

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Report of the Performance and Audit Scrutiny Committee: 26 November 2014	
Report No:	CAB/SE/14/003	
Decisions plan reference:	Not Applicable	
Report to and date:	Cabinet	2 December 2014
Portfolio holder:	David Ray Portfolio Holder for Resources and Performance Tel: 01359 250912 Email: david.ray@stedsbc.gov.uk	
Chairman of the Committee:	Sarah Broughton Chairman of the Performance and Audit Scrutiny Committee Tel: 01284 787327 Email: sarah.broughton@stedsbc.gov.uk	
Lead Officer:	Christine Brain Scrutiny Officer Tel: 01638 719729 Email: Christine.brain@westsuffolk.gov.uk	

Purpose of report:	<p>On 26 November 2014, the Performance and Audit Scrutiny Committee held an informal joint meeting with members of Forest Heath's Performance and Audit Scrutiny Committee, and <u>considered the first seven items jointly</u>:</p> <ol style="list-style-type: none"> (1) Mid-year Internal Audit Progress Report 2014/15; (2) Key Performance Indicators and Quarter Two Performance Report (2014-2015); (3) West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2014 ; (4) Biannual Corporate Complaints and Compliments Digest; (5) West Suffolk Fees and Charges Policy; (6) Accounting for a Single West Suffolk Staffing Structure and the Move to a West Suffolk Cost Sharing Model; (7) Work Programme Update; (8) Ernst and Young Presentation of Annual Audit Letter 2013-14; (9) Financial Performance Report (Revenue and Capital) Quarter 2 – 2014-15; (10) Delivering a Sustainable Budget 2015-2016 and Budget Consultation Results; and (11) Mid-Year Treasury Management Report 2014-15 Investment Activity 1 April to 30 September 2014. <p>Separate reports are included on this Cabinet agenda for Items (5), (6) and (10) above.</p>
Recommendation:	The Cabinet is requested to NOTE the content of Report No: CAB/SE/14/003, being the report of the Performance and Audit Scrutiny Committee
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
Consultation:	<ul style="list-style-type: none"> • See reports listed in Section 2 below.
Alternative option(s):	<ul style="list-style-type: none"> • See reports listed in Section 2 below.
Implications:	
<p>Are there any financial implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.</p>
<p>Are there any staffing implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.</p>
<p>Are there any ICT implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.</p>
<p>Are there any legal and/or policy implications? If yes, please give details</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.</p>

<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
Risk/opportunity assessment:	Please see background papers.
Ward(s) affected:	All Wards
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	Please see background papers, which are listed at the end of the report.
Documents attached:	None

1. Key issues and reasons for recommendation

1.1 Mid-Year Internal Audit Progress Report 2014-15 (Report No: PAS/SE/14/001)

1.1.1 The Committee received and noted the report, which advised Members of the work of the Internal Audit Section for the first half of 2014/2015 (Appendix A), including the variety of corporate projects and activities which were supported through the work of the team.

1.1.2 The report also included an update on progress made against the 2014/15 Internal Audit Plan previously approved by the Committee in May 2014 .

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

1.2 Key Performance Indicators and Quarter 2 Performance Report 2014-15 (Report No: PAS/SE/14/002)

1.2.1 The Committee received and noted the report, which set out the Key Performance Indicators (KPIs) being used to measure the Council's performance for 2014/2015. The report also included the second quarter indicators covering April to September 2014 for both Forest Heath and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant.

1.2.2 For St Edmundsbury, the current Quarter Two performance showed that of a total of 24 indicators for SEBC were reported this quarter, of which 9 were green, 3 were amber, 4 were red and 8 were data only indicators. For West Suffolk, there were a total of 21 indicators, of which 7 were green, 3 were amber, 4 were red and 7 were data only indicators.

1.2.3 Members discussed a number of the indicators, with particular emphasis on those showing 'red' under the traffic light system, and asked questions on a number of areas in the report, to which officers duly responded. In particular, discussions were held on the major and other planning indicators; the percentage of industrial units vacant; the time taken to make decisions on homelessness applications; the percentage return on the investment of the council's reserves and balances and the collection of council tax.

Members again discussed the issue of enforcement and suggested the inclusion of an indicator for monitoring enforcement. This would enable Members to understand how the service area was working and help Members to support officers with improving enforcement performance. The Head of Planning and Growth duly responded and it was agreed that further details on enforcement performance would be provided to Members.

1.2.4 No issues were required to be brought to the attention of Cabinet.

- 1.3 **West Suffolk Strategic Register Quarterly Monitoring Report – September 2014 (Report No: PAS/SE/14/003)**
- 1.3.1 The Committee received and noted 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 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).
- 1.3.2 Since the last assessment report presented to the Committee on 31 July 2014, there had been no new risks identified and no risks had been amended or closed. However, some individual controls and actions had been updated and those which were not ongoing and had been completed by September 2014 had been removed from the Register.
- 1.3.2 The Committee did not make any suggestions for amendments to the Register on this occasion.
- 1.4 **Biannual Corporate Complaints and Compliments Digest (Report No: PAS/SE/14/004)**
- 1.4.1 The Committee receives an overview of the quantity and range of corporate complaints and compliments received during 1 April to 30 September 2014, which the Committee uses to monitor the Council's effectiveness at responding to and learning from any mistakes which had been made. This report included information relating to Forest Heath District Council and St Edmundsbury Borough Council working together across West Suffolk, with data provided for the individual Councils as appropriate.
- 1.4.2 For the first half of this financial year, across both Councils, 26 corporate complaints and 59 compliments had been received, and data for the individual Councils was provided.
- 1.4.3 The report provided a breakdown of the corporate complaints, including outcomes and lessons learned and also highlighted the compliments that had been received across the authority during the reporting period and outlined the Service or individuals who received them.
- 1.4.4 The Committee considered the digest and expressed their delight in the number of compliments received in the reporting period to date.
- 1.5 **Work Programme Update (Report No: PAS/SE/14/007)**
- 1.5.1 The Committee received and noted its Work Programme which provided items scheduled to be presented to the Committee on 29 January 2015.
- 1.6 **Ernst and Young Presentation of Annual Audit Letter 2013-15 (Report No: PAS/SE/14/008)**
- 1.6.1 This report updated Members on the outcome of the annual audit of the 2013/2014 financial statements by Ernst and Young (the Council's external auditors) as detailed in their Annual Audit Letter for 2013/2014, attached as

Appendix 1 to Report No: PAS/SE/14/008. The letter confirmed the completion of the audit of the 2013/2014 financial statements.

1.6.2 It was reported that the final fee of £60,356 for work carried out, included two small additional sums totalling £2,900. The first additional sum of £2,000 reflected work undertaken by Ernst and Young over and above that planned and the second sum of £900 was an Audit Commission variation to the base scale fee to reflect the extra audit procedures required nationally.

1.6.3 Both of these additional fees had been agreed by the Section 151 Officer.

1.7 **Financial Performance Report (Revenue and Capital) Quarter 2 – 2014-15 (Report No: PAS/SE/14/009)**

1.7.1 The Committee received and noted the quarterly monitoring report which informed Members of the year end forecast financial position.

1.7.2 The latest Revenue Budget Summary for the year to date position after six months currently showed an underspend of £90,200 with a forecast position for the year end showing an underspend of £290,500. In terms of the Council's capital financial position, the first six months showed an expenditure of £1,137,000. The Council had received £92,500 in capital receipts in the period to 30 September 2014, and the revenue reserves summary showed an opening balance of £12,612,806 with a forecast closing balance of £13,113,628.

1.7.3 Members discussed the report in detail, particularly Appendix A (revenue budget summary), covering the Waste Management and Property Services underspend; Members' expenses; on street car parking; allotments; West Front House and Gypsies and Travellers, to which officers duly responded.

1.8 **Mid-Year Treasury Management Report 2014-15 Investment Activity 1 April to 30 September 2014 (Report No: TMS/SE/14/001)**

1.8.1 Following the Treasury Management Sub-Committee's consideration of Report No: **TMS/SE/14/001** on 17 November 2014, the Head of Resources and Performance verbally reported on the Sub-Committee's consideration of the report, which summarised the Treasury Management activity for the first six months of the 2014/2015 financial year.

1.8.2 The Sub-Committee had been advised that interest earned during the first six months of the financial year amounted to £0.176m against the profiled budget for the period of £0.264m; a budgetary deficit of £0.088m. This was due to a lower rate of interest than projected during the period. The reduction in the interest rates was primarily due to the continued low Bank of England base rate and subsequent poor investment rates being offered by the banks and building societies and financial institutions. In the current economic climate it is considered likely that the current low rates will continue for the remainder of this year.

1.8.3 The Treasury Management Sub-Committee had scrutinised the content of the report, asking questions of officers. There were no issues or recommendations needed to be brought to the attention of the Performance and Audit Scrutiny Committee on this occasion.

1.8.4 The Performance and Audit Scrutiny Committee considered the report and there being no decision required, the Performance and Audit Scrutiny Committee **NOTED** the contents of the report.

2. Background Papers

- 2.1.1 [Report PAS/SE/14/001](#) to Performance and Audit Scrutiny Committee: Mid-year Internal Audit Progress Report 2014-15
- 2.2.2 [Report PAS/SE/14/002](#) to Performance and Audit Scrutiny Committee: Key Performance Indicators and Quarter 2 Performance Report 2014-15
- 2.2.3 [Report PAS/SE/14/003](#) to Performance and Audit Scrutiny Committee: West Suffolk Strategic Risk Register Quarterly Monitoring Report – September 2014
- 2.2.4 [Report PAS/SE/14/004](#) to Performance and Audit Scrutiny Committee: Biannual Corporate Complaints and Compliments Digest
- 2.2.5 [Report PAS/SE/14/005](#) to Performance and Audit Scrutiny Committee: West Suffolk Fees and Charges Policy
- 2.2.6 [Report PAS/SE/14/006](#) to Performance and Audit Scrutiny Committee: Accounting for a single West Suffolk staffing structure and the move to a West Suffolk Cost Sharing Model
- 2.2.7 [Report PAS/SE/14/007](#) to Performance and Audit Scrutiny Committee: Work Programme Update
- 2.2.8 [Report PAS/SE/14/008](#) to Performance and Audit Scrutiny Committee: Ernst and Young Presentation of Annual Audit Letter 2013-14
- 2.2.9 [Report PAS/SE/14/009](#) to Performance and Audit Scrutiny Committee: Financial Performance Report (Revenue and Capital) Quarter 2 – 2014-15
- 2.2.10 [Report PAS/SE/14/010](#) to Performance and Audit Scrutiny Committee: Delivering a Sustainable Budget 2015-16 and Budget Consultation Results
- 2.2.11 [Report TMS/SE/14/001](#) to Performance and Audit Scrutiny Committee: Mid-year Treasury Management Report 2014-15 Investment Activity 1 April to 30 September 2014