# COU/SE/15/022



Forest Heath & St Edmundsbury councils

West Suffolk working together

# ANNUAL SCRUTINY REPORT



# 2014-2015

## St Edmundsbury Borough Council Annual Scrutiny Report 2014-2015

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## Introduction



Welcome to the thirteenth 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 2014-2015. 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.

2014-2015 was another busy year for the committee, with the Overview and Scrutiny Committee carrying out several policy and scrutiny reviews. We also held informal joint scrutiny meetings with members of Forest Heath District Council's Overview and Scrutiny Committee to discuss key issues for West Suffolk.

The Performance and Audit Scrutiny Committee, in its eighth year of operation, continued to increase the scope of its internal and external audit monitoring role, and oversaw significant savings in the 2015-2016 budget, which will be good news for the Council Tax payers of the Borough. A new dimension to this year's work programme saw the implementation of Informal Joint Performance and Audit Scrutiny meetings with Forest Heath's Performance and Audit Scrutiny Committee.

2014-2015 was also another strong year for external involvement in our scrutiny reviews, with representatives from partner organisations attending meetings or taking part in consultations to help the committees 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 scrutiny function at St Edmundsbury Borough Council.

May 2015

## 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, risk management and procurement, 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
- Holding Portfolio Members to account
- Scrutiny improvement

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 West Suffolk 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 priorities as set out in the West Suffolk Strategic Plan 2014-2016, 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 up to 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
- Capital programme monitoring and review
- Procurement

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 approving the Council's Annual Statement of Accounts in accordance with the powers delegated to it under the Council's Constitution. It also leads on achieving a sustainable forward budget. In 2014-2015 it held four informal joint quarterly monitoring meetings with Forest Heath's Performance and Audit Scrutiny Committee, plus a special individual 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. The committee gathers 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 2014-2015.

#### **Councillor Call for Action**

Councillor Call for Action (CCfA) came into force on 1 April 2009, 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.

#### **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

#### 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 Ernst and Young (External Audit)

Organisations and individuals contacted as part of a review included:

- Members of the public
- Forest Heath District Council
- Suffolk County Council (Highways)

For further information or answers to any queries relating to the Council's scrutiny functions or activities, please contact Christine Brain, Scrutiny Officer on (01638) 719729 or email Christine.brain@westsuffolk.gov.uk

### **Review of Past Year Overview and Scrutiny Committee**



#### Scrutiny Reviews completed during 2014-2015

This section describes some of the key scrutiny topics covered during the year (May 2014 to April 2015), and their associated outcomes.

#### **Reviews carried out in Informal Joint Committee**

#### Draft West Suffolk Housing Strategy

On 23 July 2014, informal joint discussions took place to enable members to provide input as a consultee on the **Draft West Suffolk Housing Strategy**. The Draft Strategy set out the strategic direction and the actions that West Suffolk could take to deliver the Strategy for current and future residents. These actions would directly contribute to the overall sense of community and wellbeing of West Suffolk. The aim was to enable the supply of new housing; making the best use of existing housing; and offering support for specialist housing to those who required it.

Members scrutinised the Draft Strategy in detail and asked a number of questions of the respective councils Portfolio Holders responsible for Housing.

The Committee recommended to Cabinet the approval of the contents of the West Suffolk Housing Strategy 2015-2018, subject to comments made during the informal joint discussions and other stakeholder comments received as part of the consultation process.

Members were advised that once the West Suffolk Housing Strategy was approved, it would be monitored and an annual report produced to track progress in delivering the Actions.

#### Western Suffolk Community Safety Partnership

The Informal Joint Committee on 23 July 2014 received its annual report on the work of the **Western Suffolk Community Safety Partnership** (WSCSP). This was in line with the statutory provisions contained within Section 19-21 of the Police and Justice Act 2006 which extended the remit of Local Authorities to scrutinise the functioning of the local Community Safety Partnership.

The Cabinet Members with responsibilities for Families and Communities updated the Committee on the progress of the Western Suffolk Community Safety Partnership from April 2013 to March 2014. The report highlighted a number of individual projects the Community Safety Partnership had commissioned during 2013-2014 and the change to the future funding mechanisms. The report represented then final monitoring / close-out report to the WSCSP as a commissioning body.

The Committee was advised that as from April 2014, the WSCSP would no longer be a commissioning body, but would have an enabling and supportive role in the voluntary and community sector who could deliver against the priorities as well as a small number of statutory functions. The WSCSP was currently discussion how it would discharge these functions and a report on the future developments of the WSCSP would be presented to the Committee in due course.

On 12 March 2015, the Informal Joint Committee received an update on progress of the **WSCSP** from April 2014 to February 2015. In light of no funding being awarded to the WSCSP, the partnership ceased operating as a commissioning body and undertook a review of its role. A review workshop took place in April 2014 to enable partners to consider a new way of working. At the workshop it was agreed that elected members who represented the four councils at strategic level, would have a key role in ensuring that the partnership focused on community led issues, which reflected the West Suffolk Families and Communities Strategy and the strategic priorities of Mid Suffolk and Babergh councils.

#### **Overview and Update of Planning Enforcement Service**

The Informal Joint Committee on 12 March 2015 received a report on the **Planning Enforcement Service**, which had been raised by a member of the Committee as a work programme suggestion. The report updated Members on the newly formed Enforcement Team, including caseloads and forward work programme.

The Enforcement Team in 2015 would be consulting on producing a Local Enforcement Plan. The Plan will be in accordance with the National Planning Policy Framework, and gives Councils the opportunity to state what work they will do, how they will do it and what will be given priority. One area of consideration was the attention to issues within Conservation Areas where additional resources or monitoring may be appropriate. A declaration of intent within a published plan would go someway to providing clarity to all parties concerned. Work was also being undertaken on making the Enforcement Registers available online and also on producing a periodic update to ward members and parishes so that they knew what enforcement cases were being looked at in their area.

#### Follow-up reviews

#### Skyliner Way, Bury St Edmunds

The Committee received on 3 September 2014, an update which reminded Members of a Councillor Call for Action request brought to the Committee on 3 March 2010, highlighting on-street parking problems in Skyliner Way, Bury St Edmunds. The solution provided at that time was to provide additional off-street parking at the commercial premises or to create a full-length layby along Skyliner Way.

The update provided an analysis of the problem of vehicles parking in Skyliner Way, Bury St Edmunds and confirmed that the appropriate parking standards had been applied to the development in the area at the time permissions were granted. In was acknowledged that Skyliner Way was suffering parking pressures but it was hoped that under the future development of the Eastern Relief Road this might provide an opportunity to improve off-street parking in the area.

The Committee considered the report in detail and recommended a number of potential solutions, such as looking into accessing funds from the Suffolk County Council On-Street Parking Account for a layby in Skyliner Way; persuading businesses to lease out any free parking spaces they had to other businesses; looking into land availability for a future car park in the area, which would generate revenue and quarterly updates on progress to be presented to the Committee.

#### Single-meeting reviews / presentation

#### Car Park Tariffs 2015-2016

The Committee received on 17 December 2014, an update which referred to Cabinet Report D190 (21 September 2012, section 5(b)) which recommended that the Overview and Scrutiny Committee receive a report each September outlining any recommendations from officers for changes to car park tariffs, including supporting evidence and justification for changes. The resulting recommendations would be considered by the Performance and Audit Scrutiny Committee as part of the budget setting process.

Members considered the proposed recommendations and the justifications, which were in line with the Committee's review carried out in 2012. The Committee subsequently noted the proposed recommendations, which would be presented to the Performance and Audit Scrutiny Committee on 29 January 2015, as part of the budget setting process for 2015-16.

#### Follow-up Work and Post Implementation Review

#### **External Joint Scrutiny**

A Member of the Committee, Councillor Beckwith, was reappointed 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 made by Annual Council alongside other outside bodies.

#### Cabinet Liaison

At an Extraordinary Informal Joint meeting held on 13 May 2014, the Committee jointly discussed the **West Suffolk Annual Report (2013-2014)** with the Leaders of both Councils. The report highlighted the key activities and developments which had been achieved over the financial year 2013-2014, with regards to the priorities set out in the Forest Heath Strategic Plan 2012-2016 and the St Edmundsbury Corporate Plan 2012-2016.

The draft report reflected the fact that a great deal of the work our services carried out in the 2013-2014 financial year was on behalf of both Councils and for the benefit of all residents, visitors and businesses in West Suffolk; whilst allowing for the distinctive needs, activities and characters of the two councils' areas to be captured.

On the 12 March 2015, informal joint discussions with Forest Heath District Council took place on the **West Suffolk Annual Report (2014-2015)** with the Leaders of both Councils. The report highlighted the key activities and developments which had been achieved against the Council's priorities as detailed in the West Suffolk Strategic Plan 2014-2016.

The draft plan contained a number of case studies and examples from West Suffolk to illustrate the achievements described. These outline the work that is undertaken across West Suffolk highlighting the range of activities and services provided across our diverse localities.

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

#### **Call-ins and Councillor Calls for Action**

This year no Councillor Call for Actions (CCfAs) were submitted, and there were also no call-ins.

#### <u>Other</u>

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. During 2014-2015, no such surveillance had been authorised.

The Committee during the year considered three work programme suggestions submitted by Members and were subsequently included into the Committee's work programme.

## **Review of Past Year Performance and Audit Scrutiny Committee**



This section describes some of the key scrutiny topics covered during the year (May 2014 to January 2015) by the Performance and Audit Scrutiny Committee, and their associated outcomes.

# Joint working with Forest Heath District Council's Performance and Audit Scrutiny Committee

A new dimension to the 2014-2015 work programme was the implementation of Informal Joint Performance and Audit Scrutiny meetings with Forest Heath's respective Performance and Audit Scrutiny Committee, following the successful joint work that was taking place in West Suffolk through the Informal Joint Overview and Scrutiny meetings. In total three informal joint meetings were held at alternate venues. In September, the Committee meet separately to scrutinise and approve the Council's 2013-2014 Annual Statement of Accounts.

#### **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 2015-2016 budget before making recommendations to Cabinet.

This work commenced at the meeting in November 2014 with a report setting out the context of the 2015-2016 budget and budget consultation results, including details of savings targets for 2015-2016 to 2017-2018. The key strategy to deliver savings over the coming years is to expand the work on shared services with Forest Heath District Council to streamline supplies, services and income, together with a range of other local savings initiatives. The Committee, taking into account the budget consultation results 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 10 February 2015.

#### Performance Management

The Committee continued to monitor the Council's **Key Performance Indicators.** Additionally, at its 31 July 2014 meeting, the Committee received the **Annual Performance Report for The Apex.** 

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 outweighed by the number of compliments received.

#### Audit Responsibilities

The Committee scrutinised the work of the **Internal Audit Team** towards achieving the 2014-2015 audit plan, with updates during the year at which the results of completed audits were discussed. At its 21 May 2014 meeting, the Committee approved an **Internal Audit Plan for 2014-2015**.

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.

The Council is required to produce and publish an **Annual Governance Statement** (AGS), which covers six core governance principles, and is approved by the Committee, and signed by the Leader of the Council and the Chief Executive Officer. This year the Annual Governance Statement had been prepared by the Joint Governance Officer Group as a joint statement for St Edmundsbury Borough Council and Forest Heath District Council to reflect both councils working together and sharing services across West Suffolk. The Committee approved the AGS for signing by the Chief Executive and the Leader of the Council.

Various reports from **Ernst and Young (EY)** were considered over the year. In May 2014 the **External Audit Plan and Fees 2013-2014 and 2014-2015 Indicative Fees** was received from EY 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. The report summarised EY's proposed audit approach and scope for the 2013-2014 audit along with the planned fees to complete the work for 2013-2014 and included indicative fees for 2014-2015. At the same meeting the **Annual Certification Report 2012-2013** 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.

In September 2014 EY presented the **2013-2014 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.

At the meeting held on 26 November 2014, EY presented the **2013-2014 Annual Audit Letter,** which confirmed the completion of the audit of the 2013-2014 financial statements.

#### **Budget and Risk Management**

The Committee received quarterly **West Suffolk Strategic 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.

**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 the **Financial Outturn Report (Revenue and Capital) 2013-2014** at its meeting on 31 July 2014, 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 and approved the Council's **2013-2014 Annual Statement of Accounts** at its meeting on 24 September 2014. At the same meeting it scrutinised the External Auditors **Draft 2013-2014 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 on 21 May 2014, members considered a revised **West Suffolk Procurement Strategy.** Forest Heath District Council and St Edmundsbury Borough Council had individual Procurement Strategies and it was desirable that these be replaced by a West Suffolk Procurement Strategy that addressed the issues of procuring services, supplies and work across West Suffolk. The Committee recommended to Cabinet that the West Suffolk Procurement Strategy be approved. At the same meeting, the Committee considered the **West Suffolk Anti-Fraud and Anti-Corruption Policy**. The council's previous Strategy was last revised in 2011. The main changes to the Strategy were to include a section on Social Housing Fraud, including reference to the Prevention of Social Housing Fraud Act 2013. Minor adjustments were also made to the document to reflect it is now a joint West Suffolk Policy between St Edmundsbury Borough Council and Forest Heath District Council. The Strategy was also renamed as a Policy. The Committee recommended to Cabinet that the revised draft Policy be adopted.

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 **Investment Activity and Performance and Monitoring Reports (2014/15)** and the **Annual Treasury Management and Investment Strategy Statements 2015/16** took place. In addition to these reports, the Sub-Committee also received an update on the **Procurement Exercise for External Fund Manager to Support Treasury Management Activities.**  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.

### Work Programmes for 2015-2016

The Overview and Scrutiny Committee carries out some 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.

The Committee has access to resources, to assist it in carrying out its work programme, which can be used, for example, in engaging specialist assistance, obtaining evidence, carrying out site visits, and paying for meeting accommodation, training and development.

#### **Overview and Scrutiny Committee**

The Overview and Scrutiny Committee has a rolling work programme, set a few meetings ahead, to enable it to be more reactive to changing priorities. In addition to any call-ins or Councillor Calls for Action which may arise, and additions to the rolling work programme through submitted work programme suggestions, the Overview and Scrutiny Committee will consider the following issues during the year:

- Directed Surveillance (Quarterly updates)
- Skyliner Way, Bury St Edmunds, (Quarterly progress report)
- Car Park Tariffs 2016-2017
- Cabinet Decisions Plan
- Annual Report 2015-2016

In addition to the above items, Extraordinary Informal Joint Scrutiny Sessions will be called, as necessary, with members of Forest Heath District Council's Overview and Scrutiny Committee to enable common issues to be scrutinised jointly.

#### 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, jointly with Forest Heath District Council's Performance and Audit Scrutiny Committee, as well as scrutinising the Council's annual accounts, and making recommendations on delivering a sustainable budget for 2016-2017.

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

# For more information about how scrutiny works at St Edmundsbury Borough Council, please contact the Scrutiny Officer on (01638) 719729.

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Forest Heath & St Edmundsbury councils



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