

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 1 September 2010.

PRESENT - Councillor Sparks (Chairman)
Councillors Bennett (Vice-Chairman) Birch, Ensor, Thomas and Whetstone

OFFICERS - Sean Nolan, Deputy Chief Executive and Director of Corporate Resources
Philip Baker, Assistant Director, Governance and Community Services
Amanda Walker, Deputy Director of Finance
Duncan Savage, Assistant Director, Audit and Performance
Russell Banks, Principal Audit Manager
Paul Dean, Scrutiny Manager

ALSO PRESENT - Councillor Reid, Deputy Leader of the Council for item 5 (see minute 19)
Richard Bint and Janine Combrinck, External Auditor, for items 5 and 6 (see minutes 19 and 20)

16. MINUTES

16.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 2 June 2010.

17. APOLOGIES FOR ABSENCE

17.1 Apologies for absence were received from Councillors Gadd and Lambert. It was noted that Councillor Thomas was substituting for Councillor Gadd..

18. REPORTS

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

19. RECONCILING POLICY AND RESOURCES

19.1 The Committee considered a joint report by the Chief Executive and the Deputy Chief Executive and Director of Corporate Resources setting out the detailed planning for 2011/2012 and beyond as outlined in the State of the County report. The Committee's views were sought on the policy steers for the services under its purview and their contribution to the objectives of the Council, particularly in light of work carried out during the last year.

19.2 The Committee highlighted the difficulties of being able to comment on policy steers in the absence of benchmarking information on the relative cost and quality of services – particularly in respect of policy steers for support services such as those provided by Corporate Resources

19.3 The Committee made the following comments about current and, in the case of Corporate Resources, proposed policy steers:

Strategic Management and Economic Development

- Re **sustainable communities and local delivery of services**: national ideas about *local delivery* are currently changing rapidly and the policy steer (or targets underlying it) needs to be refined to reflect likely and realistic opportunities that could be pursued with the available resources.
- Re **supporting the delivery of the Council's policy steers**: this policy steer (and relevant service based policy steers) should reflect the increased emphasis on the County Council being able to develop and articulate its own priorities and targets in view of the abolition of the CAA.
- Re: "provide a high quality personnel and training service ..": the list should additionally include **re-skilling** of staff.
- Re the **emergency planning service**: the Committee was concerned that no permanent appointment to the post of Head of Emergency Planning had yet been made. The Committee noted that it had been assured about the effectiveness of the service at a presentation to the Committee meeting in June 2010.
- Re **equality of opportunity**: the Committee questioned whether the policy steer could reflect that the Council now complies with the basic legal requirements and future equalities responsibilities and activities lie more within service departments and less at the corporate centre.

Corporate Resources

- Consider the use of '**punchout**' e-procurement systems in preference to the catalogue shopping module (page 19 of the agenda papers refers).
- Including the concept that providing financial management and support would **enable better prioritisation** (of resource allocation) across the Council would be a powerful addition to the policy steers.
- Re: **drive, in partnership, improvements in efficiency**: the Committee wished to be clear (at some future stage) about which partnerships this entails.

19.4 RESOLVED – to (1) receive an update at the November 2010 Committee meeting on all the policy steers: (a) highlighting any value for money and benchmarking data where available (noting the difficulties of having an indicator that measures the provision of financial advice for example); (b) providing an opportunity for discussion about some of the practical aspects of the *leadership and support* policy steers and an indication of the likely targets that might support them; and (c) providing an update on revisions and updates to the strategic management and economic development policy steers.

(2) establish a Scrutiny Board to act on behalf of the Committee to provide ongoing input into the RPR process until March 2011 comprising Councillors Sparks (Chairman), Bennett and Birch to meet on 5 January 2011 to consider draft Portfolio Plans; and

(3) include the issue of NEETS (young people not in education, employment or training) in the work programme (see minute 25 below).

20. REVIEW OF ANNUAL GOVERNANCE REPORT AND STATEMENT OF ACCOUNTS

20.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which (a) presented the Annual Governance Report and Statement of Accounts for 2009/10; and (b) sought the Committee's views on any issues of concern to be brought to the attention of the Governance Committee. The Chairman welcomed Mr Bint and Ms Combrink from the External Auditors, PKF, to the meeting.

20.2 RESOLVED – to note the information contained in the report and its appendices.

21. INTERNAL AUDIT PROGRESS: QUARTER ONE

21.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources summarising the key audit findings and progress on delivery of the audit plan and performance of the Internal Audit Service during Quarter 1.

21.2 RESOLVED – to (1) receive the report; and

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

22. REVIEW OF THE USE OF AGENCY STAFF AND CONSULTANTS IN EAST SUSSEX COUNTY COUNCIL

22.1 The Committee considered a report by the Chairman of the Project Board presenting the findings and conclusions of the Board's review of the use of agency staff and consultants in East Sussex County Council.

22.2 It is now widely agreed that the Comensura contract has led to financial savings and has significantly improved management control over the Council's use of agency staff. For the use of consultants, however, the picture remains complicated by inconsistencies in financial coding and definitions.

22.3 What is required is the establishment of a clear *cultural norm* (implicit within any guidance issued to managers across the Council for example) that promotes a sensible use of discretionary consultants with an expectation that alternatives, such as providing development opportunities for in-house staff for example, will always be considered first. To check whether this approach has been successful will require 'dip testing' checks in the future.

22.4 RESOLVED – to (1) endorse the work being done to improve the management of agency staff and consultants by the County Council;

(2) receive a report at the Audit and Best Value Scrutiny Committee in March 2011 which: (a) outlines the latest information available about the use of agency staff via the Comensura project highlighting any key performance indicators that are causing concern; and (b) describes progress with the initiatives being put in place the better to manage the ad hoc use of consultants by the County Council; and

(3) agree that the Committee should consider whether any formal scrutiny review of use of agency staff or consultants was required.

23. REVIEW OF COUNCIL PROCUREMENT WITH SMALL AND MEDIUM SIZED ENTERPRISES

23.1 The Committee considered the six month monitoring report by the Deputy Chief Executive and Director of Corporate Resources detailing progress against the recommendations following the Scrutiny Review of Procurement with Small and Medium Sized Enterprises.

23.2 RESOLVED – To note the report.

24. FUTURE SCRUTINY WORK PROGRAMME

24.1 The Committee considered a report by the Director of Governance and Community Services setting out the Committee's planned programme of work for the forthcoming year.

24.2 RESOLVED – to add to the Committee's programme of work for 2010/11 as follows:

- An updated **RPR** report to be considered by the Committee in November 2010 (see RPR item above)
- **Economic development:** To consider at the November 2010 Scrutiny Committee an outline of:
 - The current and evolving landscape of economic development in East Sussex.
 - Who is 'in the driving seat' for economic development in East Sussex.
 - Sources of funding that are likely to be available and the mechanisms being put in place to access them.
 - An update on the evolution of the LEP (Local Economic Partnership) and its bid for resources.
- **NEETS** (young people not in education, employment or training): agreed to review the work done so far by Children's Services Scrutiny Committee to check whether there are any outstanding questions about value for money aspects of the NEETS programme; in particular to consider the way in which resources from different sources are applied.
- **Audit Commission** - a report on the implications of the disbanding of the Audit Commission will be considered by the Committee in due course.

25. FORWARD PLAN

25.1 The Committee considered the Forward Plan for the period 1 September 2010 to 31 December 2010.

25.2 RESOLVED – to note the Forward Plan.