

# Informal Joint Performance and Audit Scrutiny Committee



*St Edmundsbury*  
BOROUGH COUNCIL

## **Notes of Informal Discussions held on Wednesday 28 November 2018 at 5.00pm in the Council Chamber, College Heath Road, Mildenhall**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillor Sarah Broughton  
(Chairman of the informal discussions)

Councillors Jane Midwood, Clive Pollington, Andrew Smith and Patricia Warby.

Forest Heath District Council (FHDC)

Councillors Michael Anderson, Chris Barker, Rona Burt, Louis Busuttill, Simon Cole, Christine Mason and Peter Ridgwell.

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

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

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

- (1) Mid-Year Internal Audit Progress Report 218-2019;
- (2) 2018-2019 Performance – Quarter Two;
- (3) West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2018;
- (4) Building Control Business Development Plan Update – November 2018;
- (5) Work Programme Update; and
- (6) Approach to Delivering a Sustainable West Suffolk Budget 2019-2020 and Medium Term Plan.

All Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee had been invited to attend the District Offices, Mildenhall to enable joint informal discussions on the above reports to take place between the two authorities.

The Chairman of Forest Heath's Performance and Audit Scrutiny Committee welcomed all those present to the District Offices, Mildenhall 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 St

Edmundsbury'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 – 6 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. **Mid-Year Internal Audit Progress Report 2018-2019**

The Service Manager (Internal Audit) presented the report which advised members on the work of Internal Audit for the first half of 2018-2019 and gave members a flavour of the variety of activities which were supported through the work of the team. The report also provided an update on progress made against the 2018-2019 Internal Audit Plan previously approved by the Committee.

Attached at Appendix A to the report was the Mid-year Internal Audit progress report 2018-2019, which was set out in a new reporting format.

It was reported that during the period, Internal Audit had completed six added value reviews, nine audits and six follow-up audits. There was also five audits/added value audits in progress. Where audit findings had been raised, action plans had been agreed between internal audit and the relevant service to address the findings, and progress against the action plans was monitored by Internal Audit via follow-up audit reviews. Overall, progress against the annual Audit Plan was in line with expectations.

Based on the work completed to date, it was considered that generally the control environment remained good and where "limited assurance" opinions had been issued, work had either already been undertaken or was planned to address the issues raised. There were no other areas of particular concern to highlight.

Members considered the report and asked questions to which responses were provided. In particular discussions were held on the "transparency" code and the new permanent Information Governance Officer, who would have a wide range of governance responsibilities.

In response to a question raised regarding "events management", members were informed that the Council was obligated to check that the correct procedures were in place for outdoor events which it managed.

The Chairman congratulated the Internal Audit Team on the new report format.

## 2. **2018-2019 Performance Report – Quarter Two**

*[Councillor Simon Cole arrived at 5.20pm and Councillor Jane Midwood arrived at 5.27pm during the consideration of this item].*

The Service Manager (Finance and Performance) presented the report, which set out the performance for the second quarter and forecasted financial outturn position for 2018-2019.

In previous years Performance Indicators and Budget Monitoring figures were reported separately. It was now the intention to combine these reports in order to give a clearer indication of the councils' overall performance.

This report showed the current Performance Indicators for the second quarter of 2018-2019, as set out in the following appendices, attached to the report:

- Appendix A: 2018-2019 Performance Indicators, Commentary;
- Appendices B to E: Performance Indicators by Strategic Priority;
- Appendix F: West Suffolk Income and Expenditure report;
- Appendices G to K: Financial Performance for Forest Heath District Council;
- Appendices L to P: Financial Performance St Edmundsbury Borough Council.

Each Assistant Director then presented their performance indicators set out either in the commentary section or Appendices A to E and highlighted key areas for the Committees attention.

Members considered the report in detail and asked questions of the Assistant Directors on their indicators, to which comprehensive responses were provided. In particular discussions were held on:

**Appendix C** – (F3: Number of households in temporary accommodation) – Members questioned where were people coming from?

In response, members were informed that the vast majority came from West Suffolk, who had local connections to the area. In some cases, people from out of area might be placed here for good reason, for instance, fleeing violence. The Councils' first priority was to prevent homelessness by working with all partners to look at prevention first. This was done by looking at the specific housing needs of individuals/families and putting in place a planned move, so people did not end up in temporary accommodation.

**Appendix C** – (F7: Number of fly-tipping incidents recorded in West Suffolk) – Members discussed the current number of incidences over the last two quarters (271), and the estimated cost of clearance and disposal (£14,603), and questioned whether the cost was right?

In response members were informed that some fly-tipping clear ups were carried out under normal clearance duties, meaning that there was not necessarily a separate charge. However, officers agreed to look into this and would provide a written response.

**Appendix B** – (G5: % of businesses and residents with high speed broadband) – Members again questioned why the council did not have an aspirational West Suffolk target of 100% as it felt it should not be accepting Suffolk County Councils target of 95%; what high speed broadband actually meant and what was the actual broadband speed (megabytes) businesses and residents were receiving as some rural areas do not have broadband.

In responses, officers referred to the written responses provided to members in August 2018:

*"Our target for the percentage of business and residents with high speed broadband mirrors the County and National targets. The Better Broadband for Suffolk project (led by Suffolk County Council) has had a shifting target dependent on funding available and how far that funding will stretch to roll out broadband. There was a target to roll-out a superfast "fibre broadband" network to more than 85% of local homes and businesses by the end of 2015. That target was raised in 2014 by SCC to go further and match the Government's new national of 95% target by 2017. As more and more homes are connected it becomes more expensive to do the more remote/difficult locations, therefore there is no 100% target at this time. Suffolk is at 92% <https://betterbroadbandsuffolk.com/about/our-journey> and looking to achieve 98% with this current round of funding however as referenced – the final 2% will be the hard to reach/not commercially viable sites that will need specific investment /Community based funding to achieve connectivity".*

Officers took on board members comments, and agreed to look at the West Suffolk target, but stressed that the target must be achievable. Officers would also look into the broadband (megabyte) speed being delivered, and would provide a written response on this and the meaning of "high speed broadband".

Officers also informed members that both councils were also represented on the SCC Broadband User Working Group.

**Appendix D** – (H2: Number of housing units delivered for affordable or social rent or intermediate) – Members noted that the target would be set at 185.

**Appendix E** – (D31 – Planning enforcement cases, numbers (new and closed) and resolution) – Members felt that more information should be provided in the commentary showing a breakdown on the number of open cases split into length of time.

In response, members were informed that the council wanted to provide information which was useful. Officers were currently looking at how this could be achieved without breaching data protection.

**Appendix F** – (Fees – Car Parking) – Members looked at the car parking income forecast variance, £291,734k and questioned why it was so far out.

In response, members were informed that the high streets were struggling, which was a national issue. September had seen a degree of recovery in car parking. However, there was a need for an ongoing dialogue with regards to our high streets as the council wants to make them more accessible for people

to come into the towns. Also the ease of online shopping was not helping the high street shops.

3. **West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2018**

The Service Manager (Resources and Performance) presented the second 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 September 2018 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 September 2018 had been removed from the Register. There had been no major amendments made to current risks during the reporting period and no existing risks had been closed since the Strategic Risk Register was last reported to the Committee.

With regards to the impact of Brexit, the group would continue to monitor the situation as it developed, amending existing and / or adding new risks where necessary. Any changes would be reported at each meeting of the Committee in the normal manner.

Members considered the report, and in particular discussed risk WS8(c) – Failure to deliver – Housing Agenda, to which officers duly responded.

Members did not raise any issues which needed to be brought to the attention of the Joint Executive (Cabinet) Committee.

4. **Building Control Business Development Plan Update – November 2018**

The Assistant Director (Planning and Growth) presented the report, which provided an update on the initial development areas and now included the new business development plan. This encompassed the original development plan plus more, including the joint approach being taken with Suffolk local authorities via a joint and funded programme.

An overview of the original plan was considered by the Committees in November 2017 (Report Nos: PAS/SE/17/031 and PAS/FH/17/035). The report also included an update on performance and income, as well as information on competition; the Hackett Review; resource; marketing; systems development; team/workforce development; shared budgeting model/practices with partners; performance and assurance framework; and an update on the Suffolk Building Control collaborative working.

Attached to the report were a number of Exempt appendices:

- Exempt Appendix 1: Summary of market baseline review
- Exempt Diagram 1: Key milestones for first 12 months once resource in place
- Exempt Diagram 2: Development plan

- Exempt Diagram 3: Partnership objectives

The Committee considered the report in detail, asked a number of questions, to which comprehensive responses were provided.

The Committee also considered the Exempt Appendix 1 and Exempt diagrams 1 – 3. However, no reference was made to specific detail contained in the exempt attachments, therefore this item was not held in private session.

Members were pleased that there was competition for residents with private firms as competition improves our own performance. Members noted the significant improvements to the service and the extensive development plan being implemented, and wished to congratulate the Building Control Team on its excellent work over the past year, which was a good news story.

#### 5. **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 2019.

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

#### 6. **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 the Committee's meeting held on 27 September 2018, the budget position was reported as a gap of £0.5m, and included the following set of adverse trends:

- 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.
- The new business case for Barley Homes.

This position had been updated to account for developing trends and revised information as it became available and confirmed as far as possible. This information gave rise to a budget gap of £1.1m for 2019-2020 and £1.1m for 2020-2021.

The updated position for each year was set out in Table 1 of the report, and proposed solutions were set out in Table 2. It was reported that the adoption of the solutions would bring the budget gap down to £41k for 2019-2020, and £391k for 2020-2021. Work would continue to monitor the trends included in Table 1, and driving to agree assumptions that would close the remaining budget gap for 2019-2020 and 2020-2021 for presentation to the Shadow Council on 19 February 2019. A further update would be brought back to this Committee on 31 January 2019.

The Committee was asked to support and recommend to the Shadow Executive (Cabinet) the inclusion of the proposals, as set out in Section 2 and Tables 1 and 2 of the report, in order to progress securing a balanced budget for 2019-2020.

Members scrutinised the report in detail and asked a number of questions on the proposed solutions, to which comprehensive responses were provided.

In particular members discussed Barley Homes; savings made moving towards becoming a single council; investing in commercial properties and the high risks involved, and making sure that the financial figures were robust.

On the conclusion of the informal joint discussions at 6.40pm, Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee withdrew from the Council Chamber to the Training Room to hold their formal meeting.

The Chairman then formally opened the St Edmundsbury Borough Council Performance and Audit Scrutiny Committee in the Training Room at 6.43pm.

# Performance and Audit Scrutiny Committee



*St Edmundsbury*  
BOROUGH COUNCIL

**Minutes** of a meeting of the **Performance and Audit Scrutiny Committee** held on **Wednesday 28 November 2018** at **6.43pm** in the **Training Room, District Offices**, College Heath Road, Mildenhall, IP28 7EY

Present: **Councillors**

**Chairman** Sarah Broughton  
**Vice Chairman** Patricia Warby

Jane Midwood  
Clive Pollington

Peter Thompson

**By Invitation:**

Susan Glossop, Cabinet Member for Planning and Growth  
Ian Houlder, Cabinet Member for Resources and Performance

17. **Substitutions**

There were no substitutions declared.

18. **Apologies for Absence**

Apologies for absence were received from Councillors David Roach and Peter Thompson.

Councillors Beccy Hopfensperger, Karen Richardson and Barry Robbins were also unable to attend.

19. **Minutes**

The minutes of the meeting held on 27 September 2018, were unanimously accepted by the Committee as an accurate record of the meeting and signed by the Chairman.

20. **Public Participation**

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

21. **Mid-Year Internal Audit Progress Report 2018-2019**

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/18/030.



Members had considered the report and there being no decision required, the Committee **noted** the Mid-year Internal Audit Progress Report 2018-2019.

22. **2018-2019 Performance Report (Quarter 2)**

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/18/031.

Members had considered the report and there being no decision required, the Committee **noted** the 2018-2019 Performance Report (Quarter 2).

23. **West Suffolk Strategic Risk Register Quarterly Monitoring Report (September 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/18/032.

Members had considered the report and there being no decision required, the Committee **noted** the West Suffolk Strategic Risk Register Quarterly Monitoring Report (September 2018).

24. **Building Control Business Development Plan Update - November 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/18/033.

Members had considered the report and there being no decision required, the Committee **noted** the Building Control Business Development Plan Update (November 2018).

25. **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/18/034.

Members had considered the report and there being no decision required, the Committee **noted** the Work Programme Update.

26. **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/18/035.

The Committee **noted** the approach and timescales for the 2019-2020 budget setting process and medium term plans for the West Suffolk Council.

Councillor Clive Pollington moved the recommendation, this was duly seconded by Councillor Patricia Warby and with the vote being unanimous, it was

**RECOMMENDED:**

**That subject to the approval of the Shadow Council, the proposals, as detailed in Section 2 and Table 1 and Table 2 of Report No: PAS/SE/18/ 035, be included in securing a balanced budget for 2019-2020.**

**27. Mid-Year Treasury Management Report and Investment Activity (April - September 2018)**

The Committee received Report No: TMS/SE/18/004, which had been considered by the Treasury Management Sub-Committee on 19 November 2018. The Chairman of the Sub-Committee provided a verbal update on the Sub-Committee's consideration of the report, which summarised the investment activities for the first six months of 2018-2019.

It was reported that the total amount invested at 1 April 2018 was £36.35m and at 30 September 2018, £44.95m. The increase in balances over the period was due primarily to timing differences in respect of the collection of local taxes, the payment of precepts and changes in the profile of the Capital Programme. The 2018/19 Annual Treasury Management and Investment Strategy Statements (Report COU/SE/18/002 approved 20 February 2018) sets out the Council's projections for the current financial year. The budget for investment income in 2018/19 is £308,000 which is based on a 0.70% target average rate of return on investments. As at the end of September 2018, interest actually earned during the first six months of the financial year amounted to £155,169 (average rate of return of 0.688%) against a profiled budget for the period of £154,000 (average rate of return of 0.70%); a budgetary surplus of £1,169.

The report also included assumptions on borrowing for capital projects included within it. The borrowing was based around four specific projects as per their agreed business cases. The report included a summary of capital borrowing budget 2018-2019, and a summary of capital borrowing for quarter two – all of which was currently internally borrowed from the Councils overall cash balances. As at the end of quarter two, there had been no requirement to borrow externally, therefore there was no interest payable in quarter two.

The Treasury Management Sub-Committee had scrutinised the Investment Activity for 1 April to 30 September 2018, and asked questions to which comprehensive responses were provided.

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

Councillor Andrew Smith then moved the recommendation, this was duly seconded by Councillor Patricia Warby and with the vote being unanimous, it was

**RECOMMENDED:**

**That, subject to the approval of Council, the Mid-Year Treasury Management Report 2018-2019 and Investment Activity (1 April to 30 September 2018), being Report No: TMS/SE/18/004, be approved.**

**28. Exclusion of the Press and Public**

See Minute Number 29 below.

**29. EXEMPT Appendix 1; Diagram 1; Diagram 2 and Diagram 3 to Report No: PAS/SE/18/033 (Par 3)**

The Committee considered Exempt Appendix 1, and Exempt Diagrams 1, 2 and 3 to Report No: PAS/SE/18/033. However, no reference was made to specific detail and, therefore, this item was not held in private session.

The Meeting concluded at 6.47pm

**Signed by:**

**Chairman**

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