

# Report of the Performance and Audit Scrutiny Committee: 23 November 2023

<b>Report number:</b>	<b>CAB/WS/23/053</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	5 December 2023
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**Decisions Plan:** This item is not required to be included in the Decisions Plan.

**Wards impacted:** All wards.

**Recommendation:** It is recommended that Report number: CAB/WS/23/053, being the report of the Performance and Audit Scrutiny Committee, be noted.

## 1. Context to this report

1.1 On 23 November 2023, the Performance and Audit Scrutiny Committee considered the following items:

1. Delivering a Sustainable Medium-Term Budget
2. 2023 to 2024 Performance Report (Quarter two)
3. Internal Audit Mid-Year Progress Report (2023 to 2024)
4. Treasury Management Report (September 2023)
5. Work Programme Update

A separate report is included on the Cabinet agenda for Item 4 above.

## 2. Proposals within this report

2.1 **Delivering a Sustainable Medium-Term Budget (Report number: PAS/WS/23/023)**

2.1.1 The Committee received the above report, which informed Members at this stage on the approach and timescales for the 2024 to 2025 budget setting process and the medium-term financial strategy. The report set out the context to the 2024 to 2025 budget process; key budget assumptions; the 2024 to 2028 budget plans and proposed approach and timescales.

2.1.2 At the February 2023 Council meeting, the Budget and Council Tax Setting: 2023 to 2024 and Medium-Term Financial Strategy 2023 to 2027, Report number ([COU/WS/23/003](#)) set out the indicative financial plan to 2027. This indicative plan set a balanced budget for 2023 to 2024 and 2024 to 2025 but included the following initiative budget gaps (which will be reviewed as part of this 2024 to 2025 budget process) in the subsequent years:

	<b>2024 to 2025</b>	<b>2025 to 2026</b>	<b>2026 to 2027</b>
Budget Gap	£0.00m	£2.67m	£3.69m

2.1.3 Further reports including updates on assumptions, proposals to support the 2024 to 2028 Strategic Direction and Priorities and anticipated savings and initiatives needed to deliver a sustainable and balanced budget for 2024 to 2025 will be presented to the Performance and Audit Scrutiny Committee at its January 2024 meeting.

2.1.4 The Committee considered the report, the approach and timescales for the 2024 to 2025 budget setting process and the medium-term plans.

2.1.5 Specifically, discussions were held on the lack of detail contained in the report. The Cabinet Member for Resources stated that at this stage the report, which was not dissimilar to previous years reporting, was only

setting out at this stage the process and the approach being taken. The detail was currently being worked through, for example new initiatives; fee structures, government settlement etc. All the supporting evidence and information would be available for the Committee to fully scrutinise in detail at its meeting in January 2024.

2.1.6 There being no decision required at this stage of the budget process, the Committee **noted** the contents of the report.

2.2 **2023 to 2024 Performance Report (Quarter two) (Report number: PAS/WS/23/024)**

2.2.1 The Cabinet Member for Resources presented Report number PAS/WS/23/024, which set out the quarter two performance and the forecast 2023 to 2024 revenue and capital position. The report included updates under the Key Performance Indicators (KPIs) on the cost of living; strategic housing; water consumption; fuel usage; waste and footfall monitoring.

2.2.2 The Cabinet Member then highlighted a number of KPIs where there has been a sharp increase or decrease; a change over a number of months; or a change on a previous year, both positive and negative, being:

Car parking	There has been a year-on-year increase, meaning more activity in the town centres, however levels are still below pre-pandemic levels.
NEETs	This is an annual figure, the first since last September. There has been a concerning increase compared to previous years, for example more young people going into poor quality employment.
Amount of debt over 90 days old	This has decreased due to a commercial property payment which is positive news.
Solar installations	The Council is already at 950 kWh capacity compared to last year, being 285 kWh which is positive news in terms of environmental performance.
Abbeycroft memberships	Membership figures are continuing to increase, which again is positive as more people use Abbeycroft's facilities and become more active.

2.2.2 Attached to the Quarter two performance and forecast revenue and capital position for 2023 to 2024 were a number of appendices as follows:

- Appendix A: Key Performance Indicator Dashboards
- Appendix B: Income and expenditure report
- Appendix C: Capital programme
- Appendix D: Earmarked reserves
- Appendix E: Strategic risk register
- Exempt Appendix F: Aged debt over 90 days

2.2.3 The Cabinet Member for Resources then presented the financial element of the report and explained from a financial perspective the forecast year-end outturn as at quarter two showed a small overall deficit position of £37,000. This deficit includes the release of the planned general fund budget of £0.8 million. The general fund remains at the £5 million policy level and officers are continuing to review the position as the year progresses in order to maintain the general fund at the stated policy level.

2.2.4 There are a number of variances to the budget, many of which were report to the Committee at its July 2023 meeting, including the impact of the agreed pay award; improved business rate income expectations; ongoing inflationary pressures, such as utility costs and an improving forecast for car parking and trade waste income.

2.2.5 The Committee considered the report in detail and asked a number of questions to which responses were provided. In particular, detailed discussions were held on why footfall was monitored in Newmarket and Bury St Edmunds and not in other towns across West Suffolk. Some members suggested footfall comparisons should be done on what is available in the towns and that caution should be used when making comparisons. It was further suggested including a comparison of town centre footfall to the growth of retail parks.

2.2.6 In response to a question raised on the cancellation of the Western Way Development and what the saving was to residents, the Cabinet Member for Resources agreed to provide a written response.

2.2.7 In response to a question raised on the KPI on why the use of red diesel had not reduced considering the rules around the eligibility of its usage had changed in December 2021, the Cabinet Member for Resources agreed to provide a written response.

2.2.8 In response to a question raised on how much planning appeals are costing the Council, it was agreed this could be included as a new KPI, and the Office of Local Government (Oflog) was also looking into planning appeals.

2.2.9 In response to a question raised on the KPI for universal credit the Committee suggested it would be helpful for members to have the

information available for each town. Officers agreed to look into this further as to whether the information could be broken down by town.

2.2.10 In response to a question raised on the KPI for the number of car parking events, the Committee suggested it would be helpful to members to have the information broken down by town. Officers confirmed the information was available and would look to include this in future reporting.

2.2.11 In considering Appendix E, the strategic risk register the Committee felt there were too many red risk/high impact areas and insufficient evidence/suggested actions provided. In response, officers agreed to look at reviewing the risk register.

2.2.12 At the conclusion of the discussions, the Committee **noted** the forecast 2023 to 2024 revenue and capital positions as detailed in Report number PAS/WS/23/024 and attached appendices and KPIs subject to the above comments made.

### 2.3 **Internal Audit Mid-Year Progress Report (Report number: PAS/WS/23/025)**

2.3.1 The Committee received and **noted** report number PAS/WS/23/025, which updated members on progress made against internal audit's 2023 to 2024 work plan approved by the Performance and Audit Scrutiny Committee in June 2023 and provided a flavour of the work undertaken in the year to date. Attached at Appendix A to the report was the Mid-year Internal Audit progress report 2023 to 2024.

2.3.2 Based on the work completed to date it is considered that in general the control environment has continued to be robust, with the audit opinions issued within the period being "good" or "reasonable." However, there are areas where further improvements can be made. In particular, the Council was subject to a supplier bank mandate fraud within the period covered in the report at paragraphs 5.14 to 5.19. The Finance Team has confirmed that existing controls have been reinforced in this area as well as additional controls introduced as set out in paragraph 5.19 of the report.

2.3.3 The Committee considered the report and asked questions, to which responses were provided. Specifically, discussions were held on fraud and questioned what the total fraud figure was to the Council to which the Cabinet Member for Resources advised was just under £52,000.

### 2.4 **Work programme update (Report number: PAS/WS/23/026)**

2.4.1 The Committee received and **noted** Report number PAS/WS/23/026, which provided information on the current status of its forward work programme for 2024.

### **3. Alternative options that have been considered**

3.1 Please see background papers.

### **4. Consultation and engagement undertaken**

4.1 Please see background papers.

### **5. Risks associated with the proposals**

5.1 Please see background papers.

### **6. Implications arising from the proposals**

6.1 Financial – Please see background papers.

6.2 Equalities – Please see background papers.

### **7. Appendices referenced in this report**

7.1 Please see background papers.

### **8. Background documents associated with this report**

8.1 Report number: [PAS/WS/23/023](#) and [Appendix A](#) to the Performance and Audit Scrutiny Committee: Delivering a Sustainable Medium-Term Budget

8.2 Report number: [PAS/WS/23/024](#) and [Appendix A](#), [Appendix B](#), [Appendix C](#), [Appendix D](#) and [Appendix E](#) to the Performance and Audit Scrutiny Committee: 2023 to 2024 Performance Report (Quarter 2)

8.3 Report number: [PAS/WS/23/025](#) and [Appendix A](#) to the Performance and Audit Scrutiny Committee: Internal Audit Mid-Year Progress Report (2023 to 2024)

8.4 Report number: [PAS/WS/23/026](#) and [Appendix 1](#) to the Performance and Audit Scrutiny Committee: Work Programme Update