

# Cabinet



Forest Heath  
District Council

<b>Title of Report:</b>	<b>Report from the Performance and Audit Scrutiny Committee: 28 January 2016</b>	
<b>Report No:</b>	<b>CAB/FH/16/003</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	10 February 2016
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<b>Purpose of report:</b>	<p>On 28 January 2016, the Performance and Audit Scrutiny Committee held an informal joint meeting with members of St Edmundsbury's Performance and Audit Scrutiny Committee, and <u>considered the first five items jointly:</u></p> <ol style="list-style-type: none"><li>(1) Balanced Scorecards and Quarter Three Performance Report 2015/2016;</li><li>(2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2015;</li><li>(3) Delivering a Sustainable Budget 2016-2017 – Procedural Update (Verbal);</li><li>(4) Development and Implementation of the Garden Waste Collection Service;</li><li>(5) Work Programme Update;</li></ol>	

	<p>(6) Financial Performance Report (Revenue and Capital) Quarter 3 – 2015/2016;</p> <p>(7) Treasury Management Report 2015/2016 - Investment Activity 1 April - 31 December 2015;</p> <p>(8) Annual Treasury Management and Investment Strategy Statements 2016/2017 and Treasury Management Code of Practice.</p> <p>Separate report is included on this Cabinet agenda for Item <b>(8)</b> above.</p>
<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that Report No: CAB/FH/16/003, being the report of the Performance and Audit Scrutiny Committee, be noted.</b>
<b>Key Decision:</b>	No, it is not a Key Decision - <input checked="" type="checkbox"/>
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• See reports listed in Section 2 below.</li> </ul>
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• See reports listed in Section 2 below.</li> </ul>
<b>Implications:</b>	
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<b>Risk/opportunity assessment:</b>	Please see background papers.
<b>Ward(s) affected:</b>	All Wards
<b>Background papers:</b>	Please see background papers, which are listed at the end of the report.
<b>Documents attached:</b>	None

## **1. Key issues and reasons for recommendation**

### **1.1 Balanced Scorecards Quarter 3 Performance Report 2015-16 (Report No: PAS/FH/16/001)**

- 1.1.1 The Committee received and **noted** Report No: PAS/FH/16/001, which set out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2015-2016 and an overview of performance against those indicators for the third quarter of 2015-2016. The six current balanced scorecards (attached at Appendices A to F to Report No: PAS/FH/16/001) were linked to the Heads of Service areas, which presented Quarter 3 2015-2016 performance.
- 1.1.2 Most indicators reported performance against an agreed target using a traffic light system with additional commentary provided for performance indicators below optimum performance.
- 1.1.3 Across all service balanced scorecards, there were indicators measuring the performance of the transactional finance functions. These were "% of non-disputed invoices paid within 30 days" and "% debt over 90 days old". In the first and second quarters of the year, against these indicators, almost all service areas had failed to meet the targets of more than 95% of non-disputed invoice paid within 30 days and less than 10% of debt over 90 days old.
- 1.1.4 The finance and performance team had been working with service areas to try and improve performance against both of these measures. As a result of this, three service areas were now achieving over 90% performance on invoices paid within 30 days, with one of these areas achieving over 98%.
- 1.1.5 No issues were required to be brought to the attention of Cabinet.

### **1.2 West Suffolk Strategic Risk Register Quarterly Report – December 2015 (Report No: PAS/FH/16/002)**

- 1.2.1 The Committee received and **noted** the third quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its recent meeting in January 2016, the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Strategic Risk Register (Appendix 1 to Report No: PAS/FH/16/002). Some individual controls or actions had been updated and those that were not ongoing and had been completed by December 2015 had been removed from the register.
- 1.2.2 There had been no new risks or amendments made to any existing risks since the Strategic Risk Register was last reported to the Committee. Also no existing risks had been closed since the Register was last reported to the Committee.
- 1.2.3 The Committee was advised that at the January 2016 meeting, the Risk Management Group had decided that in order to differentiate between an Action and a Control Measure a new column would be added to the register.

The new column, titled "**Type**", contained an "**A**" where an action was in place to help mitigate the risk or a "**C**" where a control measure had been put in place.

- 1.2.4 Members scrutinised the report and asked questions to which officers duly responded. No issues were required to be brought to the attention of Cabinet.

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

- 1.3.1 The Committee received and **noted** a verbal update from the Acting Head of Resources and Performance on the procedural process and the timetable for delivering a balanced budget for 2016-2017. The update included the Government's Autumn Statement and the higher than expected reduction in Revenue Support Grant, which would be phased out by 2020, and there was no Council Tax freeze grant for the financial year 2016-2017. Following the Autumn Statement the Councils General Fund levels were reviewed, and had been brought down to policy levels.

- 1.3.2 Detailed budget reports would be presented to Cabinet on 10 February 2016 and Council on 24 February 2016.

1.4 **Development and Implementation of the Garden Waste Collection Service (Report No: PAS/FH/16/003)**

- 1.4.1 The Committee received and **noted** Report No: PAS/FH/16/003, which updated Members on progress regarding the implementation of the new garden waste collection service. The report outlined the:

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

- 1.4.2 Members scrutinised the report in detail and asked a number of questions to which responses were duly provided. In particular Members discussed the various payment options, and suggested that a future report be presented to the Committee, which provided a breakdown on how residents who did not pay their council tax by direct debit, what alternative payment methods they used.

1.5 **Work Programme Update (Report No: PAS/FH/16/004)**

- 1.5.1 The Committee received its Work Programme which provided items scheduled to be presented to the Committee during 2016-2017. Members noted that the meeting scheduled for Wednesday 27 April 2016 had been deferred and would now be held on Wednesday 25 May 2016, at St Edmundsbury Borough Council, commencing at 5pm.

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

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

1.6 **Financial Performance Report (Revenue and Capital) Quarter 3 – 2015/2016 (Report No: PAS/FH/16/005)**

- 1.6.1 The Committee received and **noted** the third quarterly monitoring report which informed Members of the forecasted outturn position for 2015-16.
- 1.6.2 The Revenue Budget Summary (Appendix A and B) for the year end was expected to be on budget. In terms of the Council's capital financial position (Appendix C), the Council had spent £3,669,269 of its capital budget of £14,505,247 at 31 December 2015. The table set out in paragraph 1.3.2 of the report provided a high level summary of capital expenditure against budget for 2015-2016, as well as the year end forecast variances. Attached at Appendix D was a summary of the earmarked reserves along with the forecast year end position for 2015-2016.
- 1.6.3 The Resources Team would continue to work with Budget Holders to monitor capital spend and project progress closely for the remainder of the financial year and an updated position would be presented to the Committee at the end of the financial year.
- 1.6.4 Members scrutinised the report in detail, and asked a number of questions to which Officers duly responded. In particular, discussions were held on Appendix C (2015/2016 December Capital Budget Monitoring Report) where Members had queried the reasoning behind the transferring of underspend to other projects (ie Leisure Centre, Brandon underspend had been transferred to the Valley Way Shops, Newmarket) and as to why some budgets still had a '£0 Actual Spend to Date' (ie the Guineas Car Park - Energy Efficient Lighting).
- 1.6.5 Officers confirmed that the Committee would be provided with further detail in relation to these particular queries.

1.7 **Treasury Management Report 2015/2016 - Investment Activity 1 April to 31 December 2015 (Report No: PAS/FH/16/006)**

- 1.7.1 The Committee received and **noted** the report, which summarised the Treasury Management activity for the first nine months of the 2015/2016 financial year.
- 1.7.2 The Committee was advised that the total amount of budgeted income from investments for the first nine months of the financial year amounted to £284,625. Interest earned during the period totalled £316,117; and overachievement of £31,492. This was mainly due to increased cash flow/money available for investment as a result of the timing of large value transactions such as NNDR receipts and payments and capital programme slippage.

- 1.7.3 The base rate remained at 0.5% throughout the period and most market analysts continued to predict that this would continue throughout 2015-2016 with a small staged increase not expected until 2016.
- 1.7.4 The Committee scrutinised the content of the report, asking questions of Officers who duly responded.

## **2. Background Papers**

- 2.1.1 [Report No PAS/FH/16/001](#) & [Appendix A](#); [Appendix B](#); [Appendix C](#); [Appendix D](#); [Appendix E](#); [Appendix F](#) to the Performance and Audit Scrutiny Committee: Balanced Scorecards Quarter 3 Performance Report 2015-16
- 2.1.2 [Report No PAS/FH/16/002](#) & [Appendix 1](#) to the Performance and Audit Scrutiny Committee: West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2015
- 2.1.3 [Report No PAS/FH/16/003](#) to the Performance and Audit Scrutiny Committee: Development and Implementation of the Garden Waste Collection Service
- 2.1.4 [Report No PAS/FH/16/004](#) to the Performance and Audit Scrutiny Committee: Work Programme Update
- 2.1.5 [Report No PAS/FH/16/005](#) & [Appendix A](#); [Appendix B](#); [Appendix C](#); [Appendix D](#) to the Performance and Audit Scrutiny Committee: Financial Performance Report (Revenue and Capital) 2015-16 (Quarter 3)
- 2.1.6 [Report No PAS/FH/16/006](#) & [Appendix 1 to 3](#) to the Performance and Audit Scrutiny Committee: Treasury Management Report 2015/16 - Investment Activity 1 April to 31 December 2015