

Informal Joint Performance and Audit Scrutiny Committee



**Notes of Informal Discussions held on Wednesday 25 January 2017 at
5.00pm in the Conference Chamber West, West Suffolk House,
Western Way, Bury St Edmunds**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton, Beccy Hopfensperger, Betty McLatchy, Ivor McLatchy, Jane Midwood, David Nettleton, David Roach, Barry Robbins, Peter Thompson and Patricia Warby.

Forest Heath District Council (FHDC)

Councillor Louis Busuttil
(Chairman for the informal discussions)

Councillors Chris Barker, John Bloodworth, and Christine Mason.

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

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

Councillor Susan Glossop: Observing

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

- (1) Balanced Scorecards and Quarter 3 Performance Report 2016-2017;
- (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2016; and
- (3) Work Programme Update.

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

The Chairman of St Edmundsbury's Performance and Audit Scrutiny Committee welcomed all those present to West Suffolk House, Bury St Edmunds and advised on the format of the proceedings for the informal joint discussions and subsequent

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

Members noted that each Council permitted public participation at their Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating these Constitutional requirements, it was proposed that public speaking should be permitted prior to the start of the informal discussions to enable any questions/statements to be considered by both Performance and Audit Scrutiny Committees on items 1 – 3 above. On this occasion however, there were no questions/statements from members of the public.

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

1. **Balanced Scorecards Quarter 3 Performance Report 2016-2017**

[Councillor Peter Thompson arrived at 5.05pm during the consideration of this item]

The Business Partner (Resources and Performance) presented the report, which set out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2016-2017 and an overview of performance against those indicators for the third quarter of 2016-2017. The six balanced scorecards (attached at Appendices A to F) were linked to the Head of Service areas, which presented the third quarter performance.

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

In quarter one, the performance against the "% telephone calls answered" indicators was below target levels across all areas. During quarters two and three the performance against these targets had increased and were getting back towards the levels seen during the 2015-2016 financial year despite call volumes still being higher than comparable periods last financial year.

It was reported that there had been a slight increase corporately in the performance against the indicator "% of non-disputed invoices paid within 30 days" since quarter two. The figure in September 2016 was 87.63%, whereas the December 2016 figure was 93.1%.

The finance and performance team would continue to work with service areas to try and improve performance against this indicator, with monthly business intelligence reports being sent out with details of all invoices processed.

Members considered the report and asked questions. In particular discussions were held on Appendix F (Housing), housing options and the number in Bands A and B. Officers provided the current breakdown for Bands A and B (West Suffolk 897; St Edmundsbury 552; Forest Heath 345). Members asked for future quarterly reports to include a breakdown of the figures showing the split for West Suffolk, St Edmundsbury and Forest Heath in the comments box.

2. **West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2016**

The Service Manager (Finance and Performance) the quarter three risk register monitoring report for 2016-2017 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 December 2016 the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Risk Register (Appendix 1).

Some individual controls or actions had been updated and those which were not ongoing and had been completed by December 2016 had been removed from the Register. There had been no new risks or amendments made to any existing risks or any existing risks closed since the Strategic Risk Register was last report to the Committee.

With regards to the EU Referendum and Britain's exiting of the EU, the Group would continue to monitor the situation as it developed over the next quarter, amending existing and/or adding new risks where necessary. Any changes made would be reported at the next meeting of the Performance and Audit Scrutiny Committee.

Members considered the report and noted that each quarter presented was relatively stable, and raise no issues.

3. **Work Programme Update**

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

Members considered the report and did not raise any issues.

On the conclusion of the informal joint discussions at 5.07 pm, Members of Forest Heath District Council's Performance and Audit Scrutiny Committee withdrew from Conference Chamber West to Conference Chamber East to hold their formal meeting.

The Chairman then formally opened the Forest Heath District Council's Performance and Audit Scrutiny Committee in Conference Chamber East at 5.15 pm.

Performance and Audit Scrutiny Committee



Forest Heath
District Council

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Wednesday 25 January 2017** at **5.15 pm** at the **Conference Chamber East, West Suffolk House**, Western Way, Bury St Edmunds, IP33 3YU

Present: **Councillors**

Chairman Louis Busuttil

Chris Barker
John Bloodworth

Simon Cole
Christine Mason

By invitation:

Stephen Edwards, Portfolio Holder for Resources and Performance

129. **Substitutes**

There were no substitutes declared.

130. **Apologies for Absence**

Apologies for absence were received from Councillors Michael Anderson, Rona Burt, Louise Marston and Peter Ridgwell.

Councillor Colin Noble was also unable to attend the meeting.

131. **Minutes**

The minutes of the meeting held on 24 November 2016, were unanimously accepted by the Committee as an accurate record and signed by the Chairman.

132. **Public Participation**

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

133. **Balanced Scorecards and Quarter 3 Performance 2016-2017 (Report No: PAS/FH/17/001)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/FH/17/001.

Members had scrutinised the report, and there being no decision required the Committee **noted** the Council's performance using the Balanced Scorecards for Quarter 3, 2016-2017.

134. **West Suffolk Strategic Risk Register Quarterly Monitoring Report - December 2016 (Report No: PAS/FH/17/002)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/FH/17/002.

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

There being no decision required, the Committee **noted** the contents of the Quarter 3 West Suffolk Strategic Risk Register monitoring report.

135. **Work Programme Update (Report No: PAS/FH/17/003)**

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/FH/17/003.

Members considered the report, and there being no decision required, the Committee **noted** the current status of its Work Programme for 2017-2018.

136. **Financial Performance Report (Revenue and Capital) Quarter 3 - 2016-2017 (Report No: PAS/FH/17/004)**

The Committee received Report No: PAS/FH/17/004, which set out the financial performance for the third quarter of 2016-2017 and forecasted outturn position for 2016-2017.

Attached at Appendix A and B to the report was details of the Council's revenue performance and year end forecasted outturn position. Explanations of the main year end forecast over/(under) spends was set out within paragraph 1.2.3 of the report. Members were requested to note the current position and the significant variances over £25,000 (paragraph 1.2.3). The current forecast position for the year end was expected to be on budget.

Appendix C to the report set out the Council's capital financial position for the first nine months of 2016-2017, which showed expenditure of £19,546,000. Finally, a summary of earmarked reserves was attached at Appendix D, along with the forecast year end position for 2016-2017.

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 on a quarterly basis.

The Committee scrutinised the report in detail and asked a number of questions to which responses were provided. Members were also informed that in relation to the Compostable Collection (Brown Bin), an on-line direct

debit system would shortly be brought in, which would make it easier for residents to subscribe to the service.

There being no decision required, the Committee **noted** the Quarter 3 financial performance and the 2016-2017 year end forecast financial position.

137. **Treasury Management Report 2016-2017 and Investment Activity (April to December 2016) (Report No: PAS/FH/17/006)**

(The Chairman agreed for this item to be brought forward on the agenda)

The Committee received Report No: PAS/FH/17/006, which provided a summary of investment activities for the first nine months of 2016-2017. Full details of treasury management activities during the period were attached at Appendix 1 to the report. It was reported as at 31 December 2016, the Council held £19,755,000 of investments.

Explanations were provided on the under-achievement of interest earned during the period, which was mainly due to the reduction in funds available for investment following the purchase of the Toggam Solar Farm.

Explanations were also provided on the reduced average rate of return during the period, which was due to the reduction in the Bank of England base rate and the resulting reduction of interest rates offered by institutions. Officers also referred to paragraph 10. of the report, where Members were informed of the position with regard to the costs for a proposed redemption of a long term loan.

The Committee scrutinised the Treasury Management Report 2016-2017, and asked questions of Officers to which responses were provided.

It was moved, duly seconded and with the vote being unanimous, it was

RECOMMENDED:

That, subject to the approval of Council, the Treasury Management Report for the period 1 April to 31 December 2016, attached at Appendix 1 to Report No: PAS/FH/17/006, be approved.

138. **Annual Treasury Management and Investment Strategy Statements 2017-2018 (Report No: PAS/FH/17/007)**

(The Chairman agreed for this item to be brought forward on the agenda)

The Committee received Report No: PAS/FH/17/007 which explained that the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management required that, prior to the start of the financial year, the Council formally approved an Annual Treasury Management and Investment Strategy, setting out the Council's Treasury Management Policy and Strategy Statements for the forthcoming year.

The proposed Annual Treasury Management and Investment Strategy Statements for 2017-2018 were attached as Appendix 1 to Report No:

PAS/FH/17/007). The Committee were also advised that no changes had been made to the Credit Rating Definitions (Appendix 2).

The Treasury Management Code of Practice (Appendix 3) had been updated to reflect the proposed Annual Treasury Management and Investment Strategy Statements 2017/2018, as set out in paragraph 2.1 of the report.

A few minor changes had been made to the List of Approved Organisations for Investment during 2016-2017 (Appendix 4) due to credit rating changes and changes to the Top 10 List of Building Societies.

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

With the vote being unanimous, it was

RECOMMENDED:

That:-

1. The Annual Treasury Management and Investment Strategy Statements 2017/2018, as contained in Appendix 1 to Report No: PAS/FH/17/007, be adopted.
2. The Treasury Management Code of Practice 2017/2018, as contained in Appendix 3 to Report No PAS/FH/17/007, be approved.

(Councillor Simon Cole joined the meeting at 5.40 pm, following the conclusion of this item)

139. **Delivering a Sustainable Budget Medium Term Financial Strategy 2017-2020 (Report No: PAS/FH/17/005)**

The Committee received Report No: PAS/FH/17/005, which updated Members on progress made towards delivering a balanced budget for 2017-2018 and a sustainable budget in the medium term.

In November 2016, the Committee received Report No: PAS/FH/16/032, which set out the context of the 2016-2017 budget and the MTFs, including details of savings targets, budget assumptions and known pressures for 2017-2020. Report No: PAS/SE/17/005 gave an update on that position.

Additional pressures and progress made to-date in achieving the 2017-2020 savings target, were set out in Table 1 of the report. It was proposed that these be incorporated into the budgets, over and above those items brought to the Committees' attention in November 2016, as part of Report No: PAS/FH/16/032.

It was reported that the Council's pension contribution rate had decreased from 30% to 29% in 2017-2018 following the triennial review, and this had been reflected within the existing salary budgets. Work also continued on the property and projects work packages and would be concluded for the main

Budget and Council Tax Report to Cabinet and Council in February 2017. The aim being to achieve a balanced position across the medium term and to use reserves and one-off budgetary savings, if necessary, to balance the budget in the short term.

The Performance and Audit Scrutiny Committee were asked to support and recommend to Cabinet the inclusion of the proposals, as set out in Table 1, in order to progress securing a balanced budget for 2017-2018 and delivering a sustainable MTFS 2017-2020.

The Committee scrutinised the report in detail and asked a number of questions to which Officers duly responded. In particular, questions were asked with regard to the Additional Reserve Contributions which had been allocated for vehicle renewals and for Asset Management Plan requirements.

The Committee also noted the progress made on delivering a Sustainable Medium Term Financial Strategy 2017-2020.

It was moved, duly seconded and with the vote being unanimous, it was:

RECOMMENDED:

That the proposals, as detailed in Table 1 at paragraph 1.2.1 of Report No: PAS/FH/17/005, be included in order to progress securing a balanced budget for 2017-2018.

The Meeting concluded at 6.09 pm

Signed by:

Chairman
