



*St Edmundsbury*  
BOROUGH COUNCIL

# D153

## **Council** **27 September 2012**

### **CHAIRMAN'S REPORT** **PERFORMANCE AND AUDIT SCRUTINY COMMITTEE**

***Report by Cllr John Hale***  
***Chairman of the Performance and Audit***  
***Scrutiny Committee***

This report covers the meetings of the Committee held on 30 July and 25 September 2012.

#### **A. 30 JULY 2012**

##### **1. Annual Governance Statement 2011/2012**

- 1.1 The Council is required to produce and publish an Annual Governance Statement (AGS), which covers six laid down core governance principles, and is to be approved by full Council, and signed by the Leader of the Council and the Chief Executive Officer.
- 1.2 The AGS for 2011/2012 accompanies the Statement of Accounts, and covers the Council's responsibilities in terms of the governance framework, St Edmundsbury's governance environment relating to the six laid down corporate governance principles, and the effectiveness of St Edmundsbury's arrangements and any significant areas of weakness identified, with proposed actions to address these.
- 1.3 The Committee recommended approval of the draft Annual Governance Statement for 2011/2012 by full Council prior to accompanying the Council's 2011/2012 Statement of Accounts, and also that the process used to compile the Annual Governance Statement be endorsed.

##### **2. Budget Outturn and Financial Highlights Report: 2011/2012**

- 2.1 The Accounts and Audit Regulations 2011 require the Council to submit draft accounts to its external auditors by 30 June each year, with Member scrutiny and approval of the accounts required once the audit has been concluded (normally by 30 September each year). The draft accounts had been prepared, and the Committee considered an overview of the Council's budget outturn and financial highlights for the 2011/2012 financial year.

- 2.2 The report included a financial commentary on the year, details of revenue and expenditure including budgeted and actual expenditure and an explanation of the main variances, and details of how services were paid for. Capital income and expenditure was also discussed, as well as reserves and treasury management.

### **3. Budget Monitoring Report – 1 April to 30 June 2012**

- 3.1 The Committee received the quarterly budget monitoring report which informed Members of the Council's financial position for the first quarter of 2012, and highlighted significant variances. The latest overall position on the General Fund showed an underspend of £251,000. A full analysis of budget variances was provided in the report, together with a summary of the major variances.
- 3.2 In terms of capital spending, £86,000 had been spent up to the end of June 2012. It was projected that the total capital expenditure in 2012/2013 would be £4.9 million. The capital disposals programme showed nil actual value of disposals to 30 June 2012, against a full year disposals estimate of £3,810,000, however, officers were confident that the target disposal would be achieved during the year

### **4. Key Performance Indicators – First Quarter 2012/2013**

- 4.1 Members considered the first quarterly report for 2012/13, covering the period April to June 2012. A total of 45 indicators were reported this quarter, of which 18 were green, 6 amber and 3 red. 18 were contextual indicators.
- 4.2 Members discussed a number of the indicators, including percentage of minor and other planning applications determined within 8 weeks, and improved street and environmental cleanliness. A discussion was also held on enforcement action taken on fly tipping.

### **5. The Apex – Report of the Venues Director**

- 5.1 This report, which had been requested by the Committee, identified the current performance of the Apex after a year and a half's operation, and was presented at a time when the outcomes from a two year management review were being considered. The full report to the 25 July 2012 meeting of Cabinet was therefore attached to the report, in order to ensure Members had all background information.
- 5.2 The Venues Director had worked closely with the consultants carrying out the review on behalf of the Borough Council, Theatre Royal, Arts Council and Suffolk County Council, and the initial findings of the review suggested that the management option which would offer the greatest strategic benefits and efficiency savings was likely to be the transfer of the management of the Apex to a wider arts trust which would also manage the Theatre Royal, and the Committee was advised that Cabinet had endorsed these findings in principle, and that a detailed business plan would be put together for the consideration of full Council and other partners in the autumn.
- 5.3 The budget outturn for 2011/2012 for the Apex was considered, which showed net expenditure of £736,457 for the year, and the overall overspend of £153,307 was considered in detail in the report. For the current financial year, budget monitoring figures up to June 2012 indicated that the Apex was currently attaining its overall budget target.

## **6. Annual Treasury Management Report 2011/2012 and Investment Activity 1 April to 30 June 2012**

- 6.1 The Vice Chairman of the Committee, who had chaired the meeting of the Treasury Management Sub-Committee on 23 July 2012, reported on the Sub-Committee's consideration of the above report.
- 6.2 The report presented the Annual Treasury Management Investment Report, summarising the investment activities for the year 2011/2012, and also provided a summary of investment activity for the first three months of the 2012/2013 financial year.
- 6.3 The Sub-Committee had scrutinised the content of the report, and the Committee endorsed its recommendation that the Annual Treasury Management Report 2011/2012, attached as Appendix A to Report D67, be approved through Cabinet and full Council.

## **7. Corporate Risk Register – Quarterly Monitoring Report**

- 7.1 The first quarterly risk register monitoring report for 2012/2013 had been prepared following review by Management Team and Corporate Management Team. No new risks had been added to the register in this quarter, and no risks had been closed. Three residual risk colours had changed, and reasons for the changes were set out in the report.
- 7.2 The Committee discussed some of the risks in this quarter's report, including "unsustainable workload" and "provision of sites for gypsy and traveller communities", but did not make any suggestions for amendments to the Register on this occasion.

## **8. Whistleblowing Policy**

- 8.1 Good governance requires organisations to take malpractice seriously and to ensure that employees and others have adequate means to raise concerns about such malpractice. St Edmundsbury Borough Council has in place a Whistleblowing Policy which sets out its commitment and describes the protection available to those who raise matters of concern.
- 8.2 It is good practice to review arrangements from time to time, and as such a review of the Policy had been undertaken to ensure it continued to reflect best practice, legislation and shared services arrangements. The revised joint Policy between Forest Heath District Council and St Edmundsbury Borough Council aimed to reassure employees and others that if they were faced with serious concerns regarding either Council, they could feel confident that their allegation would be treated in a correct and proper manner without fear of repercussions.
- 8.3 The Committee recommended that the revised joint Whistleblowing Policy between Forest Heath District Council and St Edmundsbury Borough Council be adopted through Cabinet and full Council.

## **B. 25 SEPTEMBER 2012**

At its meeting on 25 September 2012, the Committee is due to scrutinise the 2011/2012 Statement of Accounts prior to their adoption by full Council, and to make recommendations for any amendments. As the full Council agenda will have been dispatched before the Committee meets, any recommendations to full Council from the Committee will be circulated at the meeting.