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St Edmundsbury
BOROUGH COUNCIL

ANNUAL SCRUTINY REPORT



2012/13

St Edmundsbury Borough Council Overview and Scrutiny Annual Report 2012/13

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Introduction



Councillor David Nettleton

**Chairman of the
Overview and Scrutiny Committee
2011/12 – 2012/13**



Councillor John Hale

**Chairman of the Performance
and Audit Scrutiny Committee
2007/08 – 2012/13**

Welcome to the eleventh Annual Report on the overview and scrutiny function at St Edmundsbury Borough Council.

Scrutiny is central to the decision-making process of the Council, and this Annual Report sets out the work of the two scrutiny committees during 2012/13. The report is not intended to cover all the work of the committees in great detail, but to present some examples of where and how scrutiny has contributed to change, challenge and service improvements, and to give you a flavour of the work undertaken, in the hope that you will be encouraged to play more of a role in the scrutiny process in the coming year.

2012/13 was a busy year for both scrutiny committees, with Overview and Scrutiny Committee carrying out some major policy and scrutiny reviews. The Committee also continued its new way of working, commenced last year, replacing its traditional annual work programme with a rolling programme, enabling the Committee to be more responsive to changing priorities. The Committee also continued to carry out the majority of its reviews in smaller "Task and Finish Groups" of up to 6 Councillors, enabling a greater number of Councillors to engage in scrutiny, and ensuring a Councillor lead on often controversial issues.

The Performance and Audit Scrutiny Committee, in its sixth year of operation, continued to increase the scope of its internal and external audit monitoring role, and oversaw significant savings in the 2013/14 budget, which will be good news for the Council Tax payers of the Borough.

2012/13 was also another strong year for external involvement in our scrutiny reviews, with a number of representatives from partner organisations attending meetings or taking part in consultations to help the committees or Task and Finish Groups with their investigations.

We hope you find this Annual Report both informative and interesting, and that you will continue to follow the progress of the overview and scrutiny function at St Edmundsbury.

May 2013

What does Scrutiny do?

The scrutiny function of this and other councils was introduced under the Local Government Act 2000, which required councils to set up new structures to replace the old committee system. The aim of the Government's programme for modernising local government was for local people to know more about how their local council works and get more involved, and for Councillors to have more interesting and rewarding work. As part of this, councils were required to establish at least one "overview and scrutiny committee" to monitor decisions made and, where appropriate, to advise the Council on matters of policy or service delivery.

St Edmundsbury has two such committees. The Overview and Scrutiny Committee looks back at how and why decisions were made, how services are functioning and where improvements can be made, but in its role as community leader also looks at wider issues. It also examines new and evolving policies. The Performance and Audit Scrutiny Committee has particular responsibility for monitoring the performance of services, as well as internal audit, procurement and risk management, and has responsibility for scrutinising the Council's budget, including any proposals for cost reductions.

Overview and Scrutiny Committee

Responsibilities:

- Community leadership
- Reviews
- Pre-decision scrutiny
- Post implementation review
- Policy development and review
- External and joint scrutiny
- Call-ins and Councillor Calls for Action
- Holding the Cabinet to account
- Scrutiny improvement
- Diversity

As the Council's critical friend, the Overview and Scrutiny Committee holds the Cabinet, full Council and staff to account by monitoring the decision making process and testing existing practices to check they are working properly. It can also call in Cabinet decisions to check them before they are put into practice. The Overview and Scrutiny Committee is able to stand back from the decision making process, look at the outcomes for the people of St Edmundsbury and contribute to ensuring improved performance.

The Committee also looks at the impact on the community of key plans and strategies within the Council's policy framework, investigating why things are as they are, researching options, challenging assumptions and suggesting improvements. When looking at a new policy, the Committee ensures it would contribute to the Council's corporate priorities, and that any links to other Council policies demonstrate continuity. When reviewing existing policies, the Committee investigates how successful it has been, whether it achieved its objectives within budget and to timescale, and what needs to change. In all its policy development, the Committee aims to enhance services and make life better for people living and working in St Edmundsbury, as well as those visiting us.

The Committee has eight scheduled meetings per year.

Performance and Audit Scrutiny Committee

- Performance management
- Internal and external audit responsibilities
- Strategic risk management
- Budget monitoring and budget development
- Procurement
- Capital programme monitoring and review

Scrutiny also has an important role to play in monitoring the performance of services. The Performance and Audit Scrutiny Committee looks at how well the Council's services are performing by considering a range of information such as performance indicators and reports from external inspectors, and by monitoring action plans. It does not carry out reviews, but may recommend that a review is carried out by the Overview and Scrutiny Committee or another appropriate committee or working group where a need has been identified.

This Committee also leads on improvement planning and risk management, as well as monitoring the Council's budget, and recommending the annual accounts to full Council. It also leads on achieving a sustainable forward budget. It has four quarterly monitoring meetings per year, plus a special meeting to consider the annual accounts.

How does Scrutiny work?

The Overview and Scrutiny Committee has a rolling work programme which prioritises the investigations it will carry out over the coming months. The Performance and Audit Scrutiny Committee sets its work around the quarterly budget and corporate planning cycle. Further information on how the committees set their work programmes is set out in the Scrutiny Guide available on the Council's website, or by calling 01284 757613. The committees gather evidence from a variety of sources including the Council's own information, other local authorities, partner organisations, service users, expert witnesses or research carried out by the committees themselves.

Once they have their evidence the committees make their reports, complete with recommendations, usually to the Cabinet. The committees' work programmes include time to check progress on the actions that have been taken following acceptance of scrutiny reports.

Call-in

Any decision by the Cabinet, or a key decision taken by an officer with delegated authority from the Cabinet, may be "called in" by at least five members of the Council, or the Leader of any political group on the Council which has five or more members (with the support of a further three members of that group). Call-in is used where Councillors have evidence which suggests that a decision was not taken in accordance with the principles of good decision making set out in the Constitution, or in the context of the Council's policy or budget framework, and is only used in exceptional circumstances.

The Council sees an average of one call-in per year, however, none were considered during 2012/13.

Councillor Call for Action

Councillor Call for Action (CCfA) is a relatively new scrutiny power which came into force on 1 April 2009, and which enables any Member of the Council to refer to the Overview and Scrutiny Committee any local government matter or any crime and disorder matter which affects their ward/division, within certain limitations. These limitations are set out in the Councillor Call for Action Protocol, which is available as part of the Council's Constitution, on our website, or by calling 01284 757613.

Four Councillor Calls for Action were submitted during the first year of operation of the new power, in 2009/10, but none have been submitted since.

Training and Development

We recognise the importance of training and development for both Councillors and officers who support the scrutiny role at St Edmundsbury. Regular targeted training, both internally and externally, has facilitated the development of a successful scrutiny function. During 2011/12 an extensive three-module programme of scrutiny training was offered to all Members through the University of Birmingham, and held jointly with Members of Forest Heath District Council. In January 2013 a further session was held which focused on questioning and listening skills.

Meetings

Meetings of both scrutiny committees are held in public (except when exempt or confidential material is being discussed), and in order to prevent whole meetings being taken up by a single topic, "Task and Finish" groups are often set up to carry out major reviews and report back to the main committee with their recommendations.

Engaging the Public and Stakeholders

The scrutiny committees work hard to develop and improve the scrutiny process at St Edmundsbury, and continually aim to increase the involvement of stakeholders and public engagement. To this end committees often gather evidence with the involvement of external witnesses, and over the past year, in addition to extensive targeted consultations carried out as part of reviews, the committees have formally invited several people to attend meetings and assist in investigations, including:

- Members from Forest Heath District Council
- Representatives from the Audit Commission and Ernst & Young
- The Chief Executive and Chairman of the Theatre Royal, Bury St Edmunds
- A representative of the Theatre Support Group
- Representatives from Arts Council England
- Suffolk County Council's Arts Development Manager
- A representative of Bonnar Keenlyside Consultants
- The Secretary to the West Suffolk Partnership
- Head of Technology, West Suffolk College.

Organisations and individuals contacted as part of major reviews included:

- Members of the public
- Bid4Bury
- The Bury Society
- Bury St Edmunds Chamber of Commerce
- Federation of Small Businesses
- Bury St Edmunds Town Council
- Haverhill Town Council
- Representatives of businesses located in Bury St Edmunds and Haverhill
- Representatives of the market traders in Bury St Edmunds.

If you would like to assist the committees in any future work or reviews, you should obtain a copy of the Council's Abridged Scrutiny Guide from the Council's website, or by calling 01284 757613.

Review of Past Year – Overview and Scrutiny Committee

 <p>Councillor David Nettleton Committee Chairman</p>	<p>Committee Members Cllr Terry Buckle Cllr Ms Maureen Byrne Cllr Phillip French Cllr Paul Hopfensperger Cllr Mrs Helen Levack Cllr Tim Marks Cllr Stefan Oliver Cllr Mrs Marion Rushbrook Cllr Mrs Angela Rushen Cllr Clive Springett Cllr Mrs Sarah Stamp Cllr Jim Thorndyke Cllr Frank Warby Cllr Mrs Patsy Warby</p> <p>Substitute Members Cllr Trevor Beckwith Cllr Patrick Chung Cllr Bob Cockle Cllr Jeremy Farthing Cllr Paul Simner Cllr Adam Whittaker Cllr Mrs Dorothy Whittaker</p>	 <p>Councillor Ian Houlder Committee Vice Chairman</p>
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This section describes some of the key scrutiny topics covered during the year (May 2012 to April 2013), and their associated outcomes. A list of all the scrutiny committee topics covered during the past year is summarised in Annex A.

Scrutiny Reviews completed during 2012/13

Reviews carried out in Task and Finish Groups

1. The variable quality of paving in Bury St Edmunds Town Centre

This review was agreed by the Committee at its November 2011 meeting following a request from a Councillor for “an investigation into the variable quality of paving in Bury St Edmunds Town Centre; to identify how this situation came about, and to ensure that in future the specification of paving in Bury St Edmunds Town Centre is appropriate for the expected use of any particular area of paving; and to look at the possibility of repairing/replacing any damaged paving”.

The recommendations of the Task and Finish Group were formulated at a meeting and site visit held on 21 February 2012. Its report to Committee, however, also included a list of areas of poor areas of paving across the Borough, which the Overview and Scrutiny Committee had asked the Task and Finish Group to put together to accompany its recommendations.

A comprehensive report to the Committee set out the background to the review, and the lines of enquiry followed by Members during their site visit and meeting with the

County Council's Area Highway Manager (West) in February 2012. Taking all the information gathered into account, the Task and Finish Group had accepted that unless the paving in the areas concerned deteriorated to an extent whereby it was more economic to repair the entire stretch of paving than to continue with running repairs, wholesale replacement of the slabs was unlikely. Members further accepted that the County Council budget covered the whole of the County, and that the area of paving of concern in the centre of Bury St Edmunds was not necessarily a high priority compared to other areas of footway. The review's recommendations were therefore aspirational in nature.

The Committee agreed to send the Task and Finish Group's recommendations to the County Council and the Cabinet. Recommendations to the County Council concerned the quality of paving and prioritisation of the development of historic town centres, as well as a list of areas of poor paving across the Borough which it requested be taken into consideration when prioritising areas of paving for repair.

Recommendations to the Cabinet were that contributions towards maintaining and developing Bury St Edmunds Town Centre be added to the list of desirable contributions through Community Infrastructure Levy for new developments; and that the Town Centre Masterplan element of the Council's Vision 2031 document include an aspiration to invest in a high quality, low maintenance public realm, and these were approved.

2. Review of car parking charges throughout the Borough

This review was commissioned by full Council, prompted by the presentation of a petition by the Chief Executive of Bid4Bury regarding the "across the board" increase in car parking charges proposed from April 2012, and that a far more sophisticated, creative approach to gain the additional income by the Borough Council was required. It commenced in April 2012, with the following terms of reference:

1. A clear way forward in the context of the Council's budget, and local government finance in general;
2. Moving forward – guidance for future years' car parking charges; and
3. Evidence to support a car parking charges regime for the period of the Medium Term Financial Strategy, backed by consultation.

Evidence was gathered from a number of external parties, including Bid4Bury, the Chamber of Commerce, Bury Society, and various large and small businesses from both Bury St Edmunds and Haverhill. Additionally, market research was carried out in the Council's car parks to obtain the public's views on car parks across the Borough, and in particular to get a view on usage, the current tariffs and on how the Council should set future years' charges.

Following analysis of the consultation results, plus other evidence gathered internally such as car park usage figures, the Task and Finish Group brought a series of 17 recommendations to the Committee at a special meeting on 7 November 2012. The recommendations covered a wide range of issues relating to car parking, including introducing more low emissions car parking spaces, introducing permits at two of the Council's parks, and undertaking a feasibility study into pay-on-exit parking. There were also proposals for future levels of charges in each of the Council's car parks, some of which were proposed to rise, some to reduce and some to remain the same, with each proposal being backed by evidence.

The Cabinet thanked the Committee for the detailed work that had gone into this review, and approved 11 of the 17 recommendations made. Three were given minor amendment, and three were rejected.

These amended recommendations were then included in the 2013/14 Budget report to full Council in February 2013, where they were approved.

3. The Co-ordination of Licensing, Planning and Enforcement functions relating to street vending (the A-Boards review)

The Committee set up a Task and Finish Group in 2012 to look at the issue of advertising boards on the highway (A-Boards). The Task and Finish Group looked at the issue in detail in order to try to strike a balance between the concerns of residents that the proliferation of A-Boards was detracting from the amenity of the area, and the needs of businesses to advertise their goods. A consultation exercise was also undertaken on the Committee's proposal, following an update at its September 2012 meeting, to implement a permitting scheme for A-Boards, which was published online and advertised in the Council's publication Community Spirit.

The outcome of the consultation was broadly supportive of the Committee's proposal, and the Committee was therefore confident that the proposal to implement a permitting scheme for A-Boards (and planters) should be incorporated into a revised and updated Street Vending Policy, and made a recommendation along those lines to the Cabinet.

The recommendation was approved by Cabinet, and the details of the proposed permitting scheme were included in the revised draft Street Vending Policy which at the time of writing this report is the subject of further consultation.

4. The impact on customers and stakeholders of the Council joining the Anglia Revenues Partnership

This scrutiny review was conducted with the following Terms of Reference: 'The review should assess the extent to which the first year of the Council's membership of the Anglia Revenues Partnership has delivered against the financial and operational aims of the business case that was developed, and supported the decision of St Edmundsbury Borough Council to join the partnership, and in doing so assess the impact on stakeholders of that decision'.

The Committee considered the key findings of the review, which were that:

- (i) financial savings had been realised and exceeded in year one;
- (ii) service performance was generally running to planned targets;
- (iii) there was scope for an improvement in written communications from ARP to its customers; and
- (iv) staff morale could be improved.

The eight recommendations of the Committee, covering areas including future shared service arrangements, monitoring opportunities for further savings, writing letters in "Plain English" and undertaking annual customer satisfaction surveys, were made as a result of the analysis of a number of pieces of evidence including financial reports; operational performance reports; results of a customer survey; and staff survey findings.

The recommendations were approved by the Cabinet, and will be presented to the Anglia Revenues Partnership Board for further consideration.

5. Litter collection and litter bin distribution in the Borough

This Task and Finish Group was set up by the Committee to look into littering and the provision of dog and litter bins within the Borough, and its work was conducted in parallel with the wider Street Cleansing Review, which had been carried out in partnership with Forest Heath District Council, who were also investigating their arrangements for dog and litter bins.

In addition to the on-going work relating to the cleansing review, the Task and Finish Group considered four work streams:

- (1) How frequently bins were emptied;
- (2) Were bins situated in the right location;
- (3) Were they the right size and type; and
- (4) How could the amount of litter dropped be reduced.

The final report from the Task and Finish Group was considered by the Committee in April 2013, where updates were received on areas including Town and Parish Council consultation; statutory duties; the current status of the litter and dog bin review; improvements; savings from the review; and plans for the continued review of the cleansing service.

Members of the Task and Finish Group were happy to close the project on the understanding that all tasks were either completed or were due to be completed and improvements had been made. Arising from the review, the Committee suggested that more Councillors should become involved in organising litter picks in their wards, for which the Council could provide all the necessary equipment and collect the litter following an organised event.

The Committee formally thanked the Cleansing Team for their work in keeping the Borough clean, and noted that the project had been delivered within existing budgets, in conjunction with the wider cleansing review, achieving significant savings. It also noted the future work plan for consultation with Parish and Town Councils.

6. Review of the use and management of Article 4 Directions in Bury St Edmunds

The Committee set up this Task and Finish Group to examine improving the effectiveness and management of Article 4 Directions within Bury St Edmunds. As part of this work, officers identified several parts of the two Bury St Edmunds conservation area boundaries in need of updating, and the Task and Finish Group proposed a number of recommendations about how to proceed with amending the Article 4 Directions.

One of the key issues relating to the Article 4 Directions is the loss of front boundary walls to provide parking in front gardens. This has been a particular problem in the area of Springfield Road and Grove Road, where there is no residents parking scheme in place. A recent consultation has confirmed support for a scheme and it is anticipated that it will be introduced in October 2013.

In tandem with the introduction of residents parking, the possibility of establishing a grant scheme to offer grants towards the repair and reinstatement of traditional

features, including boundary walls and railings, is being investigated. West Suffolk College has confirmed its interest in working in partnership on a scheme, involving the construction students to carry out the work.

The precise details of the grant scheme are being developed. In the first year it is proposed to limit the scope of the scheme to the reinstatement of boundaries in Springfield Road, where there is the immediate opportunity for this work to be undertaken following the introduction of the new residents parking scheme.

Whilst carrying out surveys of the coverage of the existing Article 4 Directions, it was noted that amendments to the two conservation area boundaries were required, and this work was completed in September 2012 following recommendations from the Task and Finish Group and Overview and Scrutiny Committee through the Bury St Edmunds Area Working Party.

The Committee acknowledged the work carried out by officers and the Task and Finish Group and recommended to the Bury St Edmunds Area working Party that:

- (1) consultation be carried out with a view to making an Article 4 Direction covering the entire area of the two Bury St Edmunds Conservation Areas;
- (2) consultation be carried out with a view to removing the permitted development rights in the two Bury St Edmunds Conservation Areas relating to microgeneration equipment; and
- (3) the possibility of establishing a grant scheme to offer grants towards the repair and reinstatement of traditional features, including boundary walls and railings, in the Bury St Edmunds Conservation areas, be investigated.

7. Loans to external organisations

A Task and Finish Group was set up by the Committee on 6 March 2013, to formulate a policy to be used for assessing future loan requests from external organisations. The Task and Finish Group discussed in detail the pros and cons of providing loans to external organisations, the risks involved, how agreements were written and whether the Council should be providing loans to external organisations. It also discussed the issue of cuts in Government funding and whether the Council could afford to lend money.

The Group considered a draft loans policy which was put to the Overview and Scrutiny Committee at its April 2013 meeting. The draft policy included a model for assessing any future loan applications along the lines of the criteria and matrix used by the Grant Working Party for assessing grant applications. In considering procedures for the future scrutiny and approval of loan requests it was considered that all loan requests, including top-up loans, should be considered by the Performance and Audit Scrutiny Committee prior to approval by Cabinet and full Council.

The resulting draft Policy for Granting Loans to External Organisations set out how future loan requests could be assessed including: introduction; considering a loan request; loan agreement and approval process. However, it was suggested that, given the significance of the proposed new policy, the Council should obtain some external validation prior to its approval, particularly on: state aid implications; regulation implications, i.e. financial services; and treasury management implications.

The Overview and Scrutiny Committee resolved that the draft Policy for Granting Loans to External Organisations, as proposed by the Task and Finish Group, be subject to external validation, following which it be amended if necessary and presented to Cabinet for adoption.

Single-meeting reviews

Two Year Review of The Apex

The Apex opened in October 2010. Prior to 2009, the Council had intended the new venue as a hall for hire, but it was decided at that time, given its potential, to invest in the building operationally as a programmed arts venue. It was recognised that this decision should be reviewed by Cabinet after two years of operation. The March 2009 Business Plan for the Apex also contained a commitment to look at alternative governance models for the project after two years. In July 2012 Cabinet also agreed to proceed to the development of a business case for a wider arts trust (or "Single Operation") to run both the Theatre Royal and the Apex. Given the interest in the review, it was agreed that the Overview and Scrutiny Committee would not only carry out its own two year review of the Apex, but also advise Cabinet on the merits of the indicative business case for the Single Operation, and of any existing plans to achieve savings through a retained in-house operation.

Following the Committee's review of the Apex's performance in its first two years, alongside existing in-house plans for the Apex, these plans for the Apex were recommended for adoption and incorporation, as appropriate, into the budget setting process for 2013/14. Turning to the business case for the proposed Single Operation with the Theatre Royal, although the Committee did not feel the Council was yet in a position to support any specific proposals, there was a consensus that the work with the Theatre Royal to develop the collaboration between the two venues should continue. Accordingly, it was recommended that all opportunities for collaboration with the Theatre Royal, Bury St Edmunds, continue to be explored.

Finally, in relation to both the indicative business plan for a Single Operation, and the general principle of sharing any services with the Theatre, the Committee identified a number of issues which would need to be taken into account in any subsequent decision making by the Council, and which the Cabinet was asked to note.

Community Leadership

The Committee received its annual report on the work of the **West Suffolk Partnership** (WSP). The aim of the WSP is to allow a wide range of organisations, from the public, private, voluntary, charitable and not-for-profit sectors, to work together to ensure that West Suffolk takes full advantage of changes in national policy and market conditions. The Committee discussed the projects being run by the Partnership, and developments since its establishment and the disbanding of the West Suffolk Local Strategy Partnership. The Secretary to the Partnership updated the Committee on plans for the future.

Call-ins and Councillor Calls for Action

This year no CCfAs were submitted, and there were also no call-ins. The Committee attributes the lack of CCfAs to its new process whereby any Member of the Council is able to bring an item to the attention of the Overview and Scrutiny Committee for

consideration. A lack of call-ins can be seen as evidence that the decision making process is working as it should.

Policy Development and Review

The Committee had input into the preparation of a **Joint Safeguarding Children and Young People Policy and Guidance** for West Suffolk. The joint policy enables Forest Heath and St Edmundsbury to fulfil their statutory obligations under the Children Act 2004 by establishing effective arrangements to safeguard and promote the welfare of children and young people.

The **St Edmundsbury Tenancy Strategy** was developed and approved through the Committee in June 2012. In October 2012 the Committee carried out a six-month review of the Strategy's impact. Key issues included the slowdown in the delivery of affordable homes and turnover of affordable housing, the continued increase in the demand for homes, the number of single households on the register and the need for more one bedroom properties.

Diversity

For several years the Overview and Scrutiny Committee had responsibility for overseeing the work of the Diversity Group, which existed to progress the Council's diversity and equality agenda. However, as the Cabinet was proposing to set up a Joint Diversity Working Party with Forest Heath District Council to take forward diversity issues jointly, the Committee disbanded its Diversity Group from April 2013.

Follow-up Work and Post Implementation Review

Joint Scrutiny

A Member of the Committee, Councillor Beckwith, was appointed to the **Suffolk Health Overview and Scrutiny Committee**, which is responsible for the scrutiny of health provision across the County. Nominations to other joint county scrutiny committees are now made by Annual Council alongside other outside bodies.

Cabinet Liaison

At its June 2012 meeting, the Committee discussed the **Cabinet's Annual Report** with the Leader of the Council. Unlike previous years, the Annual Report did not set out the Cabinet's plans for the next year, as these will now be covered by the new Corporate Plan, which was considered by the Committee in February 2012. The Annual report did, however, set out the Cabinet's Portfolio Holders and their respective responsibilities for 2012/13.



The Committee also discussed the **Cabinet's Forward Plan** at each meeting, and requested further information or involvement as necessary.

One such request was that the Committee have the opportunity to scrutinise the Business Case for the creation of a new arts trust between the **Apex and the Theatre Royal**, Bury St Edmunds. This was considered at the Committee's December 2012 meeting, to which all Members of the Council were invited. Details of this scrutiny hearing are set out above under "single meeting reviews".

Other

From June 2010 the Committee was given responsibility for scrutinising the Authority's use of its **surveillance powers** under the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010, and received quarterly reports on the use of these powers.

Review of Past Year – Performance and Audit Scrutiny Committee

 <p>Councillor John Hale Committee Chairman</p>	<p>Committee Members Cllr Sarah Broughton Cllr Gordon Cox Cllr Paul Farmer Cllr Mrs Diane Hind Cllr Mrs Rebecca Hopfensperger Cllr Derek Redhead Cllr Mrs Karen Richardson Cllr Paul Simner</p> <p>Substitute Members Cllr Bob Cockle Cllr Jeremy Farthing Cllr David Nettleton Cllr Alaric Pugh Cllr Adam Whittaker</p>	 <p>Councillor Christopher Spicer Committee Vice Chairman</p>
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This section describes some of the key scrutiny topics covered during the year (May 2012 to April 2013) by the Performance and Audit Scrutiny Committee, and their associated outcomes. A list of all the topics covered by the Committee during the past year is summarised in Annex B.

Scrutiny of Budget Savings

The Performance and Audit Scrutiny Committee plays an integral role in delivering a sustainable budget for the Council. There were again significant levels of savings to be achieved, and the Committee scrutinised all proposals for growth and savings in the 2013/14 budget before making recommendations to Cabinet.

This work commenced at the meeting in September 2012 with a report setting out the context of the 2013/14 budget, including details of savings targets for 2013/14 and future years. The key strategy to deliver savings over the next two years is the shared services initiative with Forest Heath District Council, together with a range of other local savings initiatives.

The Committee scrutinised a number of proposals for savings both through shared services and local savings, all of which were incorporated into the Budget and Council Tax Setting report considered by Cabinet on 13 February 2013.

Performance Management

The Committee continued to monitor the Council's **Key Performance Indicators**, based on some of the previous National Indicators plus additional local indicators identified by the Committee. Additionally, at its July 2012 meeting the Committee received a report outlining the performance of **The Apex** following two years of operation.

The Committee received a **Biannual Corporate Complaints and Compliments Digest**, which enabled it to monitor the Council's effectiveness at responding to complaints and learning from any mistakes which may have been made. Throughout

the year the level of corporate complaints was significantly outweighed by the number of compliments received. The Committee was also pleased to note that none of the complaints referred to the Ombudsman had resulted in a finding of maladministration.

Audit Responsibilities

The Committee scrutinised the work of the **Internal Audit Team** towards achieving the 2012/13 audit plan, with updates during the year at which the results of completed audits were discussed. At its meeting in April 2013 the Committee approved an outline **Audit Plan for 2013/2014**.

The Accounts and Audit (England) Regulations 2011 require a **review of the effectiveness of internal audit** once a year. The review forms part of the review of the overall system of internal control required for the **Annual Governance Statement**. The Committee noted the report's conclusion, that internal audit was operating effectively and could be relied upon as a key source of evidence in the Annual Governance Statement. Under the same report, the contents of the Annual Internal Audit Report for 2012/13 and the Managing the Risk of Fraud, Theft and Corruption Report were noted.

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. The Committee confirmed that the internal control assessment and proposed additional areas for improvement (Assurance Framework and related Action Plan) were adequate, and recommended the draft AGS for approval by full Council prior to accompanying the Council's financial statements.

Various reports from the **Audit Commission, later Ernst & Young**, were considered over the year. In September 2012 the Commission presented the **ISA 260 Annual Governance Report** to the Committee, which set out the key messages arising from the audit of the Council's financial statements, and included an assessment of the Council's arrangements for securing value for money in its use of resources. In April 2012 the **External Audit Plan – 2012/13** was received from Ernst & Young which covered the work they planned to perform in order to provide the Council with an audit opinion on the Council's financial statements, and a statutory conclusion on its arrangements to secure economy, efficiency and effectiveness. At the same meeting the **Annual Certification Report 2011/12** was considered, which summarised the results of the certification work which had been undertaken as part of the annual audit of grant claims to government departments.

The annual report on the **Capital Programme Audited Accounts** notified the Committee of variations in cost between tenders and completed schemes. The report included key projects (over £25K) undertaken by Property Services for which the accounts had been audited during the financial years 2011/12 (April to September) and 2012/13. Four schemes were reported, showing an overall underspend of 3.66% (£419,294 below budget).

The Committee noted that new United Kingdom Public Sector Internal Audit Standards required the Internal Audit Manager to formally define the purpose, authority and responsibility of Internal Audit in an **Internal Audit Charter**. The existing Internal Audit Charter had been reviewed, resulting in a number of changes to ensure it had taken full account of the new Standards. The new Standards also required the Internal Audit Charter to be approved by the Council's Committee with

responsibility for Audit, and as a joint West Suffolk Charter, it had been approved with no amendments by Forest Heath District Council's Performance and Audit Committee. Members approved the revised West Suffolk Internal Audit Charter.

Budget and Risk Management

The Committee received quarterly **Corporate Risk Register** monitoring reports and focussed its attention on those risks showing higher residual risks (the risk levels remaining after certain actions had been put in place to reduce them). Various changes were made to the Register across the year. Whilst a shared risk register has not yet been compiled with Forest Heath District Council, the two councils' registers have considerable similarity, and a single register will be considered during the course of 2013/14.

Budget Monitoring reports were also brought to the Committee quarterly, in order for it to flag up any areas of concern to the Cabinet.

The Committee received a **budget outturn and financial highlights** report at its first meeting following the 30 June deadline for production of the draft accounts for audit. 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.

The Committee scrutinised the Council's 2011/12 **Annual Accounts** before their adoption by full Council at its meeting in September 2012. At the same meeting it scrutinised the Audit Commission's draft 2011/12 ISA 260 Annual Governance Report to those charged with governance and recommended delegating the sign-off of this report, including approval of the Council's letter of representation, to the Chairman or the Vice Chairman of the Committee.

The Committee is responsible for monitoring the Council's procurement activities, and considered the **Annual Procurement Report 2012/13**, which outlined progress achieved during the year. Procurement savings of £534,000 were reported to the Committee, as well as other achievements, including implementation of electronic tendering. Officers will be building on these successes during 2013/14 by sharing best practice and aligning processes, strategies and procedures with Forest Heath District Council.

The **Treasury Management Sub-Committee** of three Members, who fulfil the enhanced monitoring and scrutiny requirements of treasury management, held 3 meetings, at which scrutiny of the treasury management strategy, investment activity and performance and monitoring reports took place. Officers continue to find this specialised scrutiny of the Council's treasury management activity extremely useful, and value being able to obtain Members' views on this important area of work.

Policy Development

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's **Whistleblowing Policy** was reviewed 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.

The Committee considered a review of the **Anti-Money Laundering Policy** to ensure it continued to reflect best practice, legislation and shared services arrangements. Potentially any Councillor or member of staff could be subject to money laundering provisions if they suspect money laundering, and either become involved with it in some way and/or do nothing about it. The revised joint policy set out how any concerns should be raised.

The **National Fraud Initiative** (NFI) is a data matching exercise which involves the comparison of information held by and between around 1,300 organisations, with the objective of detecting and preventing fraud and error. The Committee recommended approval of a strategy which aimed to define the key roles and responsibilities of all stakeholders involved with the NFI exercise to ensure that fair processing and compliance was maintained, mandatory data sets were correctly provided and investigations were undertaken as necessary, based on the associated risks.

Annex A – The work of the Overview and Scrutiny Committee in 2012/13

Meeting	Topics covered
6 June 2012	<ul style="list-style-type: none"> • Discussion with the Leader on the Cabinet Annual Report 2011/12 • Monitoring the West Suffolk Community Safety Partnership • Appointment of Members to the Suffolk Health Overview and Scrutiny Committee; Cambridgeshire County Council's review of the Greater Cambridge Greater Peterborough Local Enterprise Partnership; and all Task and Finish Groups • Update from the Car Parking Charges Task and Finish Group
11 July 2012	<ul style="list-style-type: none"> • Presentation from Forest Heath District Council on their Review of Educational Attainment • Verbal update from the Chairman on the Car Parking Charges Task and Finish Group • Interim report of the Task and Finish Group: the co-ordination of Licensing, Planning and Enforcement functions relating to street vending • Interim report of the Task and Finish Group: Article 4 Directions/ Conservation Areas • Final report of the Task and Finish Group: the variable quality of paving in Bury St Edmunds Town Centre
5 September 2012	<ul style="list-style-type: none"> • Interim report of the Task and Finish Group: review of car parking charges throughout the Borough • Consideration of Suggestion for Scrutiny Form – Review of Educational Attainment
24 October 2012	<ul style="list-style-type: none"> • St Edmundsbury Tenancy Strategy Monitoring Report • Safeguarding Children and Young People Strategy and Guidance – Joint "West Suffolk" Policy • Final report of the Task and Finish Group: Review of car parking charges throughout the Borough
5 December 2012	<ul style="list-style-type: none"> • Single item meeting - Two Year Review of the Apex
16 January 2013	<ul style="list-style-type: none"> • Final report of the Task and Finish Group: The co-ordination of Licensing, Planning and Enforcement functions relating to Street Vending (the A Boards review) • Final report of the Task and Finish Group: The impact on customers and stakeholders of the Council joining the Anglia Revenues Partnership.
6 March 2013	<ul style="list-style-type: none"> • Annual report on the impact of the West Suffolk Partnership • Report on loans to organisations made by the Borough Council
24 April 2013	<ul style="list-style-type: none"> • Final report of the Task and Finish Group: Review of the use and Management of Article 4 Directions in Bury St Edmunds • Final report of the Task and Finish Group: Litter Collection/Litter and Dog Bin Distribution in the Borough • Report of the Loans to Organisations Task and Finish Group

Annex B – The work of the Performance and Audit Scrutiny Committee in 2012/13

Meeting	Topics covered
30 July 2012	<ul style="list-style-type: none"> • Annual Governance Statement • Budget outturn and financial highlights report: 2011/12 • Quarterly budget monitoring report – 1 April to 30 June 2012 • Key Performance Indicators – First Quarter 2012/13 • The Apex – Report of the Venues Director • Annual Treasury Management Report 2011/12 and Investment Activity 1 April - 30 June 2012 • Corporate Risk Register – Quarterly Monitoring Report • Whistleblowing Policy
25 September 2012	<ul style="list-style-type: none"> • Audit Commission presentation of 2012/13 ISA 260 Annual Governance Report to those charged with governance • Consideration of Annual Accounts • Delivering a Sustainable Budget 2013/14
12 November 2012	<ul style="list-style-type: none"> • Internal Audit – Mid Year progress report • Joint Anti-Money Laundering Policy • Joint National Fraud Initiative Strategy • Quarterly Budget Monitoring Report (April to September 2012) • Key Performance Indicators – Second Quarter 2012/13 • Biannual Corporate Complaints and Compliments Digest (April to September 2012) • Treasury Management Mid Year Report 2012/13 – treasury management activities and performance (April to September 2012)
28 January 2013	<ul style="list-style-type: none"> • Third quarter internal audit update report • Key Performance Indicators – Third Quarter 2012/13 • Quarterly budget monitoring report (April to December 2012) • Delivering a Sustainable Budget 2013/14 • Annual Treasury Management and Investment Strategy 2013/14 and April - December 2012 performance report
29 April 2013	<ul style="list-style-type: none"> • Internal Audit Annual Report 2012/13 and Outline Internal Audit Plan 2013/14 • West Suffolk Internal Audit Charter • Ernst & Young – External Audit Plan 2012/13 • Ernst & Young - Annual Certification Report 2011/12 • Key Performance Indicators – Fourth Quarter 2012/13 • Biannual Corporate Complaints and Compliments Digest (October 2012 to March 2013) • Corporate Risk Register – Quarterly Monitoring Report • Capital Programme Audited Accounts • Annual Procurement Report 2012/13

2013/14 Work Programmes

The Overview and Scrutiny Committee carries out much of its work in “Task and Finish” groups, which carry out investigations and reviews and report back to the main Committee. This enables a greater number of Councillors to engage in scrutiny, as well as ensuring a Councillor lead on, often, controversial issues, right from the beginning of their review. The Performance and Audit Scrutiny Committee works differently in that the bulk of its work is set around its quarterly budget and performance monitoring responsibilities.

A joint budget of £5,000 will be available to the Committees to assist them in their work, which can be used, for example, in engaging specialist assistance, obtaining evidence, carrying out site visits, and paying for meeting accommodation, training and development. This budget provides an opportunity for the Committees to build upon their successes to date and to develop innovative approaches to scrutiny in St Edmundsbury, and constructive relationships with the Cabinet and the Council's partners.

Overview and Scrutiny Committee

As set out above, the Overview and Scrutiny Committee now has a rolling work programme, set a few meetings ahead, to enable it to be more reactive to changing priorities. There are, however, certain pieces of work which take place on an annual basis, and these can be programmed further ahead in the work programme.

In addition to any call-ins or Councillor Calls for Action which may arise, and additions to the rolling work programme at each meeting, the Overview and Scrutiny Committee will consider the following issues during the coming months. Annual work is also included.

Indicative timescale	Review	Anticipated outcomes
June 2013	Annual Report of the Cabinet 2012/13	To provide an input into this important document, as required by the Constitution.
June 2013	Monitoring the Community Safety Partnership	The Committee reviews the progress of the Strategy and the work of the partnership on an annual basis.
June 2013	The new social housing reforms – review of Tenancy Strategy	Concerning the introduction of new affordable rents and flexible tenancies for social housing, and the development of a Tenancy Strategy. The Strategy was approved in 2012, and a six month review of its effectiveness was carried out by the Committee in October 2012. A further review will take place at this meeting.
July 2013		
September 2013	2014/15 Car Park Charges Proposals	Following the car parking charges review, it was agreed that the Committee receive a report each September outlining any recommendations from officers for the changing of tariffs.

Indicative timescale	Review	Anticipated outcomes
October 2013	Corporate Plan	To provide an input into this important document which sets out progress against the Council's Corporate Priorities and commitments, and details the Cabinet's plans for 2013-2014.
December 2013		
January 2014		
March 2014	Annual Report on the impact of the West Suffolk Partnership	The Committee was previously responsible for monitoring the development of the West Suffolk Local Strategic Partnership. Following the disbanding of that Partnership, the West Suffolk Partnership will report to the Committee on its progress over the previous year.
April 2014		

Performance and Audit Scrutiny Committee

The Performance and Audit Scrutiny Committee will have the following responsibilities and will consider quarterly monitoring reports along these lines, as well as scrutinising the Council's annual accounts, and making recommendations on delivering a sustainable budget for 2014/15.

- Performance Management
- Budget Monitoring and Budget Development
- Internal and external audit
- Strategic Risk Management
- Capital programme monitoring and review
- Procurement

Looking Forward

With the shared services programme gaining pace between St Edmundsbury and its neighbour, Forest Heath District Council, the Overview and Scrutiny Committee will aim to work closer with the scrutiny process at Forest Heath, and to look at areas where joint scrutiny could take place to avoid duplication and make the most of resources.

For more information about how scrutiny works at St Edmundsbury Borough Council, please contact the Scrutiny Manager on 01284 757613.