

SCRUTINY COMMITTEE FOR AUDIT AND BEST VALUE

MINUTES of a meeting of the Scrutiny Committee for Audit and Best Value held at County Hall, Lewes on 29 November 2006.

PRESENT - Councillor Tutt (Chairman)
Councillors Birch, Garvican Livings, Murphy (Vice-Chairman) and Sparks

OFFICERS - Andrew Ogden, Director of Law and Personnel
Richard Hemsley, Deputy Director for Corporate Resources for agenda items 5 and 6 (see minutes 21 and 22)
Duncan Savage, Assistant Director, Audit and Performance
John Morris, Assistant Director (Property) for items 5 and 6 (see minutes 21 and 22)
Phil Packham, Assistant Director, Resources
Paul Dean, Scrutiny Manager
Greg Roberts, Manager, Strategic Finance for agenda item 11 (see minute 28)
Paul Young, Business Transformation Project Manager for agenda item 12 (see minute 29)
Tracy Houston, Performance Manager for agenda item 15 (see minute 32)
Angela Tredell, Performance Manager for agenda item 15 (see minute 32)

ALSO PRESENT - Councillor Jones, Leader of the Council, for agenda item 5 (see minute 21)
Councillor Reid, Lead Cabinet Member for Corporate Resources, for agenda items 5 and 6 (see minutes 21 and 22)
Councillor Kirby, Lead Cabinet Member for Economic Development, for agenda items 5 and 6 (see minutes 21 and 22)

18. MINUTES

18.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 20 June 2006.

19. APOLOGIES

19.1 Apologies for absence were received from Councillor Gadd.

20. REPORTS

20.1 Copies of the reports on the matters dealt with in the minutes below are contained in the minute book.

21. RECONCILING POLICY AND RESOURCES

21.1 The Committee considered a report by the Chief Executive and Chief Officers detailing the amended policy steers and the latest position on financial and policy issues. The Chairman welcomed the Leader of the Council and the Lead Cabinet Members who reported on the reconciling policy and resources exercise in relation to their portfolios and answered questions from the Committee.

21.2 Members were advised that the Cabinet, at its meeting on 15 November 2006, had

agreed to allocate £1.25 million towards excess inflationary pressures which would be reflected in the figures reported to the December meeting. Cabinet would then be looking at detailed saving proposals for each portfolio in order to ensure that a balanced budget could be delivered.

21.3 In response to questions from, and concerns expressed by, the Committee, the Leader of the Council and the two Lead Members made the following points with regard to their respective portfolios:

- Maintenance of the highest standards of financial management and probity for the County Council was paramount and there were few further savings which could be achieved in the finance area of the Corporate Resources Directorate (CRD);
- Whilst the reduction to single person specialists in some areas of CRD was a concern, work was underway to ensure cover was always available and succession planning was in place to minimise risks;
- From a finance and savings point of view the Economic Development portfolio was small and it would be important to seek private sector finance wherever possible;
- The County Council was seeking closer working partnerships with other organisations and local authorities in many service areas; collaborative working with partners on local authority services/functions has the potential to achieve savings.
- Whilst the policy steers did not reflect the White Paper proposal for strengthening the role of frontline Councillors, there was good cross party commitment to the Council's scrutiny function which had been praised by the Peer Review and which could be developed further.

21.3 The Director of Law and Personnel confirmed that steps were being taken to build up joint working wherever possible, although other local authorities sometimes had reservations about sharing services. He also sounded a note of caution about further development of the scrutiny function. In Legal and Democratic Services, savings in excess of £200,000 had to be found over the next three years. Whilst the current scrutiny service could be maintained it would be very difficult to develop it any further against this background and also maintain the Department's front line services.

21.4 Members acknowledged that further development of the scrutiny function could not be accommodated within the existing budget and the only way forward, in the current financial climate would be to submit a growth bid against future budgets which would then stand or fall against competing bids.

21.5 Whilst concerned about the impact of the savings proposed the Committee considered that the priorities and policy steers were correct and it was

RESOLVED – to (1) note the amended policy steers and agree that they are reflected within the proposed key areas of budget spend for the coming year;

(2) agree that all possible efficiencies are being identified;

(3) agree that assessing the potential impact of these savings on services provided to East Sussex County Council customers will be easier as the process moves forward; and

(4) agree to establish a Scrutiny Review Board, comprising Councillors Tutt, Birch, Murphy and Sparks, to act on behalf of the Committee for the Reconciling Policy and Resources process until March 2007.

22. DELIVERY OF THE CAPITAL PROGRAMME

22.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources updating on capital programme slippage, including case studies, and work underway to minimise capital programme slippage.

22.2 RESOLVED – to note the report and endorse the work underway and planned to minimise capital programme slippage.

23. INTERNAL AUDIT PROGRESS REPORT – QUARTER 1 (1 APRIL 2006 – 30 JUNE 2006)

23.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources summarising the key audit findings, progress on delivery of the audit plan and performance of the internal audit service during Quarter 1.

23.2 RESOLVED – to note the information contained in the report.

24. INTERNAL AUDIT PROGRESS REPORT – QUARTER 2 (1 JULY 2006 – 30 SEPTEMBER 2006)

24.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources summarising the key audit findings, progress on delivery of the audit plan and the performance of the internal audit service during Quarter 2.

24.2 RESOLVED – to (1) note the information contained in the report; and

(2) request that the lessons learned, in respect of financial administration and internal controls, from the visits to the Adult Social Care establishments are also disseminated to all establishments to ensure that mistakes are not duplicated.

25. AUDIT COMMISSION TRIENNIAL REVIEW OF INTERNAL AUDIT

25.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources detailing the results of the recent Audit Commission Review of East Sussex County Council's Audit Service.

25.2 RESOLVED – to (1) welcome and note the findings from the Audit Commission's report; and

(2) request the Deputy Chief Executive and Director of Corporate Resources, on behalf of the Committee, to thank all the staff involved in achieving this excellent result.

26. STRATEGIC RISK MONITORING

26.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources providing updated information on the list of current strategic risks, their status and mitigating actions.

26.2 Members welcomed the new format used for the log of strategic risks and mitigating actions which clearly identified the impact of the risks listed.

26.3 RESOLVED – to note the current strategic risks, update of their status and the mitigating actions being proposed and implemented by Chief Officers.

27. REVIEW OF ANNUAL GOVERNANCE REPORT AND CORPORATE ASSURANCE STATEMENT FOR 2005.

27.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources reviewing the Audit Commission's Annual Governance Report and the Corporate Assurance Statement in line with the responsibilities set out in its terms of reference. The Director of Law and Personnel drew attention, in particular, to Appendix 2 of Appendix B to the Annual Governance Report which set out the progress made against the 2005/06 Action Plan.

27.2 Members were advised that work was in hand to ensure that in 2007 the Annual Governance Report and Statement of Accounts would be timetabled to be brought to the Scrutiny Committee before its consideration by the Governance Committee

27.3 RESOLVED – to note the report and its appendices.

28. SCHOOL SURPLUSES AND DEFICITS

28.1 The Committee considered a report by the Director of Children's Services setting out the position on school balances as at 31 March 2006 and progress made in addressing excessive surpluses.

28.2 In response to concerns expressed by Members, the Director of Children's Services undertook to circulate, on a confidential basis, a paper listing those schools referred to in the Appendix as having surplus balances of 10% or more in each of the last three financial years.

28.3 RESOLVED – to (1) note the position in respect of school balances at 31 March 2006; and

(2) request the Director of Children's Services to report back on progress in September 2007.

29. ADULT SOCIAL CARE BUSINESS TRANSFORMATION PROGRAMME

29.1 The Committee considered a report by the Director of Adult Social Care updating on the progress of the Business Transformation Programme to date and the Management of Risk.

29.2 The Director of Law and Personnel confirmed that formal consultations had been carried out with the trade unions on the whole of the Business Transformation Programme. All the agreed procedures were being followed and feedback from the unions was positive.

29.2 RESOLVED - to note the progress of the Business Transformation Programme to date and the Management of Risk.

30. IMPROVEMENTS TO SCRUTINY FOLLOWING THE PEER REVIEW AND SCRUTINY COMMITTEE AWAYDAYS

30.1 The Committee considered a report by Director of Law and Personnel setting out some practical suggestions for improving scrutiny in East Sussex.

30.2 Members considered that, whilst the suggestions had merit, the majority were already operated to a certain extent by, or were not necessarily appropriate for, the Audit and Best Value Scrutiny Committee. It was suggested, however, with regard to proposal 3 (increase Member opportunities to meet with staff at all levels within the departments) that it would be useful if officers attending to speak to reports identified themselves to the

Committee. Members agreed that proposals 1 (hold a Members' pre-meeting immediately prior to each formal committee meeting) and 6 (the Leader of the Council be asked to appear before a public scrutiny committee twice a year to answer questions about the overall stewardship of the Council) were not appropriate for this committee.

30.2 RESOLVED – to (1) note that, whilst the Committee supports the suggestions, it already operates the majority of the proposals or they are not appropriate for this Committee;

(2) agree that proposal 2 (involve the public more in the scrutiny process) should be taken forward when appropriate, but that no immediate changes are necessary; and

(3) agree that proposals 1 and 6, as described above, need not be taken forward.

31. BEST VALUE REVIEW OF THE FEASIBILITY OF A JOINT WASTE PARTNERSHIP/ORGANISATION

31.1 The Committee considered a report by the Chairman of the Project Board detailing the progress being made with the Best Value Review on the feasibility of a Joint Waste Authority. The Chairman thanked his fellow County Council Board Members, Councillors Daniel and Dyason, and all the officers involved for their help and support with this Review.

31.2 The Chairman referred Members to the recommendations of the Project Board set out in paragraph 13 of the report. Whilst he would have preferred to go further than “explore” the creation of a consortium of all authorities and considered that a single waste contract could be achieved over a period of time, he recognised that there was a need to be sufficiently flexible to take account of the respective positions and decisions of the other local authorities represented on the Project Board. Those local authorities would now be taking the Project Board’s recommendations through their decision making processes and the Chairman had offered to attend and speak to the report at those meetings. He would also be happy to attend the Cabinet meeting when the recommendations were discussed.

31.3 RESOLVED – to receive the report, agree its findings and recommendations and refer them to Cabinet on 30 January 2007 and then to the County Council for approval

32. QUARTERLY PERFORMANCE MONITORING (QUARTER 2) REPORT AGAINST THE COUNCIL PLAN AND UPDATE OF BEST VALUE PERFORMANCE INDICATORS WITHIN THE REMIT OF THE COMMITTEE

32.1 The Committee considered a report by the Director of Policy and Communications updating on (a) performance against the Council Plan for the second quarter of 2006/2007; and (b) progress of the Best Value Indicators within the remit of the Committee.

32.2 Members noted that external audit had judged BV165 (pedestrian crossings with disabled facilities) as “unfairly stated”. They were advised that this issue had been discussed by the Transport and Environment Scrutiny Committee and presented a dilemma because kerbs at crossings habitually had been designed with a small drop to avoid water build up. However, despite representations from the County Council that dropped kerbs were disabled friendly, the Audit Commission had remained concerned that the crossings were not compliant with the very strict criteria now in force which required flush kerbs. Clearly much depended on individual disabilities: ordinary dropped kerbs were more helpful for some disabled people and flush kerbs for others. The Transport and Environment Department considered that it would not be the best use of resources to carry out the works required to meet this Best Value indicator.

32.3 RESOLVED – to note the selection of early successes and achievements made by the departments.

33. FUTURE SCRUTINY WORK PROGRAMME

33.1 The Committee considered a report by the Director of Law and Personnel setting out the Committee's planned programme of work for the forthcoming year.

33.2 RESOLVED - to note the programme of work.

34. FORWARD PLAN

34.1 The Committee considered the Forward Plan for the period 4 December 2006 to 28 February 2007.

34.2 RESOLVED - (1) note the Forward Plan; and

(2) request the Director of Law and Personnel to ensure that an update report on the Age Well PFI project is provided to a future meeting of the Committee..