Receipts. Works complete.	238,248
Provincial House - Landlord Works	145,000	0	0	(145,000)	145,000	Funded from Lease Premium.	145,000
21-24 James Carter Road - refurbishment	275,000	118,218	118,218	(156,782)	156,782	Funded from the Property Asset management Plan.	275,000
Vehicle & Plant Purchases	997,418	651,262	651,262	(346,156)	346,156	Funded from the Vehicle & Plant Reserve - in line with the vehicle replacement programme.	4,863,544
West Suffolk Operational Hub	7,436,208	5,529,323	5,529,323	(1,906,885)	1,906,885	Project on track and completed in 2019/20. Remaining budget for work on old site for Western Way.	7,436,208
Property Asset Management Plan	10,271	90,940	90,940	80,669	0	Unbudgeted £91k relating to lighting replacements in WSH which will be funded from the property reserve.	10,271
Leisure Asset Management Plan	0	0	0	0	0	Funded from the Leisure Asset Management Reserve. Fully Allocated to projects in 2019/20.	948,000
Bury Leisure Centre - All Weather Pitch	183,703	183,141	183,141	(562)	0	Funded from the Leisure Asset Management Reserve. Project underway and currently forecasted to be complete in 2019/20.	183,703
Bury Sports Club Project	0	0	0	0	0	Funded from Capital Receipts. Project scoping currently under review.	0
Abbey Gardens Extension, Eastgate Nursery	457,202	457,202	457,202	0	0	Funded from the Leisure Asset Management Reserve (£273k) and Capital Grants Unapplied (£17k) with the remaining £159k funded from Section 106 monies.	457,202
Hardwick Heath, Bury St Edmunds - renewal of path between Hospital & Car Park	41,645	41,645	41,645	0	0	Funded from the Leisure Asset Management Reserve. Project now complete.	41,645
Douglas Park, Mildenhall - Play Area Renewal	66,896	66,896	66,896	0	0	Funded from the Leisure Asset Management Reserve. Project enow complete.	66,896

March 2020 - Capital Programme Year End Outturn Position

Appendix G



Description	Revised Budget for Year £	Actual Spend Year to date £	Actual Spend for Year £	Over/(under) Spend For Year £	Proposed Carry Forward £	Notes	Total Project Budget 2019-2023 £
Ingham Road Recreation Ground, Haverhill - renewal of Multi-Use Games Area (MUGA)	0	0	0	0	0	Funded from the Leisure Asset Management Reserve.	0
Acorn Park, Moreton Hall, Bury St Edmunds - renewal of Play Area	58,029	58,029	58,029	0	0	Funded from the Leisure Asset Management Reserve. Project now complete.	58,029
Abbey Gardens, Bury St Edmunds - replacement Retail Facility	85,000	84,826	84,826	(174)	0	Funded from the Leisure Asset Management Reserve (£68k) with the remainder being funded from Section 106.	85,000
Community Sports Facility - Moreton Hall, Bury St Edmunds	1,552,500	0	0	(1,552,500)	1,552,500	Funded from Capital Receipts. The project partners are finalising the legal details.	1,552,500
Abbey Gardens - removal & re-landscaping of former Tennis Court area	88,344	88,344	88,344	0	0	Funded from the Leisure Asset Management Reserve (£49k), with the remaining £33k funded from Section 106 monies.	88,344
Growth							
Kelly's Meadow Traveller Site	281,702	260,345	260,345	(21,357)	0	Funded from Capital Receipts. Project now complete.	281,702
Barley Homes	3,000,000	1,300,000	1,300,000	(1,700,000)	1,700,000	Funded from Capital Receipts. Following land purchase in April 2019, works expected to commence on Westfield and Castle Hill, Haverhill in the new year.	5,200,000
High Street, Haverhill - improvements	0	0	0	0	0	External grant funded. Unlikely to be spent in 2019/20 and fund to be reviewed.	0
Investing in our Growth Agenda	5,204,417	0	0	(5,204,417)	5,204,417	We have continued prudent investment through the Investing in Growth Fund and agenda, ensuring a balanced blend of investments which provide wider strategic, place-shaping, social and economic benefits as well as revenue streams to support the delivery of front-line services. In December 2019 Council approved the West Suffolk Asset Management Strategy and Plan, which sets out clear approach for how we buy, manage and dispose of our land and property assets. This document is fully aligned to the Council's Strategic Framework and Investing in Growth agenda, as well as individual Service policies and priorities.	5,204,417

Description	Revised Budget for Year £	Actual Spend Year to date £	Actual Spend for Year £	Over/(under) Spend For Year £	Proposed Carry Forward £	Notes	Total Project Budget 2019-2023 £
17/18 Cornhill, Bury St Edmunds - renovation	1,100,000	452,924	452,924	(647,076)	647,076	Funded from Capital Receipts and the Growth Agenda. Planning application submitted, and works are likely to commence in early 2021.	1,100,000
MENTA, 21-27 Hollands Road, Haverhill	397,178	55,786	55,786	(341,392)	341,392	Funded from S106 monies. Project delays but should carry on next year.	397,178
Provincial House, Haverhill - purchase	3,622,268	3,622,268	3,622,268	0		Part of the "Investing in our Growth" agenda	3,622,268
Haverhill Research Park - Loan Facility	200,000	0	0	(200,000)		Part of the "Investing in our Growth" agenda	200,000
Elsley's Yard, Bury St Edmunds - purchase	252,214	252,214	252,214	0		Part of the "Investing in our Growth" agenda	252,214
Totals:	49,098,585	30,865,081	30,865,081	(18,233,504)	14,900,009		69,846,711

Reserve Description	2019/20 Opening Balance £	2019/20 Net Budgeted Movement to / (from) Reserves £	2019/20 Budgeted Closing Balance £	2019/20 Net Movement to / (from) Reserves £	2019/20 Closing Reserve Balance £	2019/20 Year End Variance (Over) / under Utilised £	Variance Notes (variances in brackets denote greater reserve usage than budgeted)
STRATEGIC RESERVES							
Strategic Priorities & Medium Term Financial Strategy (MTFS) Reserve	10,650,068	(3,878,791)	6,771,277	(2,724,221)	7,925,847	1,154,570	£1.1m less utilised than budgeted in 2019/20, mainly as a result of: Capital Programme, lower spend than budgeted on: £267k Community Energy Plan; £157k 21-24 James Carter Road; £49k Brandon Leisure Centre; and £300k Unallocated Capital Programme, financing not utilised. £190k lower feasibility funding required, partly due to timings, but also in respect of previous project feasibility now capitalised. Additional £153k Lifelink Funding, £45k portfolio holder budget, £10k Learning and Development underspend and £63k S106 Destination Management Organisation (DMO) monies received transferred to this reserve for future utilisation.
Investing in our Growth Agenda Reserve	1,739,370	(457,696)	1,281,674	(289,933)	1,449,437	167,763	This reserve was set up in order to support the delivery of the council's growth agenda. Currently forecasting a higher year end balance as a result of staff vacancies which are budgeted to be funded from this reserve.
Business Rates Retention Pilot: Place-Based Reserve	2,588,514	345,776	2,934,290	540,334	3,128,848	194,558	Higher forecast balance than budgeted due to under utilisation on the following: £121k Lifelink Project as a result of recruitment timings; £47k Planning Policy capacity resourcing funding due to vacancy; £27k Economic Development & Growth re: NEET Project timings.

Reserve Description	2019/20 Opening Balance £	2019/20 Net Budgeted Movement to / (from) Reserves £	2019/20 Budgeted Closing Balance £	2019/20 Net Movement to / (from) Reserves £	2019/20 Closing Reserve Balance £	2019/20 Year End Variance (Over) / under Utilised £	Variance Notes (variances in brackets denote greater reserve usage than budgeted)
<u>FINANCIAL PLANNING RESERVES</u>							
Invest to Save Reserve	3,499,464	46,525	3,545,989	548,011	4,047,475	501,486	Includes an additional £490k transfer in respect of the SCC pension fund deficit credit expected due to West Suffolk (West Suffolk had paid more into the scheme than was required for 2019/20), £76k transfer into this reserve in respect of Abbeycroft Management Fees for future utilisation, offset by utilisation on cost of change.
Risk & Recession Reserve	557,072	(557,072)	0	(557,072)	0	0	Balance on this reserve transferred to the Invest to Save Reserve as approved in the 2019/20 Budget Setting process.
Business Rates Retention Equalisation Reserve	6,502,047	9,251	6,511,298	317,779	6,819,826	308,528	This reserve is intended to neutralise the impact of any fluctuations in growth or reductions in Business Rates Income under the Business Rates Retention Scheme, primarily relating to statutory timing differences. Additional year end balance resulting from current increase in Business Rates Pool Income, see also Appendix F.
Housing Benefits Equalisation Reserve	525,870	0	525,870	(232,389)	293,481	(232,389)	This reserve is utilised in order to smooth out the effect of variations between the amounts of Housing Benefits paid out and subsequently grant funded by DWP.
Capital Project Financing Reserve	692,287	210,284	902,571	648,935	1,341,222	438,651	This Reserve was set up in order to facilitate the Capital Financing requirements of the council, and to account for fluctuations and timing differences in the expected spend profile. This reserve has been built up over the past few years through savings and reduced interest from not borrowing externally. The increased balance reflects the reduced forecasts on borrowing costs for 2019/20 as a result of project timings.

March 2020 - Earmarked Reserves Year End Outturn Position

Appendix H



Reserve Description	2019/20 Opening Balance £	2019/20 Net Budgeted Movement to / (from) Reserves £	2019/20 Budgeted Closing Balance £	2019/20 Net Movement to / (from) Reserves £	2019/20 Closing Reserve Balance £	2019/20 Year End Variance (Over) / under Utilised £	Variance Notes (variances in brackets denote greater reserve usage than budgeted)
Interest Equalisation Reserve	900,582	0	900,582	(202,506)	698,076	(202,506)	This reserve was set up in order to mitigate against possible adverse fluctuations in the interest rates received from the Council's investments. Utilisation in 2019/20 is in respect of Shares being revalued downwards. This is subject to market conditions and as such could fluctuate from year to year. Any future positive revaluations will be utilised to replenish this reserve.
Self Insured Reserve	442,808	0	442,808	(31,842)	410,966	(31,842)	Monies set aside to provide funds in order to finance any high insurance excesses that may arise.
Election Reserve	212,424	(140,000)	72,424	(153,814)	58,610	(13,814)	Monies set aside each year in order to fund the local elections when required. No utilisation expected in 2019/20.
Planning Reserve	309,338	(14,703)	294,635	144,146	453,484	158,849	Monies set aside in order to fund the Local Plan and other planning-related expenditure. Under-utilised in 2019/20 as a result of timings of spend. Includes £30k Licensing Staffing costs carried forward to 2020/21.
Planning Delivery Grant Reserve	62,797	(62,797)	0	(62,797)	0	0	Balance on this reserve transferred to the Planning Reserve as approved in the 2019/20 Budget Setting process.

March 2020 - Earmarked Reserves Year End Outturn Position

Appendix H



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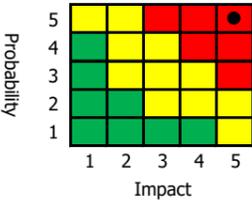
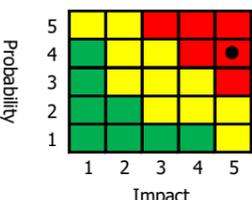
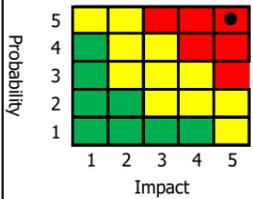
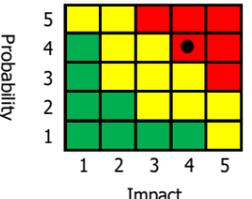
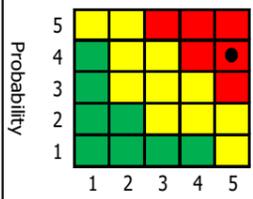
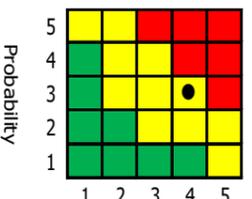
Reserve Description	2019/20 Opening Balance £	2019/20 Net Budgeted Movement to / (from) Reserves £	2019/20 Budgeted Closing Balance £	2019/20 Net Movement to / (from) Reserves £	2019/20 Closing Reserve Balance £	2019/20 Year End Variance (Over) / under Utilised £	Variance Notes (variances in brackets denote greater reserve usage than budgeted)
<u>SERVICE DELIVERY RESERVES</u>							
Computer & Telephone Equipment Reserve	342,020	0	342,020	(49,616)	292,404	(49,616)	Utilisation forecast on this reserve in 2019/20 in order to fund ICT hardware purchases.
Office Equipment Reserve	377,689	28,800	406,489	12,285	389,974	(16,515)	Monies set aside to purchase significant replacement items of office equipment.
Professional Fees Reserve	428,812	(428,812)	0	(428,812)	0	0	Balance on this reserve transferred to the Strategic Priorities & MTFS Reserve as approved in the 2019/20 Budget Setting process.
Anglia Revenues Partnership Reserve	930,166	(23,000)	907,166	35,201	965,367	58,201	Government Grant monies received by the Anglia Revenues Partnership (ARP) for specific purposes which are held in reserve due to timings of receipts and usage.
Vehicle, Plant & Equipment Reserve	1,735,384	(51,318)	1,684,066	294,838	2,030,222	346,156	This reserve is utilised to fund the Council's Vehicle Replacement programme. Under-utilised as a result of timings of vehicle spend.
Waste Management Reserve	456,619	(30,500)	426,119	(171,500)	285,119	(141,000)	This reserve includes monies set aside for purchases related to the Waste and Street Scene service, including Wheeled Bins and associated equipment.
Building Repairs Reserve - Property	2,145,921	(118,983)	2,026,938	(169,273)	1,976,648	(50,290)	Lower closing balance forecast than budgeted as a result of overspend on general repairs & maintenance in 2019/20 - see also the Income & Expenditure appendix.
Leased Flats Management Reserve	33,957	(33,957)	0	(33,957)	0	0	Balance on this reserve transferred to the Building Repairs Reserve - Property as approved in the 2019/20 Budget Setting process.
Industrial Unit Service Charge Reserve	87,610	0	87,610	591	88,201	591	This reserve holds monies received in respect of service charges which are intended to be utilised on specific items of spend on industrial units.
Industrial Rent Reserve	645,000	(110,000)	535,000	(110,000)	535,000	0	Monies set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill.
Building Repairs Reserve - Leisure	606,556	(433,845)	172,711	(419,549)	187,007	14,296	This reserve is utilised in order to fund the Leisure Capital programme.
Abbey Gardens Donation Reserve	38,766	0	38,766	0	38,766	0	Monies held for the improvement of the Abbey Gardens, Bury St Edmunds.

Reserve Description	2019/20 Opening Balance £	2019/20 Net Budgeted Movement to / (from) Reserves £	2019/20 Budgeted Closing Balance £	2019/20 Net Movement to / (from) Reserves £	2019/20 Closing Reserve Balance £	2019/20 Year End Variance (Over) / under Utilised £	Variance Notes (variances in brackets denote greater reserve usage than budgeted)
Newmarket Stallion Statue Reserve	20,809	0	20,809	0	20,809	0	Monies held for the maintenance and repair of the Newmarket Stallion Statue.
Communities against Drugs Reserve	30,000	(30,000)	0	(30,000)	0	0	Balance on this reserve transferred to the Strategic Priorities & MTFS Reserve as approved in the 2019/20 Budget Setting process.
Housing Options Reserve	599,698	111,147	710,845	42,301	641,999	(68,846)	This reserve holds the funding received from the Flexible Homelessness Support Grant and is utilised to fund the Housing Options Team and associated expenditure.
SECTION 106 RESERVES							
Commuted Maintenance Reserve	919,531	(103,510)	816,021	(77,624)	841,907	25,886	Monies received from Developers in order to maintain additional play areas and public open space adopted.
Public Service Village Reserve	108,937	0	108,937	(29,238)	79,699	(29,238)	S106 monies to be utilised to fund Green Travel Scheme and associated initiatives.
S106 Monitoring Officer Reserve	75,514	600	76,114	3,398	78,912	2,798	This reserve is utilised in order to fund the S106 Monitoring Officer post.
S106 Revenue Reserve	145,880	0	145,880	(13,059)	132,821	(13,059)	Monies held in respect of Revenue S106 contributions received.
OTHER RESERVES							
Gershom Parkington Reserve	566,666	3,160	569,826	10,301	576,967	7,141	Monies received from the Gershom Parkington Trust in order to maintain and develop the Council's Horological Collection.
Economic Development Reserve (LABGI)	5,280	(5,000)	280	(5,280)	0	(280)	Monies remaining from the "Local Authority Business Growth Incentive" (LABGI) grant, utilised towards Economic Development Spend.
RESERVES TOTALS:	38,983,456	(5,724,441)	33,259,015	(3,194,362)	35,789,094	2,530,079	

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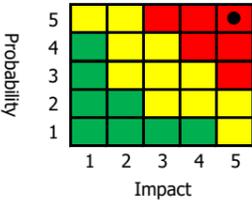
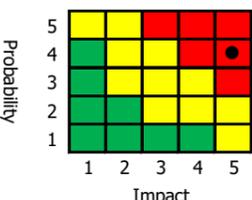
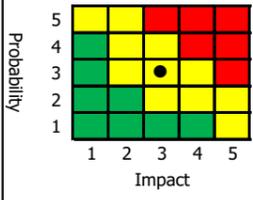
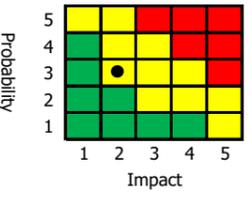
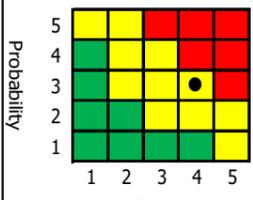
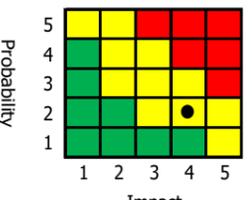
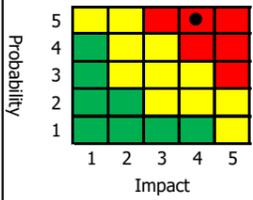
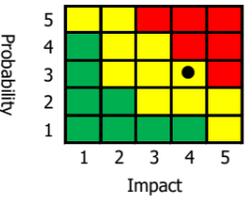
West Suffolk Strategic Risk Register 2019/20 - March 2020

Type: A = Action, C = Control

RISK ID NUMBER	Date risk added to register	Type	Current Owners	Title	Description - What are we trying to avoid? Why is this important	WS Inherent Risk	Type	Summary of Controls / Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS00	13-May-20	Economic, Financial, Political, Social	Chief Executive and Leader	Response and recovery relating to COVID-19	Inability to support and protect West Suffolk residents, businesses and communities during the COVID-19 outbreak and recovery		A	Develop and implement local and county wide recovery plans with partners and stakeholder under the following areas: - Community - Growth - Health and Wellbeing - Legal, Financial and Resources	LT	May-20	Ongoing	
							A	Maintain separate Business Continuity Plan and Health and Safety COVID-19 tactical risk register.	LT	Apr-20	Ongoing	
							A	Lobby national government for appropriate investment and changes to legislature/policy/guidance.	LT	Apr-20	Ongoing	
WS1	10-Jul-14	Financial	Assistant Director & Portfolio Holders- Resources and Performance	Poor financial management SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Failure in specific areas to achieve projected income, or expenditure exceeds the approved budgets (revenue or capital).		C	1) Monthly monitoring reports (revenue and capital) to budget holders and Leadership Team. Quarterly revenue and capital monitoring reports to DASC	Assistant Director - Resources & Performance	N/A	N/A	
							C	2) Business rate retention income and localising of Council tax being monitored monthly by Finance and ARP	Assistant Director - Resources & Performance	N/A	N/A	
							C	3) Regular meetings between budget holders and Resources and Performance business advisors/partners	Service Managers / Business Partners / Advisers	N/A	N/A	
							C	4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	N/A	N/A	
							A	5) Ongoing financial system upgrade/development in order to take advantage of latest budget planning / monitoring functionality.	LT		Ongoing	
							A	6) Continue to review and strengthen the overall Performance Management Framework. E.g. Balanced Scorecards, PDRs, (also see WS18), Risk management, Project monitoring, Financial Reporting.	LT	Apr-17	Ongoing	
							C	7) Regular updates of projects, assessment of any additional risks associated with new projects.	LT	N/A	N/A	
							C	8) Monitoring of investment decisions and original business cases targets/outcomes through Business Partner Model. Will also seek external advice when relevant.	Assistant Director - Resources & Performance	N/A	N/A	
							C	9) Longer term financial planning across MTFS. To include implications of Fair Funding review and COVID-19 response.	Assistant Director - Resources & Performance	Sep-16	N/A	
							A	10) Utilise Suffolk wide Business Rates monitoring and forecasting tool to assist with control #2 above. Input from Economic Development included to improve accuracy.	Assistant Director - Resources & Performance	Jul-17	Ongoing	
WS2	10-Jul-14	Financial	Assistant Director & Portfolio Holders- Resources and Performance	Poor financial planning	Failure to deliver a sustainable Medium Term Financial Strategy, especially in view of continued financial uncertainty around areas such as Comprehensive Spending Review, localisation of Business Rates, increased service demand, and use of reserves. Over reliance on any one particular MTFS theme such as behaving more commercially or being an investing authority		A	1) Annual Budget preparation focus on MTFS and key uncertainties including Fair Funding Review, New Homes Bonus Business Rate Retention. Delivery on six MTFS themes.	LT	N/A	N/A	
							C	2) Demand trends and financial implications validated as part of budget setting. Using monitoring reports to identify trends.	Service Managers / Business Partners / Advisers	N/A	N/A	
							C	3) Medium Term Financial Strategy update - including review of assumptions, sensitivity analysis and review of reserve and balance levels	Assistant Director - Resources and Performance	N/A	N/A	
							C	4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	N/A	N/A	
							C	5) Monitor Government statements on future of local government funding and lobby as necessary.	LT	N/A	N/A	
							C	6) New investment proposals to be considered through the Councils governance and decision making process including challenge by Business Partners.	LT	N/A	N/A	
							C	7) Use of data and intelligence in forecasting future scenarios.	LT	N/A	N/A	
							A	8) Project resources review ensuring the appropriate capacity and skills to take forward ambitious agenda. Following agreement at Council in Feb 18 there will be a 2 yr review in mid-2020 and ongoing review.	LT	Sep-16	Dec-20	
							A	9) Utilise Suffolk wide Business Rates monitoring and forecasting tool to assist with forecasting and financial planning across the MTFS.	Assistant Director - Resources and Performance	Jul-17	On-going	

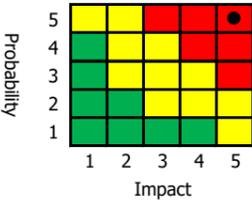
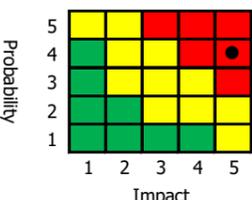
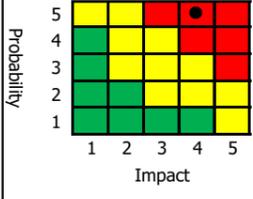
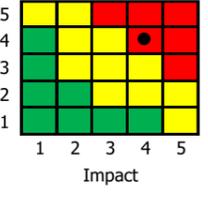
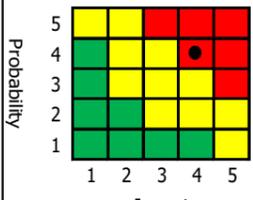
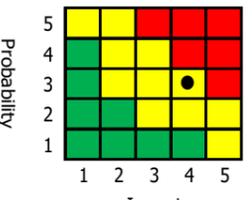
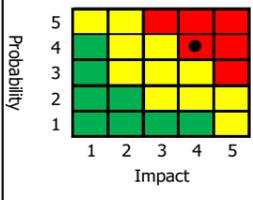
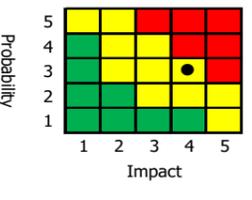
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							A	Maintain separate Business Continuity Plan and Health and Safety COVID-19 tactical risk register.	LT	Apr-20	Ongoing	
							A	Lobby national government for appropriate investment and changes to legislature/policy/guidance.	LT	Apr-20	Ongoing	
WS3	10-Jul-14	Customer	Assistant Director & Portfolio Holders- Families & Communities	Maintain and promote our public image, maintain effective communications SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Lack of public trust and confidence in the council leads to a poor reputation. The council needs to champion it's area and be a trusted part of the community. It is vital therefore in making sure people access services, which often means the handling of sensitive information, that the council has a strong reputation. This is also the case in working with communities to deliver growth or large projects as well as in times of crisis, when the council must be a trusted source of information. Therefore the council needs a good reputation to enter positive partnerships with others, or secure funding. This could also potentially impact on our ability to recruit staff in competitive market.		C	1) Monitor and measure media coverage through daily media alerts and, where appropriate, provide a robust response.	Service Manager (Strategic Communications)	N/A	N/A	
							C	2) Public stakeholders and partners have a range of channels including news and social media to disseminate information about West Suffolk services and strategic priorities and address errors or misrepresentation.	Service Manager (Strategic Communications)	N/A	N/A	
							C	3) Train and support staff and Members in proactive communications, liaising with the media and using social media platforms.	Service Manager (Strategic Communications)	N/A	N/A	
							C	4) Deliver strategic communications plan and work with them to engage appropriately with communities to encourage channel shift.	Service Manager (Strategic Communications)	N/A	On-going	
							A	5) Ensure that appropriate communications planning and support are identified for strategic projects as per individual project plans	Service Manager (Strategic Communications)	Aug-14	On-going	
							C	6) Carry out timely and proportionate consultation that is available in an accessible format for everyone who wants to give us their views on a particular matter.	Service Manager (Corporate Policy)	N/A	N/A	
WS4	10-Jul-14	Customer	Assistant Director & Portfolio Holders- Families & Communities	Failure to adopt technological advances in managing the customer journey	Service delivery methods do not meet customer needs or expectations with potential to damage the council's reputation; customer expectations need to be understood and managed; council not appreciating and/or delivering methods of contact and response time which are expected by customers.		C	1) Continue to develop new web presence with full digital by default capability. Ensure that staff, councillors and external support/advisory services are aware of the councils' digital offer and benefits for use.	Assistant Director - Families & Communities	N/A	N/A	
							A	2) Working in the sider Suffolk system to enhance the customer experience.	Assistant Director - Families & Communities	Jun-18	On-going	
							C	3) Clear and consistent public communications to explain changes to services and establish realistic expectations of service levels.	Service Manager (Corporate Communications) and Service Manager (Customer Service)	N/A	N/A	
							A	4) Continue to explore technological options to support customer service delivery.	Service Manager (Corporate)	N/A	On-going	
WS5	10-Jul-14	Professional	Assistant Director & Portfolio Holders - Human Resources, Legal & Democratic Services	Staff retention (professional staff / technical staff) and recruitment. Staff trust and goodwill (morale)	Lack of staff with appropriate skills, experience and capacity could prevent delivery of services and high levels of performance. Failure to have motivated staff with appropriate workload.		A	1) OD strategy focussing on Employer Brand, Flexible and Agile Workforce, Talent management linked to performance management. Continue to develop succession routes - apprentices and career pathways for example. Workforce Strategy agreed 31st March 18, to be reviewed Sept 2020. Focus on delivery of these action plans	HR Manager	Reviewed OD plan 2016	On-going	
							C	2) Regularly evaluate outcome of Performance Reviews to identify talent management to inform succession planning. New PDR scheme focuses on performance, pay progression and career progression	HR Manager	Jun-14	Ongoing	
							A	3) Annual workforce monitoring data presented to the West Suffolk Joint Staff Consultative Panel and Joint Negotiation Meeting; no significant issues raised.	HR Manager	N/A	On-going	
							A	4) Salary benchmarking continues to be undertaken in order to ensure salaries are competitive. Monitor Recruitment to identify challenging areas to address. Maintain focus on strong employer brand.	Assistant Director - HR, Legal and Democratic Services	N/A	ongoing	

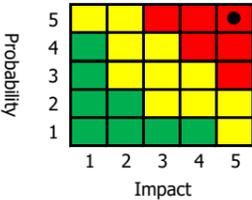
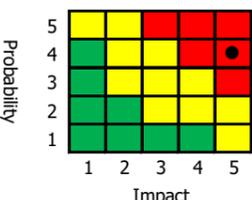
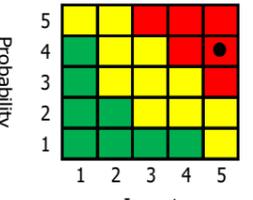
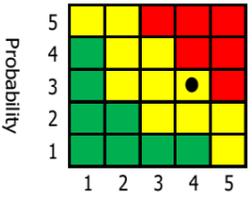
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							A	Maintain separate Business Continuity Plan and Health and Safety COVID-19 tactical risk register.	LT	Apr-20	Ongoing	
							A	Lobby national government for appropriate investment and changes to legislature/policy/guidance.	LT	Apr-20	Ongoing	
WS6	10-Jul-14	Political	Chief Executive & Leader	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.		C	1) Understand and communicate priorities and expectations through Strategic Plan and MTFS. Assign dedicated corporate project resources to support new projects.	LT	N/A	On-going	
							A	3) Review and align service and skilled resources available to the strategic plan including communication resources.	LT	Jun-14	On-going	
							C	4) Regular monitoring and update discussions with portfolio holders on the corporate project plan progress	LT	N/A	N/A	
							C	5) Regular monitoring of Balanced Scorecards to include complaints, compliments and trends.	LT	N/A	On-going	
WS7	10-Jul-14	Technological Financial Customer	Service Manager (Corporate Policy) / All Assistant Directors & Portfolio Holders	Poor project management	Key strategic outcomes not being delivered due to projects failing to be completed on time. Budgets are overspent due to delays. Peaks and troughs in resource demands for support services are not managed, resulting in unmanageable workloads for e.g. IT team, exacerbating the delays.		A	1) Maintain and develop an efficient programme and project management framework understanding timetabling and interdependencies between projects and programmes (led by Service Manager Corporate Policy).	Service Manager Corporate Policy	May-17	On-going	
							A	2) Maintain oversight of corporate project matrix at Leadership Team, to manage demands on services and resource appropriately.	Service Manager Corporate Policy	May-17	On-going	
							A	3) Training and support to staff involved in corporate projects including key project management skills.	L&D team/Service Manager Corporate Policy	May-17	On-going	
							C	4) Project support and resources to be included in future Project Initiation Documents and project business cases, including support services such as: ICT, Finance, Legal and Property	LT and All Service Managers	May-17	On-going	
							C	5) Early identification of Corporate capacity / priorities as part of business plan / project initiation. Review of programmes to assist with prioritisation.	LT	May-17	On-going	
							C	6) Carry out Project Close Out Reports, Benefit Realisation reviews and Project Health Checks as appropriate.	LT and All Service Managers	May-17	On-going	
WS8	10-Jul-14	Technological	Assistant Director & Portfolio Holders- Resources and Performance	ICT integration	Integration of ICT across services and systems not being achieved. Failure to keep Business Applications aligned.		A	1) Maintain alignment of ICT infrastructure and corporate systems through corporate project planning (ICT Board)	Infrastructure Support Manager	Jun-14	On-going	
							A	2) Continued Business Applications integration / alignment.	Project Managers & Service Manager (ICT)	Jun-14	Individual project plans	
							C	3) Regular review of both integration programmes for strategic fit and resources/skills capacity through corporate projects plan.	Service Manager Corporate Policy/ LT	N/A	N/A	
							C	4) Monthly testing of the Council PSN compliance including the checking and monitoring of new and existing staff profiles. No tolerance approach adopted.	Infrastructure Support Manager	N/A	N/A	
							A	5) Development of a West Suffolk Information Strategy and links to the wider public sector integration agenda (Transformation Challenge Award).	Service Manager (ICT)	N/A	Complete	

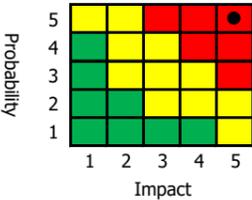
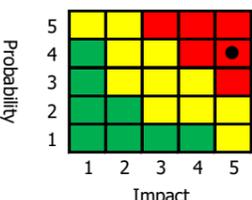
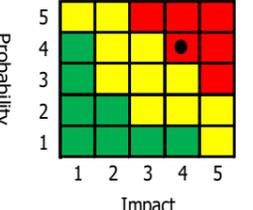
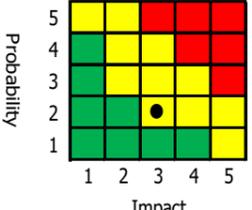
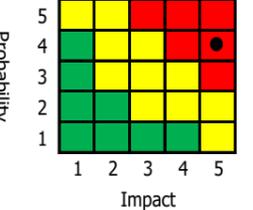
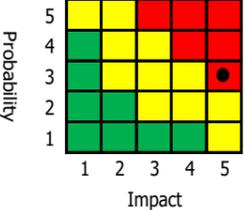
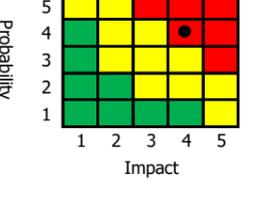
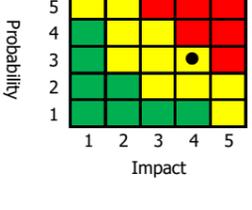
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							A	Maintain separate Business Continuity Plan and Health and Safety COVID-19 tactical risk register.	LT	Apr-20	Ongoing	
							A	Lobby national government for appropriate investment and changes to legislature/policy/guidance.	LT	Apr-20	Ongoing	
WS9	10-Jul-14	Political	Assistant Director & Portfolio Holders- Families & Communities	Failure to deliver; Families & Communities agenda SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Opportunities being missed to create or influence the provision of: (i) a thriving voluntary sector and active communities who take the initiative to help the most vulnerable (ii) people playing a greater role in determining the future of their communities (iii). improved wellbeing, physical and mental health (iv) accessible countryside and green spaces		A	1) Community Chest consideration part of the Review of Grants to External Organisations. Grant review recommendations agreed by Cabinet. Grant guidance and Community Chest progress agreed and will be place for applications from April 2021. Review complete.	Service Manager (Families & Communities)	Apr-19	Completed review February 2020. Consider format of scheme for 2020/21 in light of COVID	
							C	2) 2.Families and Communities Officers continue to work closely with Councillors on a variety of projects and initiatives.	Service Manager (Families & Communities)	N/A	On-going	
							A	3) 3.Community Chest funds are subject to quarterly monitoring and reported to Grant Working Party. Locality Budgets are allocated by Councillors but supported by Families and Communities Officers. Portfolio Holder and F&C officers continue to remind Cllrs to allocate funding before financial year end.	Service Manager (Families & Communities)	Oct-13	On-going	
							A	4) Families and Communities monitor and evaluate the impact of initiatives/projects in localities. Including qualitative (in the form of case studies) and quantitative information.	Service Manager (Families & Communities)	Jun-18	Ongoing	
							A	5) Extensive ongoing partnership work, including County Lines and homelessness. West Suffolk Council is a partner in the West Suffolk Alliance which includes health and care partners.	Service Manager (Families & Communities)	Jun-18	Ongoing	
							C	1) Developing engagement with the Local Enterprise Partnership and supporting development of the combined authority business board. Monitoring the local economy.	Assistant Director - Growth	N/A	N/A	
			C	2) Deliver Growth Delivery Plan.	Assistant Director - Growth	N/A	N/A					
			C	3) Deliver on the Investing for Growth Strategy. Report progress through Balanced Scorecards.	Assistant Director - Growth	N/A	N/A					
			C	4) Small budget to support businesses with grants. Business rate income being closely monitored from April 2013 by ARP. Developing Inward Investment strategy. Increase Business engagement	Assistant Director - Growth	N/A	N/A					
			C	5) Support to WSC, SCC, UCS and other agencies involved with skills development. Monitoring attainment levels.	Assistant Director - Growth	N/A	N/A					
			C	6) Continue to develop close working relationships with Whitehall, Norfolk partners, LEPS to influence the design of any devolution agreements and business rates retention schemes.	Assistant Director - Growth	N/A	N/A					
			A	7) Development and delivery of Local Plans	Assistant Director -	Dec-15	On-going					
			C	1) West Suffolk Housing strategy adopted, implementation of agreed Action Plan, with annual monitoring.	Assistant Directors for Growth, Families	N/A	N/A					
			C	2) West Suffolk Choice Based Lettings Scheme regularly reviewed to reflect changes in legislation. Operation of scheme monitored through CBI Management Board	Service Manager (Housing Options)	N/A	N/A					
			A	3) Review of West Suffolk Lettings Partnership to ensure that the package of support provided meets the needs of the landlords and local housing market, particularly in light of Universal Credit.	Service Manager (Housing Options)	Apr-19	N/A					
			A	4) Disabled Facilities Grants process and Home Improvement Agency contract reviewed with partners in order to introduce a more co-ordinated and integrated service across agencies.	Service Manager (Housing Standards)	Apr-14	Tracked monthly through balanced scorecard.					
			A	5) Proceed with business plan and report on progress for Barley Homes (Group) Ltd to build open market, private rented and affordable housing. Latest business case included as part of the 2020-2024 MTFS in Dec-19.	Service Manager (Strategic Housing)	Apr-15	N/A					

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							A	Lobby national government for appropriate investment and changes to legislature/policy/guidance.	LT	Apr-20	Ongoing	
WS10	10-Jul-14	Economic Financial Competitive	Chief Executive / Directors & Portfolio Holders	Failure to adapt to new public sector models, explore opportunities with partners SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	The benefits of becoming a single council for West Suffolk are not realised; the council fails to deliver better services for public sector customers (regardless of the organisation), fails to close its budget gap due to missing opportunities for new sources of funding and opportunities for savings through economies of scale and better integration; or fails to take account of wider changes in national and local legislations, policy and structure proposals (including EU).		C	1) Keep a watching brief on, and disseminate information on new policies, funding models and opportunities through MHCLG, RSN, LGA, EELGA etc.	Service Manager (Corporate Policy)	N/A	N/A	
							C	2) Maintain good relationships with public sector partners, e.g. CCG, SCOLT, SCEG, ARP authorities to hear of, and take opportunities arising from opportunities for partnership working.	Chief Executive and Directors	N/A	N/A	
							C	3) Robust business cases for identified opportunities.	LT	N/A	N/A	
							C	4) Keeping a watching brief on the new/changing National policies with Suffolk colleagues, including Brexit, local government funding changes, proposed structural changes for local government in Suffolk and the wider East Anglia area.	Chief Executive and Directors	N/A	N/A	
							A	5) Lead the integration and rationalisation of the public estate through membership, and local leadership, of the Government's One Public Estate Programme.	Director	Jul-14	On-going	
							A	6) Explore shared services opportunities with other Local Authorities.	LT	Apr-15	On-going	
WS11	10-Jul-14	Partnership	Assistant Director & Portfolio Holders - Growth	Loss of a key employer or industry. SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Failure to retain major employers in the area and the economic impact that it would have		A	1) Liaison with the key employers to understand issues and opportunities by: coordinating and attending the West Suffolk Business Forum; organising the West Suffolk Business Festival (which provides opportunities for engagement with key employers); arranging visits to key employers for Leadership Team; promoting the ED team as a key point of contact for businesses and as a result responding to concerns and issues raised; and meeting and supporting business leaders in conjunction with the New Anglia Local Enterprise Partnership Growth Hub advisors.	Assistant Director - Growth	Jun-14	On-going	
							C	2) Ensuring there is sufficient employment land / premises for expansion.	Assistant Director - Growth	N/A	N/A	
							C	3) Understand skills shortage and requirements by linking business to education providers and encourage businesses to take on apprentices.	Assistant Director - Growth	N/A	N/A	
							A	4) Help businesses access third party funding.	Assistant Director - Growth	Jun-14	On-going	
							A	5) Further development of the growth delivery plan.	Assistant Director - Growth	Jun-14	On-going	
							A	6) In the worst case scenario (actions 1 - 5 ineffective) the ED team liaises with key partners such as Job Centre Plus and West Suffolk College to mitigate the impact of downsizing/restructuring.	Assistant Director - Growth			
WS12	10-Jul-14	Partnership Financial	Directors & Portfolio Holders	Partner / Public Sector failure SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Partners or partnerships failing; cost shunting (transfer of costs between partners); partnerships not achieving desired outcomes.		C	1) Ensure robust SLA (Service Level Agreement) & Joint Venture arrangements are in place. Ensure good due diligence procedures are used.	All Assistant Directors	N/A	N/A	
							C	2) Regular monitoring of arrangements / outcomes.	All Assistant Directors	Jun-14	N/A	
							A	3) Regular meetings with key partners, including Suffolk Resilience Forum, fortnightly Suffolk CEO meetings to discuss impact and potential response of the Suffolk wide system. Ensure effective engagement in the Transformation Challenge Award.	All Assistant Directors	Jun-14	On-going	
							C	4) Understand the cumulative impact of complex partnership delivery arrangements.	CEO and LT	Dec-15	N/A	
							A	5) Develop robust governance arrangements for council owned companies. Barley Homes Business Plan under review in detail as part of regular reporting.	LT	On-going	On-going	

West Suffolk Strategic Risk Register 2019/20 - March 2020

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RISK ID NUMBER	Date risk added to register	Type	Current Owners	Title	Description - What are we trying to avoid? Why is this important	WS Inherent Risk	Type	Summary of Controls / Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/Complete	WS Residual Risk
WS00	13-May-20	Economic, Financial, Political, Social	Chief Executive and Leader	Response and recovery relating to COVID-19	Inability to support and protect West Suffolk residents, businesses and communities during the COVID-19 outbreak and recovery		A	Develop and implement local and county wide recovery plans with partners and stakeholder under the following areas: - Community - Growth - Health and Wellbeing - Legal, Financial and Resources	LT	May-20	Ongoing	
							A	Maintain separate Business Continuity Plan and Health and Safety COVID-19 tactical risk register.	LT	Apr-20	Ongoing	
							A	Lobby national government for appropriate investment and changes to legislature/policy/guidance.	LT	Apr-20	Ongoing	
WS13	10-Jul-14	Physical Social Legal	Director & Portfolio Holders	Service failure through unplanned events SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Reduced level of failure to deliver services to both internal and external clients due to unforeseen events.		A	1) Services must have a workable, up to date Business Continuity Plan in place.	All Assistant Directors/All staff	Aug-14	On-going	
							C	2) Combined West Suffolk Business Continuity Plan is in place for major identified threats, regularly reviewed and practised.	LT	N/A	N/A	
							C	3) Appointed officers within each service to be responsible for the continuity plans. Please also see WS16 & 23- Breach of data protection and information security	All Appointed Officers	N/A	N/A	
							A	5) Adoption of lessons learned from Carillion and Capita issues. Procurement and contract management policies updated for Feb approval	LT	Apr-18	Ongoing	
WS14	10-Jul-14	Legal	Director & Portfolio Holders	Breach of data protection and information security	Failure to ensure the accuracy and control of data. Not using good practice when handling data. Damage to council's reputation. Damage to individuals. Avoid legal challenge. Prevent potential claims for compensation. Financial penalty for failing to comply with GDPR		C	1) Information governance group coordinates councils' approach to risks.	Director	N/A	N/A	
							C	2) Regular buildings checks to ensure information is held securely.	Service Manager (Internal Audit)	N/A	N/A	
							A	3) Improve staff and member communication on good practices and data security.	Service Manager (Corporate Communications)	Apr-14	On-going	
							A	4) Information Security e-learning - 1st phase, existing officers, completed. All new staff and members to complete module as part of induction programme.	Director	Apr-14	On-going	
WS15	10-Jul-14	Customer Financial Professional	Assistant Director & Portfolio Holders - Resources & Performance	Poor Performance SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Risk of individual services having below par performance levels and possible dips in performance while establishing new service models.		C	1) Performance and Audit Scrutiny Committee (PASC) receive comprehensive performance monitoring report.	Assistant Director - Resources & Performance / R&P Business Partners	N/A	N/A	
							A	2) Early identification, reporting and monitoring of potential problem areas.	Service Managers / Business Partners / Advisors	Aug-14	On-going	
							C	3) Strengthen the overall Performance Management Framework. E.g. Balanced Scorecards, PDRs, Risk management, Project monitoring, Financial Reporting	LT	Apr-17	Complete	
							C	4) Use PDR's to aid early identification of potential problem areas.	Line Managers	N/A	N/A	
								Please also see WS7 - Poor Project Management				
WS16	10-Jul-14	Economic Social	All Assistant Directors & Portfolio Holders	Demographic changes	Unable to meet the demands created by population changes (caused by growth, ageing, diversity, employment) including the impact on infrastructure and other related service provision.		C	1) Key services (planning, housing and waste) use forecasting models (e.g. East of England forecasting model, POPGROUP) to build population change into future Strategic Planning, Service Planning and Policy Development.	Assistant Director - Families and Communities/ Planning	N/A	N/A	
							A	2) Monitor, research and analysis around demographics through MHCLG, ONS, LGA, LGC and other sources and share key findings with relevant services.	Service Manager (Corporate Policy)	Jun-14	On-going	
							A	3) Attend meetings of Suffolk Information Forum and Transformation Challenge Award Data and Intelligence work stream to share best practice around population monitoring and forecasting. NB particular attention needs to be paid to population forecasts not being able to deal accurately with USAFE population.	Service Manager (Corporate Policy)	Jun-14	On-going	

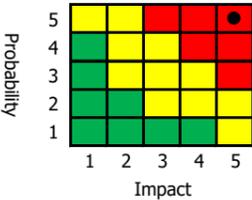
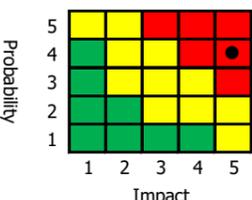
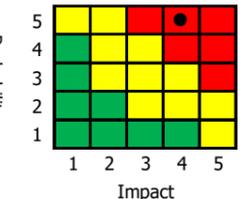
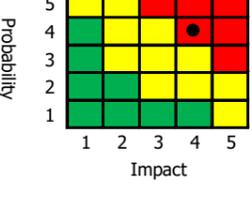
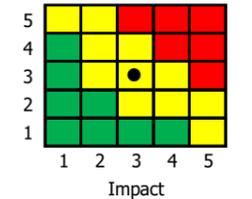
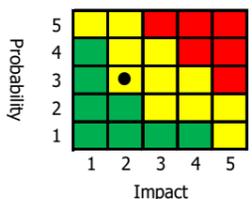
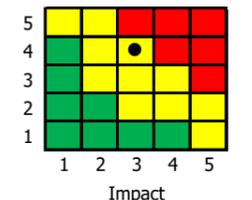
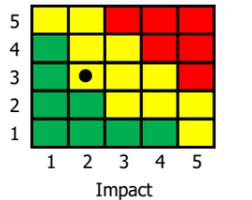
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WS17	10-Jul-14	Physical	Assistant Director & Portfolio Holders - Human Resources, Legal & Democratic Services	Implementation of the Corporate Health and Safety Policy	Failure to ensure the safety and well being of staff and councillors. Failure to provide safe and healthy environment for visitors and the general public. Risk of HSE (Health & Safety Executive) prosecutions.		C	1) Corporate Health and Safety strategy, objectives and implementation plans in place for all internal and external functions performed by the Council.	Service Manager (H&S)	N/A	N/A	
							A	2) Well being programme in place.	Service Manager (H&S)	Jun-14	On-going	
							C	3) Requirement for all staff to complete online H&S training and members to complete appropriate H&S induction programme.	Service Manager (H&S)	N/A	N/A	
							A	4) Communications to staff and councillors.	Service Manager (H&S)	Jun-14	On-going	
							A	5) Appropriate insurances in place and regularly reviewed.	Service Manager (H&S)	Jun-14	On-going	
							C	6) Continue a programme of health and safety audits according to H&S Risk.	Service Manager (H&S)	N/A	N/A	
WS18	10-Jul-14	Social Legal	Service Manager & portfolio Holders- Strategic Housing	Safeguarding children and vulnerable adults SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Failing to recognise and respond appropriately to safeguarding matters that could lead to a deterioration in individuals circumstances and potentially challenge to the Council's policies and procedures.		A	1) Working in Countywide safeguarding partnership - external annual S11 Audit of Council procedures and the annual self-assessment.	Service Manager- Strategic Housing	Jul-09	On-going	
							C	2) Safe recruitment procedures are adopted for all staff recruitment.	Assistant Director - HR, Legal & Dem Services	Jul-09	On-going	
							A	3) Regular staff and member training and briefing sessions taking place included as part of induction and training programme.	Service Manager- Strategic Housing/HR, Legal & Dem services	Jun-14	On-going	
							A	4) Ensure the Council has an up to date Safeguarding Policy that reflects legislative requirements.	Director	Nov-15	Aug-20	
							A	5) Develop toolkit for Staff and Councillors to deal with vulnerable individuals	Assistant Director - HR, Legal & Dem Services	Dec-19	On-going	
							A	6) Review in light of COVID-19 experience	Assistant Director - HR, Legal & Dem	May-20	On-going	
WS19	06-Oct-17	Economic, Financial, Political, Legal	Directors, Assistant Directors & Portfolio Holders	Cyber Security	Failure to appropriately protect West Suffolk's systems and Services from Cyber Attack		A	1) User Education & Awareness - Update Info Sec training to include more detail on data protection and introduce new education programme for all staff.	Service Manager ICT HR Business Partner	Oct-17	On-going	
							A	2) User Education & Awareness - Info Sec policy to be reviewed and disseminated to all staff (inc ARP) - and to be reviewed regularly.	Service Manager ICT HR Business Partner	Oct-17	On-going	
							A	3) Incident Management - Business continuity planning card to be finalised, tested and disseminated.	Service Manager ICT HR Business Partner	Oct-17	On-going	
							A	4) Incident Management - Review of Business Continuity Plan to be finalised with the plan then agreed and published - this requiring a revisit of each service area to agree operational procedures and where stored to provide assurance that arrangements are in place in event of an incident	Service Manager ICT HR Business Partner	Oct-17	On-going	
							A	6) Secure Configuration - Carry out a user access / change control process for key systems, given that many are internet based. Internal reviews of system access included within Audit Plan.	Service Manager ICT HR Business Partner, Service Manager IA	Oct-17	On-going	

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							A	Lobby national government for appropriate investment and changes to legislature/policy/guidance.	LT	Apr-20	Ongoing	
WS20	04-Jan-19	Economic, Financial, Political, Legal	Directors, Assistant Directors & Portfolio Holders	BREXIT	Failure to prepare for the impact of BREXIT leading to loss of staff, supplier failure or West Suffolk business failure		A	Take active role in Suffolk Brexit Group and share information accordingly	Director	Dec ;18	On going	
							A	Share information with businesses and business representatives about issues the Council is aware of that could impact on them and link them to sources of information	Service Manager Economic development	Dec '18	On-going	
							A	Review suppliers and identify those that could be at risk of Brexit and make appropriate contingencies	All ADs	Dec '18	On-going	
WS21	03-Apr-19	Economic, Financial, Political, Legal	Directors, Assistant Directors & Portfolio Holders	Environmental & Climate Change	Failure to address this could increase the emissions the Council generates and damage the reputation of the Council		A	1) Monitor activity and produce an annual Environmental Statement	Environment and Climate Change Task group	May-19	On going	
							A	2) Annual action plan to deliver reduction in emissions	Environment and Climate Change Task group	May-19	On going	
							A	3) Understand and communicate what is required to become carbon neutral by 2030.	Environment and Climate Change Task group	May-19	On going	
							A	4) Environment and Climate Change task group to investigate actions the Council could take and make recommendation to Cabinet to support the Council's declaration of a climate emergency.	Environment and Climate Change Task group	May-19	On going	
WS22	03-Apr-19	Economic, Financial, Political, Legal	Directors, Assistant Directors & Portfolio Holders	Personal Debt and Benefits Changes SPECIFIC COVID-19 RISK AND ACTIONS INCLUDED IN WS00	Failure to address the challenges posed by increased demand on services as a result of increased personal debt in the region driven by changes to the benefits system.		A	1) Monitor and report on outstanding debt position relating to UC, HB and CT through the Anglia Revenues Partnership.	Service Manager - Finance & Performance	May-19	On going	
							A	2) Monitor and report on demand on Homelessness Support through the Families & Communities team.	Service Manager - Housing Options	May-19	On going	



Work Programme 2020-2021

Report No:	PAS/WS/20/011	
Report to and date:	Performance and Audit Scrutiny Committee	28 May 2020
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: <u>Notes</u> the current status of its Work Programme for 2020-2021 attached at Appendix 1.	

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(West Suffolk Council)**Performance and Audit Scrutiny Committee
Work Programme – 2020-2021**

Description	Lead Officer
30 July 2020 (Time: 5.00pm)	
Venue: College Heath Road, Mildenhall	
Annual Treasury Management Report 2019-2020	Service Manager (Finance and Performance)
Treasury Management (June 2020)	Service Manager (Finance and Performance)
2020-2021 Performance Report (Quarter 1)	Service Manager (Finance and Performance)
Annual Report from the Health and Safety Sub-Committee 2019-2020	Service Manager (Health and Safety)
Work Programme Update 2020-2021	Assistant Director (Resources and Performance)
24 September 2020 (Time: 5.00pm)	
Venue: West Suffolk House, Bury St Edmunds	
Ernst and Young – 2019-2020 Annual Results Report to those Charged with Governance	Assistant Director (Resources and Performance)
West Suffolk Annual Governance Statement 2019-2020	Assistant Director (Resources and Performance)
2019-2020 Statement of Accounts	Assistant Director (Resources and Performance)
Local Government Ombudsman Annual Report	Service Manager (Democratic Services)
Approach to Delivering a Sustainable Budget 2021-2022 and Medium-Term Financial Strategy 2020-2024	Assistant Director (Resources and Performance)
Work Programme Update 2020-2021	Assistant Director (Resources and Performance)
19 November 2020 (Time: 5.00pm)	
Venue: College Heath Road, Mildenhall	
Ernst and Young – Annual Audit Letter 2019-2020	Assistant Director (Resources and Performance)
Internal Audit Mid-Year Progress Report 2020-2021	Service Manager (Internal Audit)
2020-2021 Performance Report (Quarter 2)	Service Manager (Finance and Performance)
Delivering a Sustainable Budget 2021-2022 and Medium-Term Financial Strategy 2020-2024	Assistant Director (Resources and Performance)
Treasury Management Report – September 2020	Service Manager (Finance and Performance)
Work Programme Update 2020-2021	Assistant Director (Resources and Performance)

28 January 2021 (Time: 5.00pm) Venue: West Suffolk House, Bury St Edmunds	
Ernst and Young – External Audit Plan and Fees 2020-2021	Assistant Director (Resources and Performance)
2020-2021 Performance Report (Quarter 3)	Service Manager (Finance and Performance)
Proposed Performance Indicators and Targets 2021-2022	Service Manager (Finance and Performance)
Treasury Management Report – December 2020	Service Manager (Finance and Performance)
Annual Treasury Management and Investment Strategy Statements 2021-2022 and Treasury Management Code of Practice	Assistant Director (Resources and Performance)
Delivering a Sustainable West Suffolk Budget 2021-2022 and Medium-Term Plan – update report	Assistant Director (Resources and Performance)
Work Programme Update 2021-2022	Assistant Director (Resources and Performance)
27 May 2021 (Time: 5.00pm) Venue: College Heath Road, Mildenhall	
Internal Audit Annual Report (2020-2021)	Service Manager (Internal Audit)
Outline Internal Audit Plan (2021-2022)	Service Manager (Internal Audit)
2020-2021 Performance Report (Quarter 4)	Service Manager (Finance and Performance)
Annual Report from the Health and Safety Sub-Committee	Service Manager (Health and Safety)
Annual Appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee	Service Manager (Democratic Services and Monitoring Officer)
Work Programme Update 2021-2022	Assistant Director (Resources and Performance)