

Cabinet 2 September 2014

Report of the Performance and Audit Scrutiny (P&AS) Committee (including joint informal discussions with Forest Heath District Council's P&AS Committee): 31 July 2014

1. Summary and reasons for recommendation

1.1 On 31 July 2014, the Performance and Audit Scrutiny Committee held its first informal joint meeting with members of Forest Heath's Performance and Audit Scrutiny Committee, and considered the first three items jointly:

- (1) Key Performance Indicators and Quarter 1 Performance Report 2014/2015;
- (2) West Suffolk Strategic Risk Register – June 2014;
- (3) Work Programme Update;
- (4) Annual Performance Report for The Apex;
- (5) Financial Outturn Report (Revenue and Capital) 2013/2014;
- (6) Budget Monitoring Report (1 April to 30 June 2014); and
- (7) Annual Treasury Management Report 2013/2014 and Investment Activity 1 April to 30 June 2014.

1.2 A separate report is included on this Cabinet agenda for Item **(7)** above.

2. Recommendation

2.1 The Cabinet is requested to **NOTE** the content of Report F94, being the report of the Performance and Audit Scrutiny Committee.

Contact details

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3. Strategic priorities

3.1 The recommendation meets the following, as contained within the West Suffolk Strategic Plan:

- (a) It supports the delivery of the priorities of the Council as contained in the Strategic Plan in an efficient and effective way.

4. Key issues

Key Performance Indicators and Quarter 1 Performance Report 2014/2015 (Report F75)

- 4.1 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 first quarter indicators for 2014/2015 for both Forest Heath and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant.
- 4.2 For St Edmundsbury, the current Quarter One performance showed that of a total of 24 indicators, 9 were green, 3 were amber, 4 were red and 7 were data only indicators. For West Suffolk, the current Quarter One performance showed that of a total of 22 indicators, 6 were green, 4 were amber, 3 were red and 7 were data only indicators. Members were advised that the figures would not agree to the total number of indicators due to 2 indicators not having been able to provide values for Quarter One.
- 4.3 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 families and communities indicator and suggested that it might be helpful to receive commentary on how the targets were arrived at within a future quarterly KPI report.
- 4.4 Members also discussed the issue of enforcement and suggested the inclusion of an indicator for monitoring enforcement, which would enable Members to understand how the service area was working, to which officers duly responded.

West Suffolk Strategic Risk Register – June 2014 (Report F76)

- 4.5 The Committee received and noted the report, which informed Members that following the development of the single management and service structure across Forest Heath and St Edmundsbury, there had been considerable similarity between the two registers of the respective councils.
- 4.6 At its July meeting, the Risk Management Group had considered a new register and risk management toolkit for West Suffolk. The Group reviewed the inherent risks, the risk level prior to any mitigating actions being taken and the residual risk following actions put in place to reduce the risk. These assessments formed an integral part of the West Suffolk Strategic Risk Register, attached as Appendix 1 to the report. The Group had used the newly developed West Suffolk Risk Management Toolkit, attached as Appendix 2 to assess each risk identified in Appendix 1. Part of the assessment included the consideration of the summary of actions in place to address the individual risks.
- 4.7 The Committee scrutinised the report and noted that the colour coding matrix in the toolkit attached at Appendix 2 did not correspond with the colour coding matrix in the West Suffolk Strategic Risk Register at Appendix 1. Members were reassured that the toolkit matrix at Appendix 2 was correct and the scoring in the Risk Register at Appendix 1 were also correct. The formatting itself would be corrected for future reporting.

Work Programme Update (Report F77)

- 4.8 The Committee considered Report F77, which provided information on the current status of its Work Programme on items scheduled to be presented to the Committee during 2014/2015.

Annual Performance Report for The Apex (Report F78)

- 4.9 The Committee received and noted Report F78, which followed on from the interim report presented to the Committee in January 2014, and would in future be presented annually each summer. The report included an executive summary and then detail on The Apex's performance; the Sodexo catering contract; analysis of budgets and conclusion.
- 4.10 The Committee scrutinised the annual performance report and asked a number of detailed questions to which the Portfolio Holder for Leisure, Culture and Heritage, and officers duly responded, Questions and responses covered topics including the means of calculating the published 10% reduction in running costs; use of the venue by people on low incomes or living in Haverhill; the Council's use of the venue for its own events; the difference financially between The Apex (i.e. Council) promoting a concert and a promoter hiring the venue; and the governance of The Apex; including the operation of The Apex Performance Panel. In general terms, some Members raised concerns about the cost to the taxpayer in subsidising The Apex at a time of financial constraints for local authorities and suggested that another review of The Apex should be carried out. It was also suggested by a Councillor that the Committee should receive quarterly reports on the performance of The Apex.
- 4.11 The Portfolio Holder commented on the progress made by The Apex over the last year and referred to previous research that suggested that The Apex brought £5 million of benefit to the local economy. It also promoted the

Council's priorities for economic growth and health and wellbeing. However, she fully acknowledged that there was a lot of work still to be done to build on its success in 2013/2014 and to further reduce the Council's subsidy. This work would continue to be overseen by The Apex Performance Panel which met monthly and considered the performance of The Apex in great detail.

- 4.12 The majority of the Committee acknowledged that The Apex was moving in the right direction, in accordance with the two-year review. However, an amendment to the tabled recommendation (to note the report) was proposed and seconded, that the Annual Performance Report for The Apex be rejected and an urgent review of its level of subsidy be triggered. With 3 voting for the proposal and 4 against, it was declared that the motion was lost.
- 4.13 The Committee was advised that concerns raised by Members would be raised directly with The Apex Performance Panel so they were aware of them. Any future concerns or issues, in between the annual reports could be raised with the Panel through this Committee's Chairman.
- 4.14 There being no decision required, the Committee noted the Annual Performance Report for The Apex and future performance reports would be submitted to the Committee every summer, to align with normal year-end budget reporting.

Financial Outturn Report (Revenue and Capital) 2013/2014 (Report F79)

- 4.15 The Committee received and noted Report F79, which updated Members on the current position with regard to the 2013/2014 revenue and capital spend against budget.
- 4.16 Attached at Appendix A to the report was the revenue outturn position as at 31 March 2014, which currently showed an overall under spend of £203,000. The report summarised the financial pressures which had adversely impacted the Council during the year, and Appendix B detailed all other major variances over £25,000. The Council's capital outturn position for 2013/2014 showed a net overspend of £66,000. This related to additional asset management works funded from the building maintenance reserve. Appendix C to the report set out the actual capital expenditure incurred in 2013/2014 and a comparison to the budgeted expenditure approved for 2013/2014. This appendix also included any comments regarding the variances in respect of individual projects.
- 4.17 The Committee scrutinised the report in detail and asked a number of questions to which officers duly responded. Officers agreed to provide Members with a written response on whether the £150,000 allocated for Haverhill Leisure Centre All Weather Pitch, was the total cost of the project.
- 4.18 There being no decision required, the Committee noted the 2013/2014 outturn revenue and capital outturn positions as set out in Appendices A and C to Report F79.

Budget Monitoring Report (1 April to 30 June 2014) (Report F80)

- 4.19 The Committee received the quarterly budget monitoring report which informed Members of the Council's financial position for the first quarter of 2014/2015. The Council's capital financial position for the first quarter showed expenditure of £381,000.

4.20 The report also summarised the Council's revenue position for the year to date position after three months, which currently showed an under spend of £148,000. Attached at Appendix A to the report was the year end forecast position, which was showing an under spend of £135,000.

4.21 Members considered the report and noted the year end forecast position and the significant variances as outline in the report at paragraph 4.3.1.

5. Other options considered

5.1 See Reports listed in Section 12 below.

6. Community impact

6.1 See Reports listed in Section 12 below.

7. Consultation

7.1 See Reports listed in Section 12 below.

8. Financial and resource implications *(including asset management implications)*

8.1 See Reports listed in Section 12 below.

9. Risk/opportunity assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

9.1 See Reports listed in Section 12 below.

10. Legal and policy implications

10.1 See Reports listed in Section 12 below.

11. Wards affected

11.1 All Wards.

12. Background papers

12.1 Report F75 to Performance and Audit Scrutiny Committee: Key Performance Indicators and Quarter 1 Performance Report 2014/2015

12.2 Report F76 to Performance and Audit Scrutiny Committee: West Suffolk Strategic Risk Register – June 2014

12.3 Report F77 to Performance and Audit Scrutiny Committee: Work Programme Update

12.4 Report F78 to Performance and Audit Scrutiny Committee: Annual Performance Report for The Apex

12.5 Report F79 to Performance and Audit Scrutiny Committee: Financial Outturn Report (Revenue and Capital) 2013/2014

12.6 Report F80 to Performance and Audit Scrutiny Committee: Annual Treasury Management Report 2013/2014 and Investment Activity 1 April to 30 June 2014

13. Documents attached

13.1 None.

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