

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

**Notes of Informal Discussions held on Wednesday 27 July 2016 at
5.00pm in the Conference Chamber West, West Suffolk House,
Western Way, Bury St Edmunds**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton, Carol Bull, Betty McLatchy, David Nettleton, Karen Richardson, David Roach, Barry Robbins, Peter Thompson and Patricia Warby.

Forest Heath District Council (FHDC)

Councillor Louis Busuttil
(Chairman for the informal discussions)

Councillors Michael Anderson, Chris Barker, John Bloodworth, Rona Burt, Christine Mason, Colin Noble, and Peter Ridgwell.

IN ATTENDANCE: SEBC – Councillor Ian Houlder, Portfolio Holder for Resources and Performance

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

REMEMBRANCE:

Prior to the commencement of meeting, the Committee observed a one minute silence in memory of Council's Commercial Manager, Richard Hartley who had recently passed away.

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

- (1) Balanced Scorecards and Quarter 1 Performance Report 2016-2017;
- (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – June 2016; and
- (3) Work Programme Update.

All Members of Forest Heath District Council's Performance and Audit Scrutiny Committee had been invited to attend West Suffolk House, Bury St Edmunds to enable

joint informal discussions on the above reports to take place between the two authorities.

The Chairman of St Edmundsbury's Performance and Audit Scrutiny Committee welcomed all those present to West Suffolk House, Bury St Edmunds 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 Forest Heath's Performance and Audit Scrutiny Committee, who would be chairing the informal joint discussions.

Members noted that each Council permitted public participation at their Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating these Constitutional requirements, 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 items 1 – 3 above. 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. **Balanced Scorecards Quarter 1 Performance Report 2016-2017**

The Business Partner (Resources and Performance) presented the report, which set out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2016-2017 and an overview of performance against those indicators for the first quarter of 2016-2017. The six balanced scorecards (attached at Appendices A to F) were linked to the Head of Service areas, which presented the first quarter performance.

Most indicators reported performance against an agreed target using a traffic light system with additional commentary provided for performance indicators below optimum performance.

Across all service balanced scorecards, there were indicators measuring the performance of the transactional finance functions. These were "% of non-disputed invoices paid within 30 days" and "% of debt over 90 days old". In the previous financial year, against these indicators, almost all services areas had failed to meet the targets of more than 95% of non-disputed invoices paid within 30 days and less than 10% of debt over 90 days old.

The finance and performance team had been working with service areas to try and improve performance against both of these measures. Monthly business intelligence reports were sent out to service areas with details of all invoices processed, and detailed aged debt lists. Debt control workshops had also been held to help improve debt collection performance. As a result of this, for the first time all six service areas achieved over 90% performance on invoices paid within 30 days for the first month of June, with two services being over 95%.

Members were also informed that the percentage of telephone calls taken had increased by 44% in the first quarter of the year due to the brown bin service and the EU referendum. Performance levels should revert to normal levels in the next quarter.

Members considered the report and did not raise any issues.

2. **West Suffolk Strategic Risk Register Quarterly Monitoring Report – June 2016**

The Service Manager (Finance and Performance) the quarter one risk register monitoring report for 2016-2017 in respect of the West Suffolk Strategic Risk Register.

The Register was updated regularly by the Risk Management Group and at its recent meeting in June 2016 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).

Some individual controls or actions had been updated and those which were not ongoing and had been completed by June 2016 had been removed from the Register.

However, following consideration of the risk register, the Group felt that the probability rating allocated to the Residual Risk WS7 "Poor Project Management", should be increased from 2 to 3. No existing risks had been closed since the Strategic Risk Register was last reported to the Committee.

Members were advised that at the time of writing the report the full impact of the decision to leave the EU was not known, minor amendments had been made to some of the existing actions and controls to address immediate concerns. However, the Group would continue to monitor the situation as it developed over the next quarter, amending existing and / or adding new risks where necessary. Any changes would be report at the next meeting of the Performance and Audit Scrutiny Committee.

Members considered the report and did not raise any issues.

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 2016-2017.

Members considered the report and did not raise any issues.

On the conclusion of the informal joint discussions at 5.08pm, Members of Forest Heath District Council's Performance and Audit Scrutiny Committee withdrew from Conference Chamber West to Conference Chamber East to hold their formal meeting.

The Chairman then formally opened the St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee in Conference Chamber West at 5.30pm.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Wednesday 27 July 2016** at **5.30 pm** at the **Conference Chamber, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present: **Councillors**

Chairman Sarah Broughton
Vice Chairman Patricia Warby

Carol Bull
Betty Mclatchy
Karen Richardson

Peter Thompson
David Nettleton
Barry Robbins

Substitutes attending:
David Roach

By Invitation:
Susan Glossop,
Ian Houlder, Portfolio Holder for Resources and Performance
Joanna Rayner, Portfolio Holder for Leisure and Culture

97. **Substitutions**

The following substitution was declared:

Councillor David Roach for Councillor Beccy Hopfensperger.

98. **Apologies for Absence**

Apologies for absence were received from Councillor Beccy Hopfensperger.

99. **Minutes**

The minutes of the meeting held on 25 May 2016, were unanimously accepted by the Committee as an accurate record and signed by the Chairman.

100. **Public Participation**

Public participation had been included within the previous informal discussions, and there had been no questions/statements from members of the public.

101. **Balanced Scorecards Quarter 1 Performance Report 2016-2017**

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 No: PAS/SE/16/013.

Members had considered the report and there being no decision required, the Committee **noted** the Council's performance using the Balanced Scorecards for Quarter 1, 2016-2017.

102. **West Suffolk Strategic Risk Register Monitoring Report - June 2016**

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 No: PAS/SE/16/014.

Members had considered the report and there being no decision required, the Committee **noted** the contents of the Quarter 1 West Suffolk Risk Register Monitoring report.

103. **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 No: PAS/SE/16/015.

Members had considered the report and there being no decision required, the Committee **noted** the contents of the work programme for 2016-2017.

104. **Annual Performance Report for The Apex 2015-2016**

(Councillor Sarah Broughton and Peter Thompson both declared a non pecuniary interest as member's of The Apex Scrutiny Panel).

Prior to the Committee receiving Report No: PAS/SE/16/016, the Service Manager (Operations, Leisure and Culture) wished to pay respect to the late Richard Hartley, who was the driving force behind certain initiatives which had led to the improving financial performance of The Apex.

Report PAS/SE/16/016 set out The Apex's financial position for the year ending 2015-2016. The report included an executive summary, the details of The Apex's performance, Sodexo catering contract, analysis of budgets and conclusions.

The Apex budget for 2013-2014 had been reduced from £742,250 to £671,840 in 2014-2015 and to £639,431 in 2015-2016, representing a net positive variance of £47,000. This had resulted in a final out-turn figure of £592,000 in 2015-2016.

The Apex continued to be a valuable community asset and more and more non-performance events were taking place which were open to the public. The Apex also generates a significant amount of economic development for the area.

The Apex management team had been successful in reducing the budget over the last financial year, mainly due to increasing revenues from ticket sales. It was anticipated that there would be further positive impact through increased programming and ticket sales in 2016-2017. The team would continue to work closely with The Apex Panel and Sodexo Prestige in realising the full benefits of the contract by increasing turnover and building performance levels.

The Committee scrutinised the annual performance report in detail and asked a number of questions to which the Cabinet Member for Leisure and Culture and officers duly responded. These questions and responses covered topics including the possibility of increasing the cost of tickets by 10%; and the lack of public transport after 5pm or on a Sunday in Haverhill and the surrounding area meaning residents could not get to The Apex.

Councillor David Nettleton raised concerns about the cost to the taxpayer in subsidising The Apex. He felt it was not the function of the Council to be subsidising The Apex as it was an entertainment venue, and not a public service. However, the majority of the Committee acknowledged that The Apex was moving in the right direction, in reducing the subsidy. The Cabinet Member commented on the progress made by The Apex over the last year and the benefits The Apex brought to the local economy.

The Chairman of the Committee also informed the Committee that the Council was committed to The Apex, and it was offering a service to its residents, and the Council needed more time in reducing the subsidy, before considering handing over the management of the facility to an alternative service provider.

The Cabinet Member advised the Committee that the concerns raised by Members would be raised directly with The Apex Panel so that they were aware of them.

There being no decision required, the Committee **noted** the 2015-2016 Annual Performance Report for The Apex.

Councillor Nettleton wished it to be recorded that he did not note the contents of the report.

105. **Financial Performance Report (Revenue and Capital) - Quarter 1 - (April to June 2016)**

(Councillor Ian Houlder, Portfolio Holder for Resources and Performance left the meeting at 6.05pm during the Committees consideration of this item).

The Committee received Report No: PAS/SE/16/017, which set out the financial performance for the first quarter of 2016-2017 and forecasted outturn position for 2016-2017.

Attached at Appendix A and B to the report was details of the Council's revenue performance and year end forecasted outturn position. Explanations of the main year end forecast over/(underspends) was set out within paragraph 1.2.3. Appendix C to the report set out the Council's capital

financial position for the first three months of 2016-2017, which showed expenditure of £597,000. Finally, a summary of the earmarked reserves was attached at Appendix D, along with the forecast year end position for 2016-2017.

The Resources and Performance Team would continue to work with Budget Holders to monitor capital spend and project progress closely for the remainder of the financial year and an updated position would be presented to the Committee on a quarterly basis.

The Committee scrutinised the report in detail and asked a number of questions to which response were duly provided. In particular discussions were held on the year end forecast variances over £25k in relation to the off street car parking and the increased costs for advertising in Development Control, to which officers duly responded.

Members also discussed the brown bin subscription service, introduced in April 2016. The report assumed that the budget position for the service was broadly in line with the cost neutral and the safe assumptions which were presented to the Committee in the original report. A more complete position would be available later in the financial year when there would be a fuller understanding of the impact of waste collection and disposal and the cost sharing arrangements were confirmed.

There being no decisions required, the Committee **noted** the Quarter 1 performance and the 2016-2017 year end forecast financial position.

106. **Annual Treasury Management Report 2015-2016 and Investment Activity (April to June 2016)**

The Committee received Report No: TMS/SE/16/003, which had been considered by the Treasury Management Sub-Committee on 18 July 2016. The Chairman of the Committee provided a verbal update on the Sub-Committee's consideration of the report, which:

- (a) Summarised the Council's Annual Treasury Management Investment Activities for the year 2015-2016; and
- (b) Provided a summary of the investment activity for the first three months of the 2016-2017 financial year.

The Sub-Committee had scrutinised the Annual Treasury Management Report 2015-2016 and the Investment Activity for 1 April 2016 to 30 June 2016, and asked a number of questions to which officers duly responded. In particular the Sub-Committee suggested in future, the name of the person who signed the Statement of Compliance with the Treasury Management Code of Practice (Appendix 2) should be included alongside the signature.

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

The Committee noted the investment activity for April to June 2016, and with the vote being unanimous, it was

RECOMMENDED

That subject to the approval of full Council, the Annual Treasury Management Report for 2015-2016, attached as Appendix 1 to Report No: TMS/SE/16/003 be approved.

The Meeting concluded at 6.15 pm

Signed by:

Chairman
