

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 21 November 2007.

PRESENT - Councillor Tutt (Chairman)
Councillors Gadd, Murphy (Vice-Chairman), Sparks and Whetstone

OFFICERS - Sean Nolan, Deputy Chief Executive and Director of Corporate Resources
Andrew Ogden, Director of Law and Personnel
Duncan Savage, Assistant Director, Audit and Performance
Phil Packham, Assistant Director, Resources
Paul Dean, Scrutiny Manager

ALSO PRESENT - Councillor Reid, Lead Cabinet Member for Corporate Resources, for items 5 and 6 (see minutes 31 and 32)
Becky Shaw, Director of Policy and Communications, for items 5, 6 and 7 (see minutes 31, 32 and 33)
Rita Stone, Assistant Director of Adult Social Care for item 8 (see minute 34)
Alex Garnett, Head of Business Development, Adult Social Care for item 8 (see minute 34)
Penny Gaunt, Assistant Director of for item 9 (see minute 35)
Tony Blackman, Head of Children's Services Planning for item 9 (see minute 35)
John Morris, Assistant Director (Property), for item 10 (see minute 36)
Rawdon Phillips, Insurance and Risk Manager, for items 12 and 13 (see minutes 38 and 39)
Amelia Peacock, Assistant Waste Services Manager, for item 16 (see minute 42)

Stuart Frith, External Auditor

27. MINUTES

27.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 24 September 2007.

28. APOLOGIES

28.1 Apologies for absence were received from Councillors Birch and Dyason.

29. DECLARATIONS OF INTEREST

29.1 Councillor Tutt declared a personal interest in item 10 (Project Delivery: Learning for the Future) insofar as any discussions related to Stafford Road School, Eastbourne because his daughter is a pupil at the school.

30. REPORTS

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

31. CORPORATE ASSESSMENT (CA) – AREAS FOR IMPROVEMENT

31.1 The Committee considered a report by the Chief Executive setting out the areas for improvement identified in the Corporate Assessment Report.

31.2 It was noted that the three Transport and Environment areas for improvement would be integrated into the Reconciling Policy and Resources process, but Members suggested that an early update on likely timescales could be sent to Committee Members as soon as practicable.

31.3 Members expressed some concerns about the amount of, and the way in which, information was disseminated to Councillors. They noted that work was in hand to identify the best way of improving the communication of information to Members, in terms of their local responsibilities and also on broader issues, and recognised that, as non-Executive Councillors, they needed to be kept informed of issues. However, Members considered that there was often an element of information overload, some of which was duplicated. An example cited in respect of the latter was the issue of press releases with covering letters containing the same information. It was suggested that a better approach would be to communicate information to Members in the form of succinct “headlines” with further detailed information to be available as required.

31.4 **RESOLVED** – to (1) note that actions to address outstanding areas for improvement will be developed and monitored through the Reconciling Policy and Resources process;

(2) note the positive comments within the Corporate Assessment about the scrutiny function contained in Appendix 3;

(3) request the Transport and Environment Scrutiny Committee to ensure that the three Areas for Improvement, within its remit, are incorporated into the Reconciling Policy and Resources process;

(4) thank the Director of Policy and Communications and all the staff involved, for their work in achieving a successful Corporate Assessment.

32. RECONCILING POLICY AND RESOURCES

32.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which updated the Committee on the latest position on the Comprehensive Spending Review 2007, the National Indicator set and the proposed revised policy steers under the Leader and Deputy Leaders’ portfolios. The Chairman welcomed Councillor Reid, Lead Member for Corporate Resources, who reported on the Reconciling Policy and Resources exercise.

32.2 The Lead Member and the Deputy Chief Executive and Director of Corporate Resources responded to concerns expressed by, and questions from, Members of the Committee:

- As stated in the Corporate Resources revised policy steers (Appendix 1) it was the Cabinet’s intention to deliver the lowest level of Council Tax consistent with the Council’s core priorities in line with the Council’s policy steers. However, the extent of floor support for the authority would not be known until early December and,

although it was thought unlikely, if the floor were lowered or removed, then the situation would have to be reviewed.

- Work had been commissioned through the Institute of Public Finance (IPF) into benchmarking and unit costs. That report could be shared with Members once it was available.
- The RPR process now underway meant that all portfolio holders, together with Chief Officers, would be considering their refreshed policy steers; the cash limits set last year; next year's pressures and necessary savings and reporting to the Scrutiny Committees or their RPR Boards on progress. The up to date picture should be available before Christmas and a report taken to Cabinet in January 2008.
- The Deputy Chief Executive and Director of Corporate Resources confirmed that, to date, funding for the Local Authority Business Growth Incentive (LABGI) in 2008/09 had not been announced.

32.3 RESOLVED – to (1) note the report;

(2) request the Deputy Chief Executive and Director of Corporate Resources to share the Institute of Public Finance benchmarking report with the Committee at the appropriate time; and

(3) request the Deputy Chief Executive and Director of Policy and Communications to ensure that, when the Portfolio Plans become available, they are circulated electronically to Members of the Committee.

33. EAST SUSSEX SUSTAINABLE COMMUNITY STRATEGY

33.1 The Committee considered a report by the Director of Policy and Communications which informed them of the development of the new Sustainable Community Strategy. Copies of the updated Strategy, following its consideration by Cabinet, were circulated to Members.

33.3 RESOLVED – to agree that Committee Members will (1) consider the Strategy to determine whether there are any issues they wish to be taken forward from an Audit and Best Value Scrutiny perspective; and

(2) email the Chairman, the Deputy Chief Executive and Director of Corporate Resources and the Director of Performance and Communications by the end of November if there are any such issues which can then be addressed through the Committee's Reconciling Policy and Resources Board.

34. BUSINESS TRANSFORMATION PROGRAMME UPDATE

34.1 The Committee considered a report by the Director of Adult Social Care updating Members on the progress of the Business Transformation Programme.

34.2 Members welcomed, and were reassured, by the progress being made with the Programme. They agreed that further updates could be circulated electronically with no need for Committee reports unless any issues of concern were identified.

34.3 RESOLVED – to (1) note the progress to date of the Business Transformation Programme; and

(2) request the Director of Adult Social Care to provide Audit and Best Value Scrutiny Members with electronic updates on a quarterly basis. Any issues of concern should be highlighted so that a Committee report could be called for if necessary.

35. PLANNING SCHOOL PLACES

35.1 The Committee considered a report by the Director of Children's Services setting out the progress made towards the recommendations in the Audit Commission report entitled 'Planning Primary School Places', dated May 2006.

35.2 Members expressed some concern about possible proposals for changing the funding formula for primary and secondary schools (Recommendation 3 – The Council review its funding formula for schools to ensure it is the most effective possible at providing for the needs of all pupils) arising out of the review being undertaken by the Children's Services Department. They noted that the review was in its initial stage and suggested that this was an issue on which the Children's Services Scrutiny Committee should be consulted.

35.3 RESOLVED – to (1) note the progress made against the recommendations of the Primary School Places Audit Report 2005/06; and

(2) request the Director of Children's Services to ensure that the proposals to address the Audit Commission Recommendation 3 are referred to the Children's Services Scrutiny Committee for consideration at an early stage.

36. PROJECT DELIVERY – LEARNING FOR THE FUTURE

36.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which advised them of the processes used to conduct post project reviews of major projects and sought endorsement of plans to improve project delivery.

36.2

36.3 RESOLVED - to (1) note the procedures used for Post Project Reviews;

(2) endorse the proposals to improve the delivery of capital projects; and

(3) recommend that all capital major projects in future are the subject of Post Project Reviews and request the Deputy Chief Executive and Director of Corporate Resources to report back to the Committee on progress in due course.

37. INTERNAL AUDIT PROGRESS REPORT – QUARTER 2 (1 JULY 2007-30 SEPTEMBER 2007)

37.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which provided Members with a summary of the key audit findings, progress on delivery of the audit plan and the performance of the internal audit service during Quarter 2. It was noted that the Music Service now formed part of the Children's Services Department rather than the Chief Executive's Department.

37.2 RESOLVED - to (1) receive the report; and

(2) endorse the actions being taken to address the issues raised in the key audit findings.

38. RISK MANAGEMENT STRATEGY 2008-2010

38.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which updated Members on the introduction of the Risk Management Strategy 2008-2010.

38.2 Members welcomed the assurance that they would be provided with appropriate training to help them to address Risk Management issues appropriately. They were advised that the training would take the form of seminars which would be open to all Councillors.

38.3 RESOLVED - to (1) note the Risk Management Strategy 2008-2010;

(2) note the introduction of the '4-Tier' Risk Management reporting system, as detailed in Section 6 of the Strategy and the 'Escalation of Risk' methodology, as detailed in Section 6.5 of the Strategy.

39. STRATEGIC RISK MONITORING

39.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which provided an update on current strategic risks, their status and mitigating actions.

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

40. INTERNAL AUDIT CHARTER AND TERMS OF REFERENCE

40.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which sought the review and approval of the Internal Audit Charter and Terms of Reference for the County Council's Internal Audit Service.

40.2 RESOLVED to approve the Internal Audit Charter and Terms of Reference for the County Council's Internal Audit Service.

41. SELF ASSESSMENT OF THE EFFECTIVENESS OF THE AUDIT AND BEST VALUE SCRUTINY COMMITTEE

41.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which provided Members with the results of the self assessment exercise carried out in line with best practice and as part of the annual review of the system of internal audit.

41.2 Members discussed the areas, listed in paragraph 3.2 of the report, where responses had highlighted some concerns:

- Questions 6 and 9 – it was noted that the Chairman and Vice-Chairman discussed draft agendas for the Committee with the officers and, wherever possible, information reports were emailed out separately and not included on the agenda to minimise the amount of paper Members had to read for the meetings;
- Questions 10 and 11 – Members were reminded of the induction process held for all Councillors, following the last local elections, and the Committee briefing in March each year. It was felt, however, that for some Members perhaps some more specific training/briefings could be useful to help them to fulfil their Audit and Best Value scrutiny roles.

- Question 12 – it was agreed that this concern had been addressed earlier in the meeting (see minute 38.2).

41.3 There was some discussion about the Committee's audit and scrutiny elements and whether this caused any problems for Members, but it was agreed that the two elements were complementary and, as a result, the Committee worked well.

41.4 RESOLVED - to (1) welcome the very positive outcome of the survey;

(2) agree that the audit and scrutiny elements were complementary and the Committee worked well; and

(3) agree that Members contact the Chairman and the Assistant Director, Audit and Performance regarding any specific concerns about their Audit and Best Value Scrutiny roles and the need for further training and development.

42. BEST VALUE REVIEW OF A WASTE AUTHORITY

42.1 The Committee consider a report by the Director of Transport and Environment which provided Members with information on the actions taken, and an update on potential joint working options by all authorities in East Sussex following the scrutiny review held in 2006/07.

42.3 RESOLVED - to note the report.

43. COUNCIL PLAN 2007/08 MONITORING REPORT – 2ND QUARTER

43.1 The Committee considered a report by the Director of Policy and Communication which provided the Committee with an update on performance against the Council Plan for the 2nd Quarter of 2007/08.

43.2 Members expressed concern that incorrect academic year targets had been published for the policy steer on establishing integrated services for children under five and their families and sought an explanation.

43.3 RESOLVED – to (1) note the exception report at appendix 1 including recommendations;

(2) note the selection of successes and achievements made by departments; and

(3) request the Director of Children's Services to email the Chairman with an explanation as to why the incorrect academic year targets were published in respect of the policy steer (Establish effective integrated services for children under five and their families).

44. SCRUTINY WORK PROGRAMME FOR 2006/2007 AND 2007/08

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

44.2 Some concerns were raised about the Highways Maintenance Contract and whether it was providing value for money.

44.3 RESOLVED – to (1) note the Scrutiny Committee's programme of work; and

(2) agree that the Transport and Environment Scrutiny Committee

be requested look into concerns raised about the Highways Maintenance Contract and whether it was providing value for money..

45. FORWARD PLAN

45.1 The Committee considered the Forward Plan for the period 1 December 2007 to 31 March 2008.

45.2 RESOLVED – to note the Forward Plan.