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Forest Heath
District Council

Forest Heath & St Edmundsbury councils

West Suffolk
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ANNUAL SCRUTINY REPORT 2016-2017

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Forest Heath District Council Annual Scrutiny Report 2016-2017

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Introduction



Councillor Simon Cole

**Chairman of the
Overview and Scrutiny Committee
2016-2017**



Councillor Louis Busuttil

**Chairman of the Performance and
Audit Scrutiny Committee
2016-2017**

Welcome to the Annual Report on the overview and scrutiny function at Forest Heath District Council.

Overview and scrutiny is central to the decision-making process of the Council, and this Annual Report sets out the work of the committee during 2016-2017. The report is not intended to cover all the work of the committee in great detail, but to present some examples of where and how scrutiny has contributed to change, challenge and service improvements, and to give you a flavour of the work undertaken, in the hope that you will be encouraged to play more of a role in the scrutiny process in the coming year.

2016-2017 was another busy year for the committee, with the Overview and Scrutiny Committee carrying out several policy and scrutiny reviews alongside our usual workload. The Committee also held informal joint scrutiny meetings with members of St Edmundsbury Borough Council's Overview and Scrutiny Committee to discuss key issues for West Suffolk.

The Performance and Audit Scrutiny Committee continued to increase the scope of its internal and external audit monitoring role.

2016-2017 was also another strong year for external involvement in our scrutiny reviews, with representatives from partner organisations attending meetings or taking part in consultations to help the committees with their investigations.

We hope you find this Annual Report both informative and interesting, and that you will continue to follow the progress of the scrutiny function at Forest Heath.

May 2017

What does Scrutiny do?

The scrutiny function of this and other councils was introduced under the Local Government Act 2000, which required councils to set up new structures to replace the previous committee system. The aim of the Government's programme for modernising local government was for local people to know more about how their local council works and to get more involved. As part of this, councils were required to establish at least one "overview and scrutiny committee" to monitor decisions made and where appropriate, to advise the Council on matters of policy or service delivery.

Forest Heath has two such committees. The Overview and Scrutiny Committee looks back at how and why decisions were made, how services are functioning and where improvements can be made, but in its role as community leader also looks at wider issues. It also examines new and evolving policies.

The Performance and Audit Scrutiny Committee has particular responsibility for monitoring the performance of services, as well as internal audit, risk management and procurement, and has responsibility for scrutinising the Council's budget, including any proposals for cost reductions and approving the Council's Annual Statement of Accounts.

Each Committee comprises ten Members. The arrangements for appointments to the Committees are made without compliance with the political balance requirements in SS15 and 16 of the Local Government and Housing Act 1989.

What we don't do

Overview and Scrutiny does not deal with individual complaints. The council has a complaints procedure in place to deal with this. However, the Committee welcomes suggestions on wider issues which members of the public feel should be reviewed. The functions and responsibilities of the Committee are set out in detail in the Council's Constitution, which is available on the Council's website.

Overview and Scrutiny Committee

Responsibilities:

- Community leadership
- Reviews
- Pre-decision scrutiny
- Post implementation review
- Policy development and review
- External and joint scrutiny
- Call-ins and Councillor Calls for Action
- Holding the Cabinet to account
- Holding Portfolio Members to account
- Scrutiny improvement

As the Council's critical friend, the Overview and Scrutiny Committee holds the Cabinet to account for its actions by monitoring the decision making process and testing existing practices to check they are working properly. It can also call in Cabinet decisions to scrutinise them before they are put into practice. The Overview and Scrutiny Committee is able to stand back from the decision making process, look at the outcomes for the people of Forest Heath and West Suffolk and contribute to ensuring improved performance.

The Committee also looks at the impact on the community of key plans and strategies within the Council's policy framework, investigating why things are as they are, researching options, challenging assumptions and suggesting improvements. When looking at a new policy, the Committee ensures it would contribute to the Council's priorities as set out in the West Suffolk Strategic Plan 2014-2016, and that any links to other Council policies demonstrate continuity. When reviewing existing policies, the Committee investigates how successful it has been, whether it achieved its objectives within budget and to timescale, and what needs to change. In all its policy development, the Committee aims to enhance services and make life better for people living and working in Forest Heath, as well as those visiting us.

The Committee has up to eight scheduled meetings per year.

Performance and Audit Scrutiny Committee

- Performance management
- Internal and external audit responsibilities
- Strategic risk management
- Revenue and Capital Budget monitoring and budget development
- Scrutiny of the annual accounts
- Procurement

Scrutiny also has an important role to play in monitoring the performance of services. The Performance and Audit Scrutiny Committee looks at how well the Council's services are performing by considering a range of information such as performance indicators and reports from external inspectors, and by monitoring action plans. It does not carry out reviews, but may recommend that a review is carried out by the Overview and Scrutiny Committee or another appropriate committee or working group where a need has been identified.

This Committee also leads on improvement planning and risk management, as well as monitoring the Council's budget, and approving the Council's Annual Statement of Accounts in accordance with the powers delegated to it under the Council's Constitution. It also leads on the development of a sustainable forward budget. In 2016-2017 it held five informal joint monitoring meetings with St Edmundsbury's Performance and Audit Scrutiny Committee, plus a special individual meeting in September to consider the annual accounts.

How does Scrutiny work?

The Overview and Scrutiny Committee has a rolling work programme which prioritises the investigations it will carry out over the coming months and is reviewed and updated at each meeting. Managing the work programme with this flexibility enables the Committee to consider matters of local concern, not previously scheduled but which may merit inclusion during the year.

The Committee gathers evidence from a variety of sources including the Council's own information, other local authorities, partner organisations, service users, expert witnesses or research carried out by the committees themselves. Once it has gathered all the evidence the committee makes its report, complete with recommendations, usually to the Cabinet.

Call-ins

Any decision by Cabinet or a Cabinet Member may be “called in” by any five members of the Council. Call-in is used where Councillors have evidence which suggests that a decision was not taken in accordance with the principles of good decision making set out in the Constitution, or in the context of the Council’s policy or budget framework, and is only used in exceptional circumstances.

Councillor Call for Action

The Councillor Call for Action (CCfA) was introduced under Section 119 of the Local Government and Public Involvement in Health Act 2007 (the Act) and came into force on 1 April 2009.

The Act enables any councillor to refer to the Overview and Scrutiny Committee any local government matter or any crime and disorder matter which affects their ward / division, within certain limitations.

These limitations are set out in the Councillor Call for Action Protocol, which is available as part of the Council’s Constitution. Since its introduction the Committee had received no Councillor Call for Action requests.

Training and Development

We recognise the importance of training and development for both Councillors and officers who support the scrutiny role at Forest Heath. Regular targeted training, both internally and externally has facilitated in the development of a successful scrutiny function.

Meetings

Meetings are held in public (except when exempt or confidential material is being discussed), and in order to prevent whole meetings being taken up by a single topic, “Task and Finish / Research” groups are set up to carry out major reviews and report back to the main committee with their recommendations.

Engaging with Public and Stakeholders

The scrutiny committees work hard to develop and improve the scrutiny process at Forest Heath and aims to continually increase the involvement of stakeholders and public engagement at its meetings through public speaking.

The Committee gathers evidence with the involvement of external witnesses, and invites representatives to attend meetings to assist in its work. In the last year, the Overview and Scrutiny Committee has formally invited organisations and individuals to attend meetings and assist in reviews including:

- Members of the public
- Passenger and Transport Operations Manager (Suffolk County Council)
- Service Delivery Manager (Stephensons of Essex)
- Barley Homes Group Ltd (Directors)
- Abbeycroft Leisure Chief Executive and Trustees

For further information or answers to any queries relating to the Council's Overview and Scrutiny function or activities, please contact Christine Brain, Democratic Services Officer (Scrutiny) on (01638) 719729 or email Christine.brain@westsuffolk.gov.uk.

Members of Overview and Scrutiny (2016–2017)

The Committee comprises ten members, or as may from time to time be determined by the Council. No member of the Cabinet may be a member of the Overview and Scrutiny Committee.

 <p>Councillor Simon Cole Committee Chairman</p>	<p>Committee Members</p> <p>Cllr Chris Barker Cllr John Bloodworth Cllr Rona Burt Cllr Brian Harvey Cllr Christine Mason Cllr David Palmer Cllr Nigel Roman Cllr Reg Silvester</p>	 <p>Councillor Ruth Bowman Committee Vice-Chairman</p>
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Review of the Past Year

This section describes some of the key scrutiny topics covered during the year (June 2016 to April 2017), and their associated outcomes.

Informal Joint Overview and Scrutiny Meetings

The Committee held one extraordinary Informal Joint Overview and Scrutiny Committee meetings during the year with Members of St Edmundsbury's Overview and Scrutiny Committee to enable informal joint discussions to take place between the two authorities.

Following the informal joint discussions, the two Overview and Scrutiny Committee's then met separately and voted on the recommendations for consideration for each council's respective Cabinet.

Reviews carried out in Informal Joint Overview and Scrutiny Meetings

Devolution

On 8 September 2016, the Overview and Scrutiny Committee's held a workshop on "What will devolution mean for West Suffolk?" and was open to all members of both councils to attend.

The aim of the workshop was to inform and drive the agenda for the Joint Overview and Scrutiny taking place on 4 October 2016. The key issues identified during the workshop were:

- Running costs of the Combined Authority;
- Statutory bodies and their duties/powers in relation to the role of the Combined Authority and the arrangements proposed for voting;
- The Combined Authority Board and Co-opted persons;
- Governance and exit arrangements; and
- Double devolution and subsidiarity.

On 4 October 2016, the Committee received a report which provided members with additional information on the five key areas identified following the workshop held on 8 September 2016. In response to a number of questions raised, the following responses were provided:

Running costs of a Combined Authority

- 1) Within the Norfolk and Suffolk Deal, £25 million a year of new money would be provided for the next 30 years to support economic growth; development of local infrastructures and jobs.
- 2) The Government had proposed gateway reviews to be carried out every five years between the Combined Authority and the Government in relation to the £25 million funding per year.
- 3) All Constituent Councils within a Combined Authority would be equal partners and would have one vote, except where the members had a statutory role.
- 4) A Shadow Combined Authority would be created and would be made up of existing staff to carry out the roles of the three statutory posts. Once the Elected Mayor was in place, they would then decide on staffing.

Combined Authority Board and Co-opted persons

Members expressed concerns regarding the Mayor and their ability to vote against a majority decision or proposal by right of veto.

Double devolution and subsidiarity

Double devolution and subsidiarity was not about structural change, but wanting to see more engagement and delivery locally; making accountability more local and the need to deliver what was contained with the devolution deal.

The Committee recommended to Cabinet that it wished to express its concerns regarding the veto vote of the Mayor.

Reviews carried out Annually

Car Parking

On 10 November 2016, the Committee received an update on the implementation of the Car Parking Review. The report included information on usage; occupancy; impact of the home of horse racing; pocket car parks; enforcement; road directional signage; new information boards; improvements to Rous Road car park; electric charging points; Park Mark; residential parking zones; Civic Parking Enforcement and financial income.

The Committee asked questions to which comprehensive responses were provided. In particular discussions were held on progress towards potential Civil Parking Enforcement in Suffolk, and the impact of parking in the near future in relation to the Home of Horseracing and where coaches would park. Detailed discussions were also held on on-street parking enforcement, which was the responsibility of the police authority.

The Committee recommended that the Head of Operations, under his delegated authority, and in consultation with the Portfolio Holder for Operations, incorporates the Snooker Hall Pocket Car Park spaces into All Saints Car Park for use by pay and display customers.

Large Project Reviews

Housing Development Company - Barley Homes (Group) Ltd - Initial Five Year Business Plan

On 10 November 2016, the Committee received a report which asked Members to scrutinise the content of the Barley Homes initial five year Business Plan, prior to being considered by Cabinet and Full Council in December 2016 to approve the funding mechanism required to deliver the plan. Attached as Exempt Appendix A, was the Barley Homes Group Business Plan.

The Committee was reminded of the primary function of Barley Homes, which was to generate profits through the development of new housing for sale and rent, on land owned by one of the councils initially in west Suffolk. The establishment of the housing company was one of the many ways that the council was looking to become self-sufficient through new income generation activities, as central government grants were reduced and eventually removed.

The Report set out key issues, which included initial sites; investment opportunity and financial returns; monitoring of progress and future development decisions; delivery of the business plan; legal implications and the next steps.

The Committee considered in detail the Exempt Appendix A, and asked a number of questions to which comprehensive responses were provided, and made a number of recommendations to Cabinet.

Mildenhall Hub Project: Financial Business Case

On 12 January 2017, the Committee had the opportunity to scrutinise outline funding plans for the Mildenhall Hub project before a funding agreement and final budget was considered by Council in February 2017. The report focused primarily on the funding elements on which Forest Heath will take a direct lead.

The Mildenhall Hub was a bold and innovative project to review and upgrade the public estate in Mildenhall. The Council's own elements of the scheme included a leisure centre and the replacement of its offices at College Heath Road. Whilst the Council had already committed to progressing the design of the Hub, it needed to finalise its funding arrangements in February 2017 before any planning application was made. Although some information was still awaited, the current indicators were that the Forest Heath elements of the scheme were likely to be financially deliverable in accordance with the Council's Medium-Term Financial Strategy. Furthermore, an investment by Forest Heath in the project would deliver considerable benefits on behalf of the local community and also address significant existing asset management issues.

The central element of the Hub, which would contain the Council's new shared offices, was likely to be deliverable within available resources and generate a saving to taxpayers. The new leisure centre offered a considerable increase in the quality and scale of facilities for the area, to meet current identified need.

After applying available sources of capital, delivery of this leisure facility would require some borrowing, but this would be supported in full or part by savings made on running costs, including those from moving to new offices and the installation of advanced renewable energy technologies.

Discussions were held on: cash-flow for the project; the length of tenant partnership agreements; the capital cost of the Forest Heath elements of the project and other capital receipt estimates; the proposed 40 year life cycle for the project's finances; future renewable energy business case; previous land swaps and assumptions made around site values.

The Committee was pleased at how the scheme was progressing and noted the current funding position to date, and requested that the later reports to councillors in February 2017 included more information on project cash flow.

Review of Abbeycroft Leisure Limited Performance 2005-2016

On 12 January 2017, the Committee received a requesting member's review the performance of Abbeycroft Leisure in Forest Heath, which would then inform the development of a new Partnership Agreement.

The report included information on the establishment of Abbeycroft Leisure; trustees and governance; core business for West Suffolk; attendance levels; continuous improvement and quality management; initiatives and projects; business development and diversification; financial performance; strategic leisure support and advice; approaches and cost of other local authorities; challenges and the future. The Chief Operating Officer for Abbeycroft Leisure gave a short PowerPoint Presentation which showcased the activities of Abbeycroft Leisure.

Discussions were held on challenges around the employment of staff and developing skills; the investment fund; and the management of pension liabilities. In particular Members:

- Discussed the proposed length of the agreement, and raised some concern that this was not explored further in the report;
- Sought clarification as to what was meant in the recommendation around "transparency of costs", and suggested that this be amended to read "full disclosure of costs";
- Discussed the partnership moving forward and what would change. It was reported that the investment fund would provide Abbeycroft with the ability to bid for funds and the Council investing in its assets;

Public Space Protection Orders (PSPOs) - Changes to Anti-Social Behaviour Legislation

On 12 January 2017, the Committee was updated on legislative changes regarding certain powers to control Anti-social behaviour. The report set out the details of the Public Space Protection Orders (PSPOs) the District proposed to adopt, subject to public consultation. It also set out the transition arrangements for the Newmarket and Brandon Designated Public Place Orders (DPPOs) to PSPOs; the proposed transition from Dog Fouling Orders, originally adopted under the Dogs Fouling of Land Act 1996 and the Clean Neighbourhoods and

Environment Act 2005 to a PSPO Dog Control Order; the adoption of a Dog Control Order which excludes dogs from specific sites listed in Scheduled 1. The details included consultation requirements; publication; signage; enforcement; and future reviews periods for PSPOs.

Discussions were held on the proposed Orders relating to dogs. The Committee noted that the proposed Order relating to dog fouling included all public open space in the District, regardless of ownership, but that the proposed Dog Exclusion Orders (list of current sites included in Schedule 1) had to be for specifically designated areas, with the land owners consent. The Committee felt that the District Council should invite the Parish and Town Councils to include their play areas in the Dog excluded sites order.

The Committee noted the conditions included in the proposed Newmarket and Brandon alcohol-related PSPOs would remain the same as was included in the earlier DPPO's, and made recommendations to Cabinet, subject to public consultation.

Member Work Programme Suggestion Review

Transport Links for Rural Villages in Forest Heath

In January 2016, the Committee considered and included in its forward work programme a member suggestion relating to "transport links for rural villages in Forest Heath". The Committee had acknowledged that the District Council was not the responsible authority for transport and suggested before contacting various bus and rail operators that Suffolk County Council be invited to a future meeting of the Committee to listen to its concerns regarding transport issues in Red Lodge and answer questions from the Committee.

On 9 June 2016, the Passenger and Transport Operations Manager from Suffolk County Council (SCC) attended to answer questions from the Committee. Members were informed that SCC had a duty to assess the need for transport, but there was no duty to provide. SCC held regular liaison meetings with various bus companies across and outside of Suffolk. It was working towards a Quality Bus Partnership with certain standards set, such as better co-ordinated timings and multi-use tickets. SCC monitored transport provision and looked at the unmet need, which could be brought to the attention of transport providers at the liaison meetings. However, bus timings were set by the schools and where peak demand was. In between these times, buses were expected to connect with other service providers.

Members of the Committee asked a number of questions of the Passenger and Transport Operations Manager. In particular discussions were held on the changes in social needs; ticket machines and real-time information; connecting communities; public transport apps and the possibility of creating a website to enable users to discuss their public transport requirements.

On 20 October 2016, an extraordinary meeting of the Committee was convened to enable a number of public transport providers to be invited to a dedicated meeting to discuss the rural transport services they provided and their integration in Red Lodge and to listen to the Committee's concerns. Four public transport operators had been invited to the meeting and were asked to respond

to a series of questions prior to the meeting. Unfortunately only one service provider accepted the Committee's invitation.

The Service Delivery Manager from Stephenson's of Essex attended the meeting to answer questions from the Committee. Members were informed that the aim of the company was to integrate services, where possible and also tried to liaise with train companies. However, the trains did not always co-ordinate with the schools. It was explained that the company was trying to achieve growth on the 16/16A bus route, which ran an hourly service from Newmarket via Red Lodge to Bury St Edmunds. The Company also aimed to work with everyone and that as a business it wanted to grow its brand from Stephenson's of Essex to Stephenson's of Suffolk.

Members of the Committee asked a number of questions of the Service Delivery Manager. In particular discussions were held on issues around multi-ticketing; timetabling on mobile phone apps; bus passes and reimbursement; customer experience; monitoring bus route reliability; SCC routes and tendering; bus stations and bus stops.

The Committee resolved, that the Portfolio Holder for Planning and Growth further progress discussions with transport operators, in particular Stephenson's of Essex, to see how services could be improved in terms of delivery and promotion, and report back to the Committee in due course.

Joint Task and Finish Group

On 20 April 2017, the Committee received a request from officers to establish a Joint Task and Finish Group with St Edmundsbury Borough Council to help shape the West Suffolk Information Strategy. The purpose of the Information Strategy will be to seek to recognise the strategic value of information to the Council and will promote and facilitate good information management practice, based on:

- a set of underlying data sharing principles;
- seeking to define how we use information currently;
- how we should be using information in the future;
- how this can deliver key outcomes to both our staff,
- our operations and our customers/consumers; and
- describing where technology can help facilitate this.

The Joint Task and Finish Group would consist of two members from each authority with the Service Manager (ICT) providing technical support.

It was envisaged that a final draft of the Strategy would be considered by the Overview and Scrutiny Committee and Cabinet in November 2017.

Cabinet Liaison

On 9 June 2016, the Committee discussed the **West Suffolk Annual Report (2015-2016)** with the Leader of the Council. The report highlighted the key activities and developments which had been achieved over the financial year 2015-2016, with regard to the priorities set out in the West Suffolk Strategic Plan 2014-2016.

The draft report contained a number of case studies and examples from West Suffolk to illustrate the achievements described. The Leader highlighted relevant issues for the attention of the Committee, in particular the continued success of the locality budget scheme.

The Committee also considers at each meeting the **Cabinet's Decisions Plan** and requests further information or involvement as necessary.

Cabinet Members who attended Overview and Scrutiny in 2016-2017

Cabinet Member: Leader of the Council

On 9 June 2016, the Leader of the Council was invited to the meeting to the meeting to give an account of his portfolio responsibilities and to answer questions. The presentation set out the overall areas of responsibility including leadership and strategic direction of the council; external relations and communication; East Anglia devolution deal. The presentation also included priorities for the future, such as developing a new strategic plan; RAF Mildenhall; the Mildenhall Hub; the A11/A14 link road and better collaboration and joint working with East Cambridgeshire and road and rail improvements and infrastructure.

In particular members discussed with the Leader the two devolution deals / proposed mayor(s); Local Enterprise Partnerships; and supporting members.

Lead Member for Housing

On 21 July 2016, the Shared Lead Member for Housing (St Edmundsbury Councillor, Councillor Mildmay-White) was invited to the meeting to given an account of her portfolio responsibilities and to answer questions from the Committee. The presentation set out the broad areas of responsibility including structure; recent performance; key challenges and priorities for the year. The presentation also included the three service areas which covered development and partnerships; housing options and housing standards.

Members discussed the presentation in detail. In particular discussions were held on the affordable housing figures and starter homes; Barley Homes Group Limited and the number of sites they were proposing to develop; future housing stock; Home-link's new software operating system; houses in multiple occupation including the value of ward walks to identify properties; the lack of developers currently building houses and what could be done to stimulate building.

Cabinet Members Progress Presentations

Following on from the first round of presentations from Cabinet Members during 2015-2016, Cabinet Members for Operations; Planning and Growth; Leisure and Culture; Resources and Performance and Families and Communities were invited back during 2016-2017 to update the Committee on progress by:

- Outlining the main challenges faced during the first year within their portfolio;
- Outlining some key successes and any failures during the first year, and any lessons learnt; and

- Setting out the vision for their portfolio through to 2019 and whether on target to meet that vision.

External Joint Scrutiny

Councillor Christine Mason was appointed as the Council's representative and Councillor John Bloodworth as Substitute Member to the **Suffolk Health Overview and Scrutiny Committee**, which is responsible for the scrutiny of health provision across the County. Nominations to other joint county scrutiny committees are made by Annual Council alongside other outside bodies.

Call-ins and Councillor Calls for Action

This year no Councillor Call for Actions (CCfAs) were submitted, and there were also no call-ins.

Other

The Committee was given responsibility for scrutinising the Authority's use of its **surveillance powers** under the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010, and received quarterly reports on the use of these powers. During 2016-2017, no such surveillance had been authorised.

The Committee in April 2016 was given responsibility for receiving quarterly reports on changes made to the Constitution by the Monitoring Officer under his delegated authority. The Monitoring Officer, in consultation with the Head of Paid Service and relevant Portfolio Holder, has delegated authority to make minor amendments to the constitution arising from changes to legislation; changes to staffing structures or job descriptions or changes in terminology.

Review of Past Year Performance and Audit Scrutiny Committee

 <p>Councillor Louis Busuttil Committee Chairman</p>	<p>Committee Members</p> <p>Cllr Michael Anderson Cllr Chris Barker Cllr John Bloodworth Cllr Rona Burt Cllr Simon Cole Cllr Louise Marston Cllr Christine Mason Cllr Peter Ridgwell</p>	 <p>Councillor Colin Noble Committee Vice-Chairman</p>
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This section describes some of the key scrutiny topics covered during the year (25 May 2016 to 25 May 2017) by the Performance and Audit Scrutiny Committee, and their associated outcomes.

Joint working with St Edmundsbury Borough Council’s Performance and Audit Scrutiny Committee

During 2016-2017 the Committee held five informal joint meetings, at alternate venues with St Edmundsbury Borough Council’s Performance and Audit Scrutiny Committee. In September, the Committee meet separately to scrutinise and approve the Council’s 2015-2016 Annual Statement of Accounts.

Scrutiny of Budget Savings

The Performance and Audit Scrutiny Committee plays an integral role in delivering a sustainable budget for the Council. There were again significant levels of savings to be achieved, and the Committee scrutinised all proposals for growth and savings in the 2017-2018 budget before making recommendations to Cabinet.

This work commenced on 24 November 2016, with a report setting out progress made towards delivering a balanced budget for 2017-2018 and a sustainable budget in the medium term. The report included proposed budget saving for 2017 to 2020.

The key strategy to deliver savings over the coming years is to expand the work on shared services with Forest Heath District Council to streamline supplies, services and income, together with a range of other local savings initiatives.

Over several meetings, the Committee scrutinised a number of proposals for savings both through shared services and local savings, all of which were incorporated into the Budget and Council Tax Setting report considered by Cabinet on 14 February 2017.

Performance Management

The Committee received on a quarterly basis the **West Suffolk Balanced Scorecards** being used to measure the Council's performance for the six Head of Service areas for 2016-2017 and an overview of performance against those indicators as well as the **West Suffolk Strategic Risk Register**.

Audit Responsibilities

The Committee scrutinised the work of the **Internal Audit Team** towards achieving the 2015-2016 audit plan, with updates during the year at which the results of completed audits were discussed. At its 25 May 2016 meeting, the Committee approved an **Outline Internal Audit Plan for 2016-2017**.

The Accounts and Audit (England) Regulations 2011 require a **review of the effectiveness of internal audit** once a year. The review forms part of the review of the overall system of internal control required for the **Annual Governance Statement**. The Committee noted the report's conclusion, that internal audit was operating effectively and could be relied upon as a key source of evidence in the Annual Governance Statement.

The Council is required to produce and publish an **Annual Governance Statement (AGS)**, which covers six core governance principles, and is approved by the Committee, and signed by the Leader of the Council and the Chief Executive Officer. The Annual Governance Statement had been prepared by the Officer Governance Group as a joint statement for Forest Heath District Council and St Edmundsbury Borough Council to reflect both councils working together and sharing services across West Suffolk. The Committee approved the AGS for signing by the Chief Executive and the Leader of the Council.

Various reports from **Ernst and Young (EY)** were considered over the year. ON 25 May 2016 the **External Audit Plan and Fees 2015-2016 and 2016-2017 Indicative Fees** was received from EY which covered the work they planned to perform in order to provide the Council with an audit opinion on the Council's financial statements, and a statutory conclusion on its arrangements to secure economy, efficiency and effectiveness. The report summarised EY's proposed audit approach and scope for the 2015-2016 audit along with the planned fees to complete the work for 2015-2016, and also included the indicative fees for 2016-2017. At the same meeting EY presented the **Certification of Claims and Returns Annual Report 2014-2015**, which set out the results of the certification work which had been undertaken as part of the annual audit of grant claims to government departments.

In September 2016 EY presented the **2015-2016 ISA 260 Annual Governance Report** to the Committee, which set out the key messages arising from the audit of the Council's financial statements, and included an assessment of the Council's arrangements for securing value for money in its use of resources.

At its meeting held on 24 November 2016, EY presented the **2015-2016 Annual Audit Letter**, which confirmed the completion of the audit of the 2015-2016 financial statements.

Budget Monitoring

Budget Monitoring reports were brought to the Committee quarterly, in order for it to flag up any areas of concern to the Cabinet. The Committee received the **Financial Outturn Report (Revenue and Capital) 2015-2016** at its meeting on 25 May 2016, following the 30 June deadline for production of the draft accounts for audit. The report included a financial commentary on the year, details of revenue and expenditure including budgeted and actual expenditure and an explanation of the main variances, and details of how services were paid for. Capital income and expenditure was also discussed, as well as reserves and treasury management.

On 25 May 2017, the Committee received the **Financial Outturn Report (Revenue and Capital) 2016-2017**, which included a financial commentary for the year.

The Committee scrutinised and approved the Council's **2015-2016 Annual Statement of Accounts** at its meeting on 22 September 2016. At the same meeting it scrutinised the External Auditors **Draft 2015-2016 ISA 260 Annual Governance Report** to those charged with governance and resolved the sign-off of this report, including the approval of the letter of representation on behalf of the Council.

Treasury Management

The Committee is also responsible for scrutinising during the year the **Treasury Management Investment Activity and Performance Monitoring Reports (2016/2017)**, the **Annual Treasury Management and Investment Strategy Statements 2017-2018** and **Treasury Management Code of Practice**.

Work Programme for 2017–2018

The Overview and Scrutiny Committee carries out some of its work in “Task and Finish” groups, which undertake investigations and reviews and report back to the main Committee. This enables a greater number of Councillors to engage in scrutiny, as well as ensuring a Councillor lead on issues from the beginning of their review. The Performance and Audit Scrutiny Committee works differently in that the bulk of its work is set around its quarterly budget and performance monitoring responsibilities.

The Committee has access to resources, to assist it in carrying out its work programme, which can be used, for example, in engaging specialist assistance, obtaining evidence, carrying out site visits, and paying for meeting accommodation, training and development.

Overview and Scrutiny Committee

The Overview and Scrutiny Committee has a rolling work programme, set a few meetings ahead, to enable it to be more reactive to changing priorities. In addition to any call-ins or Councillor Calls for Action which may arise, and additions to the rolling work programme through submitted work programme suggestions, the Overview and Scrutiny Committee will consider the following issues during the year:

- Cabinet Decisions Plan
- Barley Homes (Group) Limited
- Monitoring the Western Suffolk Community Safety Partnership
- West Suffolk Annual Report
- West Suffolk Housing Strategy

In addition to the above items, Extraordinary Informal Joint Scrutiny Sessions will be called, as necessary, with members of St Edmundsbury Borough Council’s Overview and Scrutiny Committee to enable common issues to be scrutinised jointly.

Performance and Audit Scrutiny Committee

The Performance and Audit Scrutiny Committee will have the following responsibilities and will consider quarterly monitoring reports along these lines, jointly with St Edmundsbury Borough Council’s Performance and Audit Scrutiny Committee, as well as scrutinising the Council’s annual accounts, and making recommendations on delivering a sustainable budget for 2018-2019.

- Performance Management
(including West Suffolk Strategic Risk Management/Corporate Compliments and Complaints)
- Budget Monitoring and Budget Development
- Internal and external audit
- Financial Performance (Revenue and Capital) monitoring and review.
- 2016-2017 Statement of Accounts
- Procurement
- Treasury Management

For more information about how scrutiny works at Forest Heath District Council, please contact the Democratic Services Officer (Scrutiny) on (01638) 719729.



Forest Heath

District Council

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Forest Heath & St Edmundsbury councils

West Suffolk
working together

Approved by Council: XX July 2017

**For more information please contact the
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