

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Report of the Performance and Audit Scrutiny Committee: 29 January 2015	
Report No:	CAB/SE/15/002	
Report to and date:	Cabinet	10 February 2015
Portfolio holder:	David Ray Portfolio Holder for Resources and Performance Tel: 01359 250912 Email: david.ray@stedsbc.gov.uk	
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Purpose of report:	<p>On 29 January 2015, 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 three items jointly:</u></p> <ol style="list-style-type: none">(1) Key Performance Indicators and Quarter Three Performance Report 2014/2015;(2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014 ;(3) Work Programme Update;(4) Financial Performance Report (Revenue and Capital) Quarter 3 – 2014/2015;	

	<p>(5) Delivering a Sustainable Budget 2015/2016 Update;</p> <p>(6) Treasury Management Report 2014/2015 Investment Activity 1 April - 31 December 2014;</p> <p>(7) Annual Treasury Management and Investment Strategy Statements 2015/2016; and</p> <p>(8) Update on Procurement Exercise for External Fund Manager to Support Treasury Management Activities.</p> <p>Separate reports are included on this Cabinet agenda for Items (7) and (8) above. In addition, a recommendation relating to car park tariffs for 2015/2016, which was considered as part of Item (5) above is detailed below for Cabinet's consideration.</p>
Recommendation:	<p>It is <u>RECOMMENDED</u> that:</p> <p>(1) the majority of Report No: CAB/SE/15/002, being the report of the Performance and Audit Scrutiny Committee be noted; and</p> <p>(2) the car park tariffs for 2015/16, as set out in Paragraph 1.3.2 of Report No: PAS/SE/15/005 be approved, as part of the budget setting process for 2015/16.</p>
Key Decision:	No, it is not a Key Decision - <input checked="" type="checkbox"/>
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:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers.
<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:	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 Key Performance Indicators and Quarter 3 Performance Report 2014-15 (Report No: PAS/SE/15/001)

- 1.1.1 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 third quarter indicators covering April to December 2014 for both Forest Heath and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant.
- 1.1.2 For St Edmundsbury, the current Quarter Three performance showed that of a total of 27 indicators, 11 were green, 4 were amber, 2 were red and 10 were data only indicators. For West Suffolk, there were a total of 19 indicators, of which 7 were green, 4 were amber, 1 was red and 7 were data only indicators.
- 1.1.3 Members discussed a number of the indicators, and asked questions to which officers duly responded. In particular, discussions were held on the new and existing businesses benefiting from the Council's Business Grant scheme and the number of planning enforcement cases closed.
- 1.1.4 No issues were required to be brought to the attention of Cabinet.

1.2 West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014 (Report No: PAS/SE/15/002)

- 1.2.1 The Committee received and noted the third 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). Since the last assessment report presented to the Committee on 26 November 2014, there had been no new risks identified and no risks had been amended or closed. Some individual controls and actions had been updated and those which were not ongoing and had been completed by December 2014 had been removed from the Register.
- 1.2.2 However, following the December review, the probability of the Inherent Risk of WS1A had been changed from 2 to 3 to reflect the importance of Business Rates Retention and improved financial reporting. Also, in light of the recent news concerning the closure of RAF Mildenhall, the probability of the Inherent Risk WS12 had been changed from 2 to 3 to highlight the risk of losing a large employer and contributor to the local economy.
- 1.2.3 Members scrutinised the report and asked questions to which officers duly responded. In particular discussions were held on inherent risk WS12, - loss of a key employer, which included RAF Mildenhall. Members noted that in future reports, RAF Mildenhall would be reported as a separate risk.
- 1.2.4 No issues were required to be brought to the attention of Cabinet.

1.3 **Work Programme Update (Report No: PAS/SE/15/003)**

1.3.1 The Committee received and noted its Work Programme which provided items scheduled to be presented to the Committee during 2015.

1.4 **Financial Performance Report (Revenue and Capital) Quarter 3 – 2014/2015 (Report No: PAS/SE/15/004)**

1.4.1 The Committee received and noted the third quarterly monitoring report which informed Members of the forecasted outturn position for 2014-15. The latest Revenue Budget Summary for the year to date position after nine months showed a current underspend of £502,000, with a forecast position for the year end showing an underspend of £108,000. In terms of the Council's capital financial position, the first nine months of 2014/2015 showed an expenditure of £1,692,000.

1.4.2 Members scrutinised the report in detail, and asked a number of questions to which officers duly responded. In particular discussions were held on the Council's capital programme and the future planning of projects. Members noted that future reports would include a forecast position on the Council's capital programme.

1.5 **Delivering a Sustainable Budget 2015/2016 Update (Report No: PAS/SE/15/005)**

1.5.1 The Committee received and noted the update report on progress made towards delivering a balanced budget for 2015/2016. The update included additional pressures and the progress made to date in achieving the 2015/2016 savings target was set out in Table 1 of the report. These were now being incorporated into the budgets, over and above those items brought to members' attention in November 2014, as part of Report PAS/SE/14/010.

1.5.2 The report also informed the Committee on the Overview and Scrutiny Committee's consideration of the annual car park tariffs report (OAS/SE/14/001), at its meeting on 17 December 2014. The Committee had noted the proposed recommendations for inclusion in the Delivering a Sustainable Budget 2015/2016 Update Report to the Performance and Audit Scrutiny Committee (Paragraph 1.3.2 of Report No: PAS/SE/15/005), as part of the budget setting process:

- (1) In accordance with the Car Parking Charges Review Group recommendation (24 October 2012) and Cabinet approval (12 December 2012), that a full review of car parking charges should commence in June 2015 on completion of the Pay on Exit/Automatic Number Plate Recognition feasibility investigations and completion of a review on car parking capacity across the district.
- (2) That no increase would be applied to any existing tariff or permit on any car park during 2015/16 financial year.
- (3) The current 'Free from 3' offer in Bury St Edmunds and Haverhill on Tuesdays and Fridays respectively would continue for a further year.

- (4) The introduction of a new tariff structure arising on commencement of a revised Borough of St Edmundsbury Off Street Parking Places Order in 2015:
- (1) A tariff of £1.80 for up to 4hrs and £3.00 (all day) to be introduced on the new 40-space Shire Hall car park in Bury St Edmunds (which will replace the Manor House provision).
 - (b) The introduction of low emission vehicle tariff of 60p for up to 4hrs, £1.20 all day on the Old Sale Yard (Rose and Crown) car park in Haverhill.
- 1.5.3 Members scrutinised the report in detail and asked a number of questions to which officers duly responded. In particular discussions were held on the budget assumptions set out in Table 1 of the report, and suggested that more detailed information on savings identified should be provided in future reports.
- 1.5.4 The following recommendation has been put forward by the Committee, as detailed on the first page of this report:
- That the car park tariffs for 2015/16, as set out in Paragraph 1.3.2 of Report No: PAS/SE/15/005 be approved, as part of the budget setting process for 2015/16.
- 1.6 **Treasury Management Report 2014/2015 Investment Activity 1 April to 31 December 2014 (Report No: TMS/SE/15/001)**
- 1.6.1 Following the Treasury Management Sub-Committee's consideration of Report No: TMS/SE/15/001 on 19 January 2015, 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 nine months of the 2014/2015 financial year.
- 1.6.2 The Sub-Committee had been advised that interest earned during the first nine months of the financial year amounted to £0.261m against the profiled budget for the period of £0.444m; a budgetary deficit of £0.183m. This was due to a lower average rate of interest than projected during the period. The reduction in the average interest rate was primarily due to the continued low bank base rate of 0.50%, which in turn had seen a reduction in the interest rates on the Council's call accounts and fixed term investments. In the current economic climate it is considered likely that the current low rates will continue for the remainder of this year.
- 1.6.3 The Sub-Committee had scrutinised the content of the report, asking questions of officers who duly responded. Discussions were also held on the investment activity and the increase in balances as at 31 December 2014; the Council's potential future borrowing requirements; links to the use of treasury management investment balances and cash flow planning. There were no issues or recommendations needed to be brought to the attention of the Performance and Audit Scrutiny Committee on this occasion.

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

2. Background Papers

2.1.1 [Report PAS/SE/15/001](#) to the Performance and Audit Scrutiny Committee: Key Performance Indicators and Quarter 3 Performance Report 2014-15

2.1.2 [Report PAS/SE/15/002](#) to the Performance and Audit Scrutiny Committee: West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014

2.1.3 [Report PAS/SE/15/003](#) to the Performance and Audit Scrutiny Committee: Work Programme Update

2.1.4 [Report PAS/SE/15/004](#) to the Performance and Audit Scrutiny Committee: Financial Performance Report (Revenue and Capital) Quarter 3 – 2014-15

2.1.5 [Report PAS/SE/15/005](#) to the Performance and Audit Scrutiny Committee: Delivering a Sustainable Budget 2015-16 - Update

2.1.6 [Report TMS/SE/15/001](#) to the Performance and Audit Scrutiny Committee: Treasury Management Report 2014/15 - Investment Activity 1 April to 31 December 2014