
Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Notes of Informal Discussions held on Thursday 29 January 2015 at 5.00pm in the Council Chamber, District Offices, College Heath Road, Mildenhall

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillor Sarah Broughton
(Chairman of the informal discussions)

Councillors Diane Hind, Beccy Hopfensperger, Derek Redhead, Paula Wade, Frank Warby and Patricia Warby

Forest Heath District Council (FHDC)

Councillors Michael Anderson, Chris Barker, David Bimson, Simon Cole, Tim Huggan, John McGhee, Colin Noble and Tony Wheble

IN ATTENDANCE: SEBC – Councillor David Ray, Portfolio Holder for Performance and Resources

FHDC – Councillor Stephen Edwards, Portfolio Holder for Resources, Governance and Performance

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

- (1) Key Performance Indicators and Quarter 3 Performance Report 2014-15;
- (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014; and
- (3) Work Programme Update

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.

SEBC's Performance and Audit Scrutiny Committee noted that under its Constitution, FHDC permitted public participation at its Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating this Constitutional requirement, 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 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. **Key Performance Indicators and Quarter 3 Performance Report 2014-15**

The Business Partner (Resources and Performance) presented 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.

Appendix A contained all the KPIs for both Councils and West Suffolk. The current quarter three performance summary for Forest Heath showed that of 26 indicators, 12 were green, 4 were amber, 0 were red and 10 were data only indicators. For St Edmundsbury, the current quarter three summary 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.

It was reported that the general performance in dealing with the various planning applications was steadily improving. Performance on both minor and other applications had improved significantly since quarter two, with performance of other applications exceeding target. The team were now getting to grips with the inherent back-log and the Council should see sustained improvements across all categories of applications. As requested by the Committee at its November 2014 meeting, some new indicators had been added in relation to planning enforcement, which provided information on the number of enforcement cases both opened and closed in the past quarter.

Members scrutinised the report and asked questions to which officers duly responded. In particular discussions were held on:

- (1) **EDG001** – New and existing businesses benefitting from the Council's Business Grant scheme. Officers agreed to provide a written response as to why no grants were awarded in the third quarter.
- (2) **HOU015** – Number of planning enforcement cases closed. Officers agreed to provide a written response as to the number of planning enforcement cases currently in the planning system.

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

The Head of Resources and Performance presented 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.

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.

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.

Members on this occasion did not make any suggestions for amendments to the Risk Register.

(Councillor Diane Hind arrived during the consideration of this item)

3. **Work Programme Update**

The Head of Resources and Performance presented the report, which provided information on the current status of each Committee's Work Programme for 2015.

On the conclusion of the informal joint discussions at 5.15pm, 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's Performance and Audit Scrutiny Committee in the Training Room at 5.30pm.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **St Edmundsbury Performance and Audit Scrutiny Committee** held on **Thursday 29 January 2015** at **5.30pm** in the **Training Room**, District Offices, College Heath Road, Mildenhall

Present: **Councillors**

Chairman Sarah Broughton
Vice Chairman Patricia Warby

Beccy Hopfensperger
Derek Redhead

Paula Wade
Frank Warby

Substitutes attending:

Diane Hind

By Invitation:

Dave Ray, Portfolio Holder for Performance and Resources

15. **Apologies for Absence**

Apologies for absence were received from Councillors Paul Farmer, Karen Richardson and David Nettleton.

16. **Substitutions**

The following substitutions were declared:

Councillor Diane Hind substituting for Councillor David Nettleton.

Council Frank Warby substituting for Councillor Paul Farmer.

Councillor Paul Simner was also unable to attend.

17. **Minutes**

The minutes of the meeting held on 26 November 2014, were confirmed as a correct record and signed by the Chairman.

18. **Key Performance Indicators and Quarter 3 Performance Report 2014-2015**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/001 (previously circulated).

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the performance against the Key Performance Indicators for Quarter 3, 2014-15.

19. **West Suffolk Strategic Risk Register Quarterly Monitoring Report - December 2014**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/002 (previously circulated).

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the West Suffolk Strategic Risk Register Quarterly Monitoring Report for December 2014.

20. **Work Programme Update**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/003 (previously circulated).

Members had considered the report and asked questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the work programme for 2015.

21. **Financial Performance Report (Revenue and Capital) Quarter 3 - 2014-2015**

The Committee received Report PAS/SE/15/004 (previously circulated), which set out the financial position for the third quarter of 2014/15 and the forecasted outturn position for 2014/15.

Attached to the report at Appendix A was the Revenue Budget Summary for April – December 2014, which showed a current underspend of £502,000, with a forecast position for the year end showing an underspend of £108,000. Appendix B detailed the Council's capital financial position for the first nine months of 2014/15, showing expenditure of £1,692,000.

Members were requested to note the year end forecast position and the significant variances as outlined in the report. Budget holders would continue to work with Resources Business Partners and Business Support Advisors for the remainder of the financial year in order to monitor the forecast position and an outturn position would be presented to the Committee at the end of the financial year. It was reported that the forecasted year end position

would also be fed into the 2015/16 budget setting process. Initial reporting showed that the overall business rate yield anticipated for 2014/15 was higher than the forecasted yield as part of the NNDR1 return back in January 2014. The Council would continue to monitor the business rates closely with Anglia Revenues Partnership and a further update would be provided in the year end outturn report. Any additional income or shortfall against what was forecast would be transferred from the Business Rate Reserve.

Members scrutinised the report 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 capital programme.

Members also discussed burial of the dead, and officers agreed to provide a written response on how many had been buried by the Council during the financial year.

There being no decision required, the Committee **noted** the year end forecast financial position.

22. **Delivering a Sustainable Budget 2015-16 - Update**

The Committee received Report PAS/SE/15/005 (previously circulated), which updated members 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 members' attention in November 2014, as part of Report PAS/SE/14/010.

The Overview and Scrutiny Committee on 17 December 2014 scrutinised the Annual Car Park Tariffs Report (OAS/SE/14/01), which included supporting evidence and justifications. The Committee noted the proposed recommendations for inclusion in the Delivering a Sustainable Budget 2015/16 Update Report to the Performance and Audit Scrutiny Committee, 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:

- a) 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.

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. Members suggested that more detailed information on the leisure savings identified should be provided in future report monitoring to the Committee.

The Committee **noted** the progress made on delivering a balanced budget for 2015/16 and with the vote being unanimous, it was

RECOMMENDED

That the car park tariffs for 2015/16, as set out in Paragraph 1.3.2 of Report PAS/SE/15/005 be approved, as part of the budget setting process for 2015/16.

23. Treasury Management Report 2014/15 - Investment Activity 1 April to 31 December 2014

The Committee received Report TMS/SE/15/001 (previously circulated), which had been considered by the Treasury Management Sub-Committee on 19 January 2015.

The Head of Resources and Performance provided a verbal update on the Sub-Committee's consideration of the report, which summarised the Treasury Management activity for the first nine months of the 2014/15 financial year.

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 rates 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 was considered likely that these current low rates would continue for the remainder of this year.

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

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

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

The Committee received Report TMS/SE/15/002 (previously circulated), which had been considered by the Treasury Management Sub-Committee on 19 January 2015.

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management required that prior to the start of the financial year that Council formally approved an Annual Treasury Management and Investment Strategy, setting out the Council's treasury management policy and strategy statements for the forthcoming year.

The Head of Resources and Performance provided a verbal update on the Sub-Committee's consideration of the report, which sought approval of the Annual Treasury Management and Investment Strategy Statements 2015/16, including Treasury related Prudential Indicators (attached as Appendix 1 to Report TMS/SE/15/002). No major changes had been made to the Strategy since it was presented to the Sub-Committee on 20 January 2014. The Treasury Management Code of Practice had also been updated accordingly and no major changes had been made to the Code of Practice since it was presented to the Sub-Committee on 20 January 2014.

The Sub-Committee had scrutinised the content of the report, asking questions of officers who duly responded. In particular the Sub-Committee was pleased to see that based on the current economic climate the interest rate projected in 2015/16 had been revised from 1.50% to 0.90%.

The Performance and Audit Scrutiny Committee considered the report and asked questions to which offices duly responded.

With the vote being 6 for and 1 abstention, it was

RECOMMENDED

That subject to the approval of Full Council, the Annual Treasury Management and Investment Statements 2015/16, as contained in Appendix 1 to Report TMS/SE/15/002, be adopted.

25. **Update on Procurement Exercise for External Fund Manager to Support Treasury Management Activities**

The Committee received Report TMS/SE/15/003 (previously circulated), which had been considered by the Treasury Management Sub-Committee on 19 January 2015.

The Head of Resources and Performance provided a verbal update on the Sub-Committee's consideration of the report, which 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 Public Sector Village II, Waste Transfer Site and Investing in Housing within the Borough and the Council's overall spending plans.

The Sub-Committee had scrutinised the two options, asking questions of officers who duly responded.

The Performance and Audit Scrutiny Committee considered the report and with the vote being unanimous, it was

RECOMMENDED

That Option B, as detailed in Paragraph 1.2.1 of Report TMS/SE/15/003, be approved.

The Meeting concluded at 6.15pm

Signed by:

Chairman
