

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

**Notes of Informal Discussions held on Thursday 27 September 2018, at
5.00pm in Conference Chamber West, West Suffolk House,
Bury St Edmunds**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton, Jane Midwood, Clive Pollington, David Roach, Andrew Smith and Patricia Warby.

Forest Heath District Council (FHDC)

Councillor Louis Busuttil
(Chairman of the informal discussions)

Councillors John Bloodworth, Simon Cole, Christine Mason and Reg Silvester.

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

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

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

- (1) Ernst and Young – Presentation of Annual Audit Letter 2017-2018;
- (2) Annual Corporate Environmental Performance 2017-2018
- (3) Work programme Update; and
- (4) Approach to Delivering a Sustainable West Suffolk Budget 2019-2020 and Medium Term Plan.

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.

PAS.SE.27.09.2018

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 – 4 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. Ernst and Young – Presentation of Annual Audit Letter 2017-2018

The Committee’s received the above report, which updated members on the outcome of the annual audit of the 2017-2018 financial statement by Ernst and Young, the councils external auditors as detailed in their Annual Audit Letter for the year ended 31 March 2018, attached as Appendix A (Forest Heath) and Appendix B (St Edmundsbury). The letters were for information and confirmed the completion of the audit for the 2017-2018 financial statements.

The final audit fees for 2017-2018 were as follows:

Audit Fee – Code Work	Planned Fee 2017-2018 £	Final Fee 2017-2018 £
St Edmundsbury BC	43,767	43,767
Forest Heath DC	47,059	TBC

The final fee for Forest Heath was expected to be £2,000 - £3,000 higher than the planned audit fee of £47,059. This additional fee related to work performed over the valuation of the solar farm asset, and would be discussed with management before receiving the final approval from the PSAA Limited.

Work on the certification of the Housing Benefit Subsidy returns was not due to be completed until 30 November 2018, and the results of this work, along with the final fees would be reported in the Annual Certification Reports.

Members considered the report and did not raise any issues.

2. Annual Corporate Environmental Performance 2017-2018

[Councillor Jane Midwood arrived at 5.10pm during the consideration of this item].

The Team Leader (Environmental and Energy) presented the report, which set out the work undertaken during 2017-2018 to improve the environmental performance in West Suffolk.

Attached at Appendix A to the report was the Annual Environmental Statement covering environmental performance in 2017-2018. The Statement covered the operations of both St Edmundsbury Borough Council and Forest Heath District

Council and Abbeycroft Leisure in West Suffolk in respect of energy and water consumption and renewable energy generation.

Members considered the Statement and asked a number of questions to which officers provided comprehensive responses. In particular members raised questions to which responses were given as follows:

- 1) Renewable energy generation: Annual inspections and regular performance monitoring was carried out on all solar PV installations. The solar panels on the solar farm were cleaned several times each year and roof mounted systems were cleaned primarily by rainfall but some had been cleaned due to their location.
- 2) Renewable energy generation: For West Suffolk Council to become a carbon neutral council, it would need another solar farm on its asset register to be able to claim "carbon neutral" status. Officers advised that next year's Environmental Statement would profile what would be needed to become carbon neutral.

Members also discussed in detail business mileage. It was suggested that more detail was required in the Environmental Statement, setting out an average figure for staff mileage claimed; councillor mileage claimed and pool car mileage. Officers agreed to provide a written response and would include this information in future Environmental Statements.

3. **Work Programme Update**

The Service Manager (Finance and Performance) presented the report, which provided information on the current status of each Committee's Work Programme for 2018-2019.

Members considered its work programme for 2018-2019, and did not raise any issues.

4. **Approach to Delivering a Sustainable West Suffolk Budget 2019-2020 and Medium Term Plan**

The Service Manager (Finance and Performance) presented the report, which updated members on progress made towards delivering a balanced budget for 2019-2020 and sustainable budget in the medium term.

At this stage in the budget and the medium term financial strategy process, there had been a set of adverse trends identified which gave rise to an estimated annual budget deficit on £0.5m for 2019-2020 and 2020-2021 for the West Suffolk Council. The major causes of this revision of the plan were:

- The lower growth trend in car parking income as seen in 2018-2019 and anticipated to continue into 2019-2020;
- The increased cost relating to recycling charge per tonne;

- The estimated impact of revising the pay-line; and
- The new business case for Barley Homes.

However, the budget gap at this stage, did not include any variation or profile changes in respect of projects related to delivering our growth agenda or the savings anticipated from moving to a single council. The current expectation was that these projects would deliver to the existing plan.

Having identified these pressures on the delivery of a balanced budget for 2019-2020 and 2020-2021, the focus was clearly on assessment on areas and assumptions that, if changed, could close the gap, which included:

- Major income stream trends (including ongoing work on car parking);
- Cost base assumptions, efficient trends; and
- Assumptions relating to the wider macro environment which required a change in approach.

Members considered the report in detail, the approach and timescales for the 2019-2020 budget setting process and medium term plans as the council heads into the new West Suffolk Council.

Members asked a number of questions to which comprehensive responses were provided. In particular discussions were held on Civil Parking Enforcement (CPE) and the lack of progress being made in introducing CPE across Suffolk.

In response to a question raised regarding the lower growth trend in car parking income, members were informed that the drop in income was coming from mid-week parking rather than weekend parking.

In response to a question raised regarding the increased costs relating to recycling charge per tonne, members were informed that an assumption had been made that it would cost £100,000 in 2019-2020 and that would continue.

On the conclusion of the informal joint discussions at 5.35pm, all Members remained in Conference Chamber West to then hold their individual formal meetings.

In the presence of Forest Heath's Performance and Audit Scrutiny members, the Chairman then formally opened the St Edmundsbury Borough Council Performance and Audit Scrutiny Committee in the Conference Council West at 5.36pm.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 27 September 2018** at **5.36pm** in **Conference Chamber West, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Chairman Sarah Broughton
Vice Chairman Patricia Warby

Jane Midwood
Clive Pollington

David Roach
Andrew Smith

By Invitation:

Ian Houlder, Cabinet Member for Resources and Performance

9. **Substitutions**

There were no substitutions declared.

10. **Apologies for Absence**

Apologies for absence were received from Councillors Beccy Hopfensperger, Karen Richardson and Peter Thompson.

Councillor Barry Robbins was also unable to attend the meeting.

11. **Minutes**

The minutes of the meetings held on 25 July 2018 were both unanimously accepted by the Committee as accurate records of the meeting and signed by the Chairman.

12. **Public Participation**

There were no questions/statements from members of the public.

13. **Ernst and Young - Presentation of Annual Audit Letter 2017-2018**

Further to the informal joint discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/SE/18/026.

Members had considered the report, and there being no decision required, the Committee **noted** the Annual Audit Letter 2017-2018, attached as Appendix B to Report No: PAS/SE/18/026.

14. **Annual Corporate Environmental Performance 2017-2018**

Further to the informal joint discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/SE/18/027.

The Committee considered the report, and there being no decision required, the Committee **noted** the contents of the West Suffolk Environmental Statement 2017-2018, attached as Appendix A to Report No: PAS/SE/18/027.

15. **Work Programme Update**

Further to the informal joint discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/SE/18/028.

Members had considered the report, and there being no decision required, the Committee **noted** the contents of its forward work programme for 2018-2019.

16. **Approach to Delivering a Sustainable West Suffolk Budget 2019-2020 and Medium Term Plan**

Further to the informal joint discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report No: PAS/SE/18/029.

Members had considered the report in detail, and there being no decision required, the Committee **noted** the approach and timescales for the 2019-2020 budget setting process and medium term plans as we head into the new West Suffolk Council.

The Meeting concluded at 5.37pm

Signed by:

Chairman
