

Southend-on-Sea Borough Council
Report of Strategic Director for Adults and Communities
To
Stakeholder Board
On
23 February 2022

Report prepared by: Scott Dolling, Director of Culture &
Tourism

Agenda
Item

Southend on Sea Forum Management Limited

Cabinet Member – Cllr Anne Jones

Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 To update the board on Southend on Sea Forum Management Limited and present the audited accounts for year ending 31st July 2021.

2 Recommendations

- 2.1 That Members note the financial performance and audited accounts of the company for last full financial year to 31st July 2021.

3 Background

- 3.1 The Forum was the country's first combined public and academic library where a local authority and higher education providers joined resources.
- 3.2 The building opened on time and on budget in Elmer Square in 2013 following a £28M capital project managed by Southend on Sea Borough Council's property team.
- 3.3 In addition to the combined library, the space also houses Focal Point Gallery, a contemporary arts venue funded by SBC and the Arts Council as one of their National Portfolio Organisations.
- 3.4 Southend-on-Sea Forum Management Ltd (SoSFML) is a zero-profit joint venture between the University of Essex, Southend-on-Sea Borough Council (SBC) and South Essex College (SEC). It was set up to manage the property of The Forum, allowing mutual benefit through sharing of resources.
- 3.5 SoSFML functions by charging the partners three times a year in advance for expected costs, it then makes adjustments in the following invoice for any differences between expected costs and actual costs, thus at the end of the year SoSFML will always net to zero profit.
- 3.6 The financial year of SoSFML runs from August to July.

- 3.7 Two SBC councillors are appointed to the board through the annual appointments committee. For the period reported, the representatives are Cllr George and Cllr Thompson.
- 3.8 The Council has the largest stake in the company and costs are attributed proportionately based on space utilisation.
- 3.9 The board meets three times per year to agree strategic activity that involves all partners. Shared operations where representatives from each organisation contribute include an SLA for the library management, a user group, and the big screen management group.
- 3.10 The major variances in the Profit and Loss account for the last full financial year was that there was a £15k increase in facilities management due to variation works on Chiller and Boiler and a £2k increase in audit fees due to an abortive tender. There was also a £50k decrease in gas and electricity and a 7k decrease in water and sewerage due to decrease usage over lockdown
- 3.11 The major variance in the Balance Sheet was a £355k decrease in accounts receivable and payable due to payment of the outstanding business rates credit note, along with its redistribution back to the partners.

4. Other Options

- 4.1 The current arrangements have been in practice for 8 years and work effectively for managing the various stakeholders. An informal partnership was proposed at the outset as an alternative but was not agreed by the University of Essex.

5. Reasons for Recommendations

- 5.1 The financial reporting and auditing is required by law and reporting the audited accounts to the Council's Shareholder Board is in accordance with the Council's constitution.

6. Corporate Implications

6.2 Financial Implications

There is an agreed formula to share costs and provision is made in the annual budget cycle, no issues are reported or anticipated.

6.3 Legal Implications N/A

6.4 People Implications N/A

6.5 Property Implications N/A

6.6 Consultation N/A

- 6.7 Equalities and Diversity Implications
N/A
- 6.8 Risk Assessment
N/A
- 6.9 Value for Money
N/A
- 6.10 Community Safety Implications
N/A
- 6.11 Environmental Impact
N/A

7. Background Papers

8. Appendices

Financial return and audit report for year ended 31st July 2021.