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# Council



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Report by Cllr Sarah Broughton Chairman of Performance and Audit Scrutiny Committee</b>	
<b>Report No:</b>	<b>COU/SE/15/012</b>	
<b>Report to and date</b>	<b>Council</b>	<b>24 February 2015</b>

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This report covers the meeting of the Committee held on 29 January 2015.

29 January 2015

## **1. Key Performance Indicators & Quarter 3 Performance Report 2014-15**

1.1 Members considered the third quarterly report for 2014/15, covering the period April to December 2014 for both Forest Heath District Council and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant. A total of 27 indicators for St Edmundsbury were reported this quarter, of which 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 were red and 7 were data only indicators.

1.2 Members discussed a number of 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.

## **2. West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014**

2.1 The Committee received and noted the third quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register, which had been prepared following a review by the Risk Management Group. No new risks had been identified and no risk had been amended or closed. However, some individual controls and actions had been updated and those which were not ongoing had been completed by December 2014 had been removed from the Register.

2.2 Members discussed some of the risks in this quarter's report, but did not make any suggestions for amendments to the Register on this occasion.

### **3. Financial Performance Report (Revenue and Capital) Quarter 3 (2014/15)**

- 3.1 The Committee received the quarterly monitoring report which informed Members of the Councils capital financial position for the first nine months of 2014/15 and highlighted significant variances. The latest Revenue Budget Summary indicated 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 showed an expenditure of £1,692,000.
- 3.2 Members scrutinised the report and asked questions to which responses were provided. In particular discussions were held on the Council's capital programme and the future planning of projects.

### **4. Delivering a Sustainable Budget 2015-16 - Update**

- 4.1 The Committee received and noted the update report on progress made towards delivering a balanced budget for 2015/16. Additional pressures and the progress made to date in achieving the 2015/16 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 the Committees' attention in November 2014, as part of Report PAS/SE/14/010.
- 4.2 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 2015/16 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.
- 4.3 The Performance and Audit Scrutiny Committee scrutinised the report and asked a number of questions to which officers duly responded, and recommended 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.

### **5. Treasury Management Report 2014/15 – Investment Activity 1 April to 31 December 2014**

- 5.1 The Treasury Management Sub-Committee met on 19 January 2015 and considered the above report, which summarised the Treasury Management activity for the first nine months of the 2014/15 financial year.
- 5.2 The Sub-Committee was 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.

- 5.3 The Sub-Committee had scrutinised the content of the report, asking questions of officers as necessary. Discussions were 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. No issues or recommendations were brought to the attention of the Performance and Audit Scrutiny Committee on this occasion.

## **6. Annual Treasury Management and Investment Strategy Statements 2015/16**

- 6.1 The Treasury Management Sub-Committee met on 19 January 2015 and considered Report TMS/SE/15/002, which provided information on the proposed Treasury Management and Investment Strategy Statements 2015/2016 (including treasury related prudential indicators).
- 6.2 No major changes had been made to the Strategy since it was presented to the Sub-Committee on 20 January 2014. The Sub-Committee was also advised that the Treasury Management Code of Practice had been updated accordingly, to reflect the proposed Annual Treasury Management and Investment Strategy Statements 2015/16. No major changes had been made to the Code of Practice since it was presented to the Sub-Committee on 20 January 2014.
- 6.3 The Sub-Committee had examined the report in detail and was pleased to note that based on the current economic climate that the interest rate projected in 2015/16 had been revised down from 1.50% to 0.90%.
- 6.4 The Performance and Audit Scrutiny Committee considered the report and recommended that the Annual Treasury Management and Investment Strategy Statements 2015/16, attached as Appendix 1 to Report TMS/SE/15/002, be approved through Cabinet and Full Council.

## **7. Update on procurement exercise for external fund manager to support treasury management activities**

- 7.1 The Treasury Management Sub-Committee met on 19 January 2015 and considered Report TMS/SE/15/003, which provided options around the timing for the procurement exercise for external fund managers to support the Council's treasury management activities. The Sub-Committee was advised that the current contract with Sector for Treasury Management advice was extendable until March 2017, and could be terminated on 31 March 2015.

- 7.3 The report summarised two potential options on the timing for a procurement exercise for the appointment and use of an external fund manager:

Option A: A procurement exercise commences during the last quarter of 2014/15, following the approval of the Council's spending plans as part of the 2015/16 budget and council tax setting reports at the end of February 2015.

Option B: A procurement exercise commences during the summer of 2015, allowing for further opportunity to consider the business cases for some potentially significant investment opportunities such as PSVII, Waste Transfer Site and Investing in Housing within the Borough and the Council's overall spending plans.

7.4 The Treasury Management Sub-Committee had examined the options in detail and recommended to the Performance and Audit Scrutiny Committee, that Option B, as detailed in paragraph 1.2.1 of Report TMS/SE/15/003, be approved.