

MINUTES OF A MEETING OF THE  
PERFORMANCE, AUDIT AND GOVERNANCE  
SCRUTINY COMMITTEE HELD IN THE  
COUNCIL CHAMBER, WALLFIELDS,  
HERTFORD ON TUESDAY 4 SEPTEMBER  
2018, AT 7.00 PM

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PRESENT: Councillor M Pope (Chairman)  
Councillors A Alder, P Ballam, P Boylan,  
R Brunton, S Cousins, K Crofton,  
D Oldridge, L Radford, S Reed, P Ruffles,  
T Stowe and J Wyllie

ALSO PRESENT:

Councillors E Buckmaster and J Kaye

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Isabel Brittain	- Head of Strategic Finance and Property
Steven Dupoy	- Leisure and Environment Services Manager

ALSO IN ATTENDANCE:

Simon Martin - Shared Internal Audit

## Service

152 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded Members of the need to move and second recommendations other than those relating to presentations.

153 APOLOGY

An apology for absence was submitted on behalf of Councillor T Page. It was noted that Councillor R Brunton was substituting for Councillor T Page.

154 MINUTES

It was moved by Councillor A Alder and seconded by Councillor J Wyllie that the Minutes of the meeting held on 24 July 2018 be confirmed as a correct record and signed by the Chairman. After being put the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 24 July 2018 be confirmed as a correct record and signed by the Chairman.

155 ANNUAL LEISURE REPORT 2017

The Executive Member for Health and Wellbeing submitted a report which reviewed the Council's ten year leisure contract with Sport and Leisure Management Ltd (SLM) trading as "Everyone Active" (EA).

The Leisure and Environment Service Manager provided an

overview of the report which in summary was positive, adding that some areas needed improvement, specifically those relating to pool attendances. The Leisure and Environment Service Manager advised Members of a correction to the “net cost of Leisure Service per user” which was 0.65p and not 0.22p as shown in the report.

Councillor P Ruffles welcomed the report and asked whether any information was available as a benchmark from neighbouring areas which provide a context to the information presented.

The Leisure and Environment Service Manager explained the difficulties in trying to find “like for like” comparators for benchmarking purposes. The Executive Member for Health and Wellbeing supported this viewpoint adding that many of the Council’s facilities were 40-50 years old. He referred to the Council’s new leisure strategy which aimed to derive an income rather than currently having to provide a management fee.

Councillor P Boylan suggested the use of caution around the use of the Net Promoter Score which could, he suggested, be manipulated.

Members expressed concern at the decline in swimming generally and particularly under 60 years of age which was reported at three of the five Council run pools. Councillor D Oldridge referred to the activities provided by Everyone Active and the absence of schools in relation to adding social value. He asked that Officers seek information from EA on what they were doing to engage with schools. This was supported. Councillor P Ballam referred to changes in physical education provided at schools which she believed,

contributed to obesity in young people.

Councillor K Crofton concurred with the view that the Council needed to find out what the service provider was doing to increase levels of participation and especially within the 16-19 age group. He spoke of the need to work with partners, including HCC to get everyone into physical activity. Councillor P Ruffles questioned whether anything should be done from the viewpoint of lobbying in terms of the promotion of leisure. The Leisure and Environment Service Manager explained that the service had a strong foundation but that there was still more to do.

The Leisure and Environment Service Manager explained the current contract financial arrangements with the operator and proposals to invest heavily within leisure provision which would generate income for the Council. Councillor K Crofton referred to the number of reportable accidents and queried whether there was any pattern to the accidents and the Council's liability position. Assurances were provided that these were properly recorded and that any pattern would be quickly addressed by the operator. The Head of Strategic Finance and Property explained that the operator would have appropriate insurances in place and that this would be addressed as part of the contract stage.

Members supported the suggestion that Officers ask the operator to provide a breakdown of all reportable accidents, how these are addressed and relevant policies (such as managing risk) and that this be circulated to Members. Members also supported the suggestion that the risk register be reviewed to ensure that the Council had in place, adequate insurance to ensure that the Council's

liability and reputation was protected in the event of a claim.

It was moved by Councillor D Oldridge and seconded by Councillor S Cousins that the Annual Leisure Contract Performance Report for 2017 be received, including a request for further information on engagement with schools, an accident analysis and review of risk assurance. After being put the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED - that (A) the Annual Report be received;

(B) Officers seek information from Everyone Active on:

- engagement with schools, and
- a detailed breakdown on reportable accidents, how these are addressed and the operator's policies (such as managing risk) and how these are applied; and

(C) Officers review the Council risk register to ensure that sufficient safeguards are in place to protect the Council's liability and reputation.

156 QUARTERLY CORPORATE HEALTHCHECK - QUARTER 1  
2018-19

The Head of Strategic Finance and Property and the Head of Communications, Strategy and Policy submitted a report which reviewed both the capital and revenue budgets and 33 key corporate performance indicators. The Head of

Strategic Finance and Property explained that at the present moment, there was a £16K underspend.

Councillor D Oldridge sought and was provided with clarification on why the Council had achieved such positive results than this time last year and issues around customer satisfaction of the website. The Head of Strategic Finance and Property Services explained that it was more about the information customers received from the website.

Councillor K Crofton expressed concern regarding the planning overspend and was advised that this was a projected outturn figure. The Head explained the new policy of “growing your own” as a start-up apprenticeship scheme and how this would impact on the use of capital receipts.

The Committee Chairman referred to staff recruitment and queried whether this was something Members needed to review. He further commented on the overspend on IT. The Head of Strategic Finance and Property explained that a new head of service had recently been appointed and that further investment was needed to bring the Council up to speed in terms of digital services. Councillor J Wyllie commented that IT frequently let the Council down and that he was unsure as to whether East Herts benefited from a shared service arrangement.

Councillor P Boylan referred to the affordable housing figures for quarter 1 stating that the figures were very small and that the targets were missing. He added that he was not sure what the Council was achieving. Members supported the suggestion that the Head of Housing and Health be requested to provide information on affordable housing targets and what had been achieved across the

district.

Councillor P Ruffles expressed concern about the Performance Indicator code QC HH 151 (Number of homeless households living in temporary accommodation at the end of the quarter) adding that he was aware that there were more than 18.

Councillor D Oldridge sought further information regarding residual household waste and the absence of a target. The Head of Strategic Finance and Property said that she would ask the Head of Operations to write to Members.

The Committee Chairman sought and was provided with clarification on the capital budget 2018/19 in respect of the investment in operational assets, Hertford Theatre and rental income from Charrington's House and supported a request to receive an update on Charrington's House generally.

It was moved by Councillor J Wyllie and seconded by Councillor A Alder that the Quarterly Corporate Healthcheck report for Quarter one, 2018-19 be received, including targets on affordable housing, targets on residual household waste and a general update on Charrington's House. After being put the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED - that (A) the projected revenue budget forecast underspend of £16K in 2018/19 be noted (paragraph 2.1);

(B) the capital budget for 2018/19 of £4.69m be noted (paragraph 6.1);

(C) the reported performance and actions for the period April 2018 to June 2018 be noted (paragraph 7) and the Annual Report be received;

(D) the Head of Housing and Health write to Members with updated affordable housing figures in terms of the targets achieved across the district;

(E) the Head of Operations be requested to provide information regarding residual household waste and targets for this indicator; and

(F) the Head of Strategic Finance and Property be requested to provide Members with updated information on Charrington's House generally.

#### 157 ANNUAL TREASURY REVIEW 2017/18 OUTTURN

The Executive Member for Finance and Support Services submitted a report reviewing the Council's treasury management activities for 2016/17 including the prudential indicators and which identified the associated impact on the 2017/18 Treasury Management Strategy.

The Head of Strategic Finance and Property provided a positive update in terms of the interest rates being achieved.

The Head provided an update of the Council's key investment projects. Councillor K Crofton asked for further information on the Walkern development windfall and sought further information about how this would be spent.



The Head of Strategic Finance and Property said she would look into this and advise Members.

The Committee Chairman queried the revised CIPFA codes and whether it would be useful to see these. The Head of Strategic Finance and Property explained that she would write to all Members if the Council was impacted by these changes.

It was moved by Councillor J Wyllie and seconded by Councillor K Crofton that the Annual Treasury Review 2017/18 Outturn and Prudential Indicators be approved, including an update on the Walkern Development windfall. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the 2017/18 Treasury Management Activity and Prudential Indicators be approved; and

(B) the Head of Strategic Finance and Property provide an update to Members on the Walkern Development windfall.

158 SHARED INTERNAL AUDIT SERVICE (SIAS) - ANNUAL REPORT 2017/18

The Shared Internal Audit Service (SIAS) submitted the Annual Report for 2017/18. The SIAS Officer provided a summary of the report. Councillor P Boylan sought and was provided with clarification on the significant differences in the Partner / Consultancy budget and outturn figures. The Head of Strategic Finance and Property explained that there had been a re-structure and

in the interim, there was a need to use consultancy staff in order to be compliant with work which needed to be undertaken. The Head of Strategic Finance undertook to write to Members with a breakdown. She added that SIAS had now filled the roles that had been vacant.

It was moved by Councillor D Oldridge and seconded by Councillor S Cousins that the Shared Internal Audit Service Annual Report 2017/18 be approved, including the provision of a breakdown of partner / consultancy budget figures. After being put the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED - that (A) the Shared Internal Audit Service Annual Report 2017/18 be received; and

(B) the Head of Strategic Finance and Property provide a Members with a breakdown of Partner / Consultancy Budget Outturn figures.

159 SHARED INTERNAL AUDIT SERVICE (SIAS): PROGRESS REPORT

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The Shared Internal Audit Service submitted a progress report on the service. The SIAS Officer provided a summary of the report.

The Committee Chairman referred to the issue of cyber security. The Head of Strategic Finance and Property explained the difficulties within IT Shared Services and that a new head of service had been appointed to ensure that East Herts would have the same coverage as Stevenage Council. She explained that more information would be made available to the November 2018 meeting.

Councillor P Boylan expressed concern that this had been under discussion since March 2018. The Shared Internal Audit Service Officer and Head of Strategic Finance and Property undertook to speak with the new IT Head of Service to move this forward.

The Committee Chairman queried whether tree surveying was included in the new Grounds Maintenance Contract. The Head of Strategic Finance and Property undertook to ask the Head of Operations to confirm the position.

Councillor A Alder sought and was provided with clarification regarding the number of houses in multiple occupation.

It was moved by Councillor J Wyllie and seconded by Councillor L Radford that recommendations within the Shared Internal Audit Service Progress Report be approved, including a progress report on cyber security and whether tree surveying was in the Grounds Maintenance Contract. After being put the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the Internal Audit Progress report be received;

(B) the status of critical and high priority recommendation be noted;

(C) the new Head of IT for Shared Services be requested to report to the November meeting on the issue of cyber security; and

(D) the Head of Operations write to Members to confirm whether tree surveying was included in the new Grounds Maintenance Contract.

160 PERFORMANCE, AUDIT AND GOVERNANCE - WORK PROGRAMME 2018/19

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The Chairman of Performance, Audit and Governance Scrutiny Committee submitted a report setting out the Committee's future work programme.

The Committee Chairman referred to the vacant Scrutiny Officer's position and explained that he had been advised that only one application had been received and that the Head of Legal and Democratic Services was investigating the possibility of a locum. Councillor J Wyllie queried why only one application had been received and whether the grade was sufficient to attract suitable applicants.

It was moved by Councillor D Oldridge and seconded by Councillor J Wyllie that the draft work programme be supported. After being put the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the draft work programme for Performance Audit and Governance Scrutiny Committee, as now detailed, be approved.

The meeting closed at 8.45 pm

Chairman .....

Date .....