

**ST EDMUNDSBURY BOROUGH COUNCIL**

**PERFORMANCE AND AUDIT SCRUTINY COMMITTEE**

**Minutes of a meeting held on Wednesday 31 July 2013 at 4.30 pm  
in Conference Room West, West Suffolk House, Western Way,  
Bury St Edmunds**

PRESENT: Councillor C J E Spicer (Vice-Chairman)  
Councillors Mrs Broughton, Cockle, Cox, Farmer, Mrs  
Hopfensperger, Redhead and Mrs Richardson

BY INVITATION: Councillor Ray, Portfolio Holder for Performance and  
Resources, and Councillor Nettleton.

**1. Remembrance**

The Committee observed a one minute silence in remembrance of the late Councillor John Hale, a former Member of the Borough Council and Chairman of the Performance and Audit Scrutiny Committee.

**2. Apologies for Absence**

Apologies for absence were received from Councillor Simner.

**3. Substitutions**

No substitutions were declared.

**4. Minutes**

The minutes of the meeting held on 29 April 2013 were confirmed as a correct record and signed by the Chairman subject to the following amendment:

That Councillor Mrs Broughton's apologies for absence be recorded under minute 112.

**5. Declarations of Interest**

Members' declarations of interest are recorded under the item to which the declaration relates.

**6. Presentation by Councillor Ray, Portfolio Holder for  
Performance and Resources (Verbal)**

The Vice-Chairman welcomed Councillor D Ray, Portfolio Holder for Performance and Resources, who had been invited to the meeting to discuss his portfolio and performance issues.

Councillor Ray's presentation provided an overview of his Portfolio which identified the following broad areas of activity in relation to performance and audit:

- (1) Performance - (Revised Key Performance Indicators and targets; commonality with Forest Heath and St Edmundsbury and a West Suffolk approach where appropriate).

(2) Making ends meet:

- i) Balancing the budget; pressures around reduced Government grants, inflation and minimum increases in council tax.
- ii) Anglia Revenues and Benefits Partnership - Strategic review implementation; governance; expansion.
- iii) Medium Term Financial Strategy; Treasury Management Review; Parish/Town Council funding and Shared Services with regards to customer access.
- iv) National Non Domestic Rates (NNDR) – pooling; economic development

(3) Others – (new joint strategies FHDC/SEBC; risk management; capital; procurement; new SEBC loans policy; ICT strategic review

The Committee discussed the presentation in detail and asked a number of questions. In particular discussions were held on shared services savings, business rates, on-line customer access and the expansion of the Anglia Revenues and Benefits Partnership to which the Portfolio Holder and officers provided comprehensive responses.

On behalf of the Committee, the Vice-Chairman thanked Councillor Ray for his presentation and there being no decision required, the Committee **noted** the contents of the presentation.

**7. Key Performance Indicators and Quarter 1 Performance Report 2013-2014**

The Committee received Report E62 (previously circulated) which set out the Key Performance Indicators (KPIs) used to measure the Council's performance for 2013-2014 and included an overview of performance against those indicators for the first quarter of 2013-2014. The list of KPIs for 2013-2014 had been developed and agreed in discussion between Heads of Service and Portfolio Holders with a view to:

- 1) Reflecting the priorities/actions under the current Corporate Plan and to consider requirements under a new Corporate Plan.
- 2) Aligning performance measurement across Forest Heath and St Edmundsbury.
- 3) Identifying a set of West Suffolk KPIs where relevant.

The KPIs for 2013-2014 included indicators which were only measured annually and consequently performance against these measures did not appear in the performance report for Quarter one, attached as Appendix A to this report.

Appendix A included performance against Quarter one 2013-2014 for St Edmundsbury together with a combined performance for West Suffolk, where relevant. A colour coded "traffic light" system was used to indicate levels of performance against agreed targets: Green for on or exceeding target; Amber for below target within tolerance and Red for significantly below target. Where performance was below target the data was supported by notes and explanations from service areas.

The current quarter one performance summary for St Edmundsbury showed that of a total of 37 indicators, 17 were green, 6 were amber, 5 were red and 9 were data only indicators.

For West Suffolk, the current quarter one performance summary showed that of a total of 35 indicators, 14 were green, 6 were amber, 5 were red and 10 were data only indicators.

The Committee discussed a number of the indicators, with particular emphasis on those showing red under the traffic light system for St Edmundsbury, and asked questions on a number of areas, to which officers duly responded. In particular, discussions were held on the:

- (1) Housing indicators - The "number of households where homelessness prevented". Members were advised of the difficulties in housing people due to housing need and tenants looking to downsize to smaller properties which put pressure on the availability of this type of dwelling. Dealing with the increasing number of homelessness cases was an area of concern for the Council. This was being addressed by improving the way in which cases were processed and better utilisation of resources to prevent homelessness.
- (2) Planning indicators - The speed of determination of planning applications. The Head of Planning and Regulatory Services advised Members of a number of factors which had impacted on the planning indicators. The planning service was currently going through a period of unprecedented change, nationally and locally. As part of the shared services restructuring, the service had gone through a detailed Business Process Re-engineering (BPR) project from start to finish in respect of planning applications and building control processes and actions from this should help to improve how all categories of applications were processed in the future. It was likely to take several quarters for these changes to be properly reflected in the performance indicators. The officers agreed to supply Councillor Cox with a copy of the exempt report from the BPR review for his information.

There being no decision required, the Committee **noted** the contents of the report.

*(Councillor Cox left the meeting during the consideration of this item).*

## **8. Budget Outturn and Financial Highlights Report: (2012-2013)**

The Committee received Report E63 (previously circulated), which provided Members with an overview of the Council's budget outturn and financial highlights for the 2012-2013 financial year.

The Accounts and Audit Regulations 2011 required the Council to submit draft accounts to its external auditors (currently Ernst and Young) by 30 June each year, with Member scrutiny and approval of the accounts required once the audit had been concluded (normally by 30 September each year). The audited financial statements would be presented to the Committee at its meeting on 26 September 2013, for scrutiny prior to approval in accordance with the powers delegated to it under the Council's Constitution.

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, details of how services were paid for, capital income, expenditure as well as reserves and treasury management.

A number of areas of the report were discussed and officers duly responded.

A question to which a response could not be provided at the meeting was promised a written response relating to "market tolls underachieved".

There being no decision required, the Committee **noted** the contents of the report.

*(Councillor Cockle left the meeting during the consideration of this item).*

## **9. Budget Monitoring Report (1 April 2013 - 30 June 2013)**

The Committee received Report E64 (previously circulated) which was the budget monitoring report for the period ended 30 June 2013.

The quarterly budget monitoring report informed Members of the Council's financial position for the first quarter of 2013 and highlighted significant variances. The latest overall position on the General Fund showed a current underspend of £123,000. A summary of the major variances over £50,000 was provided in the report together with information on capital receipts received in the period to 30 June 2013.

The Resources and Performance Team would continue to work with Budget Holders to monitor capital spend and projects progressing closely for the remainder of the financial year and an updated position would be reported to the Committee in November 2013.

Significant variances included the unbudgeted purchase of hardware including servers of £71,000 for ICT and E Services, which would be funded from earmarked reserves; and a refuse operational cost underspend of £60,000 was due partly to favourable fuel prices, which would be monitored through out the year.

In terms of the capital programme, a review had taken place as part of the budget and council tax setting process. This had involved rescheduling budgets to take into account timing differences between planned and actual capital expenditure.

Members discussed the service areas relating to the capital programme (paragraph 4.3.2 of the report) to which officers provided a response.

There being no decision required, the Committee **noted** the contents of the report.

## **10. Corporate Risk Register Quarterly Monitoring Report (June 2013)**

The Committee received Report E65 (previously circulated), which was the quarterly monitoring report in respect of the corporate risk register.

The Council's Corporate Risk Register was updated regularly by the Risk Management Group. At its recent meeting in June 2013, 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. The latest copy of the revised risk register was attached as Appendix 1 to the report.

Since the last assessment report was presented to the Committee on 29 April 2013, there had been no new risks identified and no risks had been amended or closed. However, some controls and actions had been updated and these were reflected in the individual risk record.

It was reported that whilst a single risk register for West Suffolk had not yet been compiled, the development of a single management and service structure across Forest Heath and St Edmundsbury had seen considerable similarity between the risk register of the respective councils.

A discussion was held on a number of risks to which officers provided comprehensive responses. In particular, the Committee discussed Risk 21 "provision of affordable housing" and suggested reference to the Council's Vision 2031 document should be included which might help mitigate the residual risk, to which officers duly responded.

There being no decision required, the Committee **noted** the contents of the report.

### **11. Annual Treasury Management Report (2012-2013) and Investment Activity 1 April to 30 June 2013 and Review of the Councils Treasury Management Strategy**

The Committee received and noted Report E61 (previously circulated), which had been considered by the Treasury Management Sub-Committee on 22 July 2013.

The Resources and Performance Business Partner reported on the Sub-Committee's consideration of the report, which summarised the investment activities for the year 2012-2013, summarised the investment activity for the first three months of the 2013-2014 financial year and provide proposals for a forthcoming review of the Council's Treasury Management Strategy including the appointment of an independent Treasury Management consultant to assist with the review process.

The Treasury Management Report showed the total amount invested at 1 April 2012 as £32.0 million and at 31 March 2013 £32.9 million.

The Sub-Committee had scrutinised the content of the report, asking questions of officers as necessary.

The Committee questioned the use of the Council's overdraft facility to which a response was provided by officers. There were no issues or recommendations needed to be brought to the attention of the Performance and Audit Scrutiny Committee on this occasion.



#### **RECOMMENDED:-**

***That the Annual Treasury Management Report 2012-2013, attached as Appendix 1 to Report E61, be approved through Cabinet and full Council.***

### **12. Work Programme Update**

The Committee received Report E66 (previously circulated) which provided information on the current status of the Committee's Work Programme. Attached as Appendix 1 to the report were details of items scheduled to be presented to the Committee during 2013-2014.

The Head of Resources and Performance informed the Committee of an amendment to Appendix 1 in that the "2012-2013 ISA 260 Annual Governance Report to those Charged with Governance" would be presented to the Committee on 26 September 2013 and not 27 November 2013 and the lead officer would be the Head of Resources and Performance.

There being no decision required, the Committee **noted** the contents of the report.

The meeting concluded at 6.25pm.

**C J E SPICER  
VICE-CHAIRMAN**