

## SCRUTINY COMMITTEE FOR AUDIT, BEST VALUE AND COMMUNITY SERVICES

DRAFT MINUTES of a meeting of the Scrutiny Committee for Audit, Best Value and Community Services held at County Hall, Lewes on 15 March 2013.

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- PRESENT - Councillor Paul Sparks (Chairman), Councillors John Barnes, Michael Ensor, Carolyn Lambert, Stephen Shing, Bob Tidy and Francis Whetstone
- OFFICERS - Simon Hughes, Assistant Chief Executive, Governance and Community Services  
Russell Banks, Head of Assurance  
Ola Owolabi, Head of Accounts and Pensions  
Nigel Chilcott, Audit Manager  
Harvey Winder, Scrutiny Support Officer
- ALSO PRESENT - Janine Combrinck, Leigh Lloyd-Thomas - External Auditors (PKF)

### 41. MINUTES

41.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 6 November 2012.

### 42. APOLOGIES FOR ABSENCE

42.1 There were no apologies for absence.

### 43. DECLARATIONS OF INTEREST

43.1 Councillor John Barnes declared a personal, non prejudicial interest as the Chairman of the Music Service Management Committee.

### 44. REPORTS

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

## **Audit & Risk Items**

### 45. EXTERNAL AUDIT PLAN 2012/13

45.1 The Committee considered a report by the Chief Executive and the external auditors summarising the External Audit Plan 2012/13.

45.2 RESOLVED – (1) to note the report and its appendices;

(2) to recommend that, due to the cost of decommissioning landfill sites, the Council consider the feasibility of regenerating suitable landfill sites and turning them into assets.

### 46. EXTERNAL AUDIT PLAN FOR EAST SUSSEX PENSION FUND 2012/13

46.1 The Committee considered a report by the Chief Executive and the external auditors summarising the External Audit Plan for the East Sussex Pension Fund 2012/13.

46.2 The external auditors explained that a supplementary risk had been added to the External Audit Plan for the East Sussex Pension Fund 2012/13. There is a risk that overseas private equity

and infrastructure assets that the Council holds may not be appropriately valued in the financial statements. This is because the valuations may be subject to a degree of estimation and assumption by the fund managers and general partners, rather than observable market data. Furthermore, in many cases, the valuations are provided in December, three months before the Pension Fund's year end, and so need to be updated to reflect any cash transactions made in the intervening period. The external auditors are currently reviewing the situation.

46.3 RESOLVED – (1) to note the report and its appendices;

(2) to note the supplementary risk identified by the external auditor;

(3) to recommend that officers prepare a report to clarify the situation regarding un-funded pension contributions in relation to the East Sussex Music Service and what action is being taken to resolve the issue.

#### 47. EXTERNAL AUDIT REPORT ON GRANT CLAIM CERTIFICATION FOR THE YEAR ENDED 31 MARCH 2013

47.1 The Committee considered a report by the Chief Executive and the external auditors summarising the External Audit Report on grant claim certification for the year ended 31 March 2013.

47.2 RESOLVED –to note the report and its appendices.

#### 48. INTERNAL AUDIT PROGRESS REPORT – QUARTER 3 (01/10/12 – 31/12/12)

48.1 The Committee considered a report by the Chief Executive summarising the internal Audit Progress Report – Quarter 3.

48.2 RESOLVED – (1) to note the report and its appendices;

(2) to agree that there were no emerging risks to be considered for inclusion in the internal audit.

#### 49. STRATEGIC RISK MONITORING

49.1 The Committee considered a report by the Chief Executive summarising the current Strategic Risks faced by the Council, their status and mitigating actions.

49.2 The following key points emerged from the discussion:

- Future versions of the Strategic Risk Register will contain improved information on risk controls and note that where appropriate, risk controls will also be included in the business plan of the team responsible for implementing them. The team's performance in implementing the risk controls will then be monitored at the quarterly business management meetings.
- There would be a risk of duplication if the risk controls were monitored in detail by the Audit, Best Value & Community Services Scrutiny Committee alongside the business management meetings.

49.2 RESOLVED – (1) to note the report and its appendices;

(2) to recommend that, when requested, the owners of the strategic risks give reassurance to the Audit, Best Value and Community Services Scrutiny Committee that the risk controls are being successfully implemented.

## Scrutiny Items

### 50. AGILE WORKING PROGRAMME

50.1 The Committee considered a report by the Assistant Chief Executive, Governance and Community Services outlining the progress of the Agile Working Programme.

50.2 In addition to the report, the Assistant Chief Executive gave a PowerPoint presentation on the Agile Working Programme. The key points of the discussion were as follows:

#### Overview

- Agile working is a way of running an organisation based on the concept that staff will work better in an environment that is suited to their needs, for example, in a specialised office, in a remote location, or at home.
- An 'agile' organisation should have more contact with its customers in a wider variety of ways; make significant efficiency savings; require fewer office buildings; have offices that are more suited to the needs of staff; and rely more on the use of technologies that allow its staff to work away from the office.
- Significant changes are required to make East Sussex County Council 'agile'. Cabinet agreed to the scope of these changes in November 2012 and an Agile Working Programme (AWP) was established to implement them.
- The changes include issuing mobile devices to staff; procuring new ICT software and hardware; fully integrating this new technology; making business processes more efficient; and rationalising the Council's property portfolio. Amongst other benefits, these changes should deliver 10% savings.
- The AWP will not overlap or replace other ongoing corporate programmes or service reviews, such as THRIVE, Spaces, Customer Focus and the ICT strategy. However, the delivery of agile working is key to the success of these programmes.

#### **Agile ICT infrastructure**

- 'Agile' staff must be able to remotely access information from wherever they are working. This will require the Council to invest in specialised ICT software and hardware.
- The primary piece of software necessary for agile working is called an **Electronic Document & Records Management System (EDRMS)**. An EDRMS will allow staff to upload documents remotely, reducing the need to return to the office and increasing the amount of time that can be dedicated to customers.
- The AWP will also procure a **Customer Relationship Management (CRM) system**. A CRM creates a single account for each individual customer who contacts the Council wanting to use a service. This account can then be accessed and updated by staff in different departments if that same customer uses a different service.
- A CRM saves time by holding all data on a customer in one place. This also helps to ensure that the data is up to date and accurate. A CRM is also more secure than the current range of software, as a log is kept of who last accessed the data and confidential information is only accessible to certain staff.
- A CRM allows customers to view the entire range of services available to them. It will also avoid the need for the customer to give their details every time they use a different service. Finally, it will let customers specify their preferred method of contact with the Council.
- To make the most of an EDRMS, the AWP will procure **mobile devices**, for example, tablets. These would be issued to frontline staff to allow them to upload or download vital documents from any location in the county.
- The acquisition of **cloud based software** will give mobile devices the same functionality as desktop computers. The AWP has bought a license to use Microsoft Office Cloud Services as a first step.

- The AWP will look to make use of other hardware like the recently acquired **Public Services Network (PSN)**. The PSN is a dedicated public sector communication network. It could allow certain back office staff, such as the ICT helpdesk, to access the Council's network from home, reducing their need to be in an office.

### ***Agile work place and agile workforce***

- Once staff can carry out some, if not all, of their work from a remote location, the remaining three 'hub' offices can be made into agile workspaces. To ensure that these agile workspaces reflect the needs of staff, the AWP is carrying out extensive consultation.
- The consultation carried out so far indicates that staff generally need smaller, more bespoke offices. For example, the AWP has consulted with social workers, who have indicated strongly that they do not need to be in the office all of the time but when they do, they need some private space to have confidential discussions. This consultation will apply to all levels of staff up to and including the Chief Executive.
- All proposed changes will be taken within the context of the four principles of agile working and will not include the proposal to outsource Council functions. All the proposed changes will then be open to challenge by those affected. This will ensure that decisions are transparent and accountable.
- Becoming an agile organisation is a significant undertaking that requires a major cultural change. The AWP will not change the organisation's culture alone. Cultural changes will require the support and direction of the Directorates and from the Corporate Management Team.

### ***Next steps***

- The AWP is in the process of procuring an external strategic partner to assist with the implementation of the changes. The partner must have experience in both implementing agile working and overseeing the results, as there can be significant risks during the early stages of adoption.
- Cabinet authorised a full business process change as part of the AWP. Once a strategic partner has been procured, they will help work out how each team in the Council is linked and whether there is any duplication of work. Already, re-sequencing the ICT service in this way has delivered savings through the identifying of unnecessary software and hardware.

50.3 RESOLVED – (1) to note the report and its appendices; and

(2) to request future updates on the progress of the Agile Working Programme when appropriate.

### **51. RECONCILING POLICY, PERFORMANCE AND RESOURCES 2012/13**

51.1 The Committee considered a report from the Assistant Chief Executive, Governance and Community Services summarising scrutiny's input into the Reconciling Policy, Performance and Resources (RPPR) process during 2012/13.

51.2 The following key points emerged from the discussion:

- The RPPR process is improving year on year.
- The earlier that scrutiny committees become involved in the RPPR process the better the chances are that the committees will develop a clearer understanding of the issues. This helps to make scrutiny's observations and recommendations more constructive.
- The All Council Forums were a useful tool for helping Members understand the issues they were asked to comment on.

51.3 RESOLVED – To (1) note the report and its appendices;

(2) to recommend that in the future an Equality Impact Assessment should be completed for the proposed savings in each department as it helps Members to understand their potential impact.

52. SCRUTINY WORK PROGRAMME

52.1 The Committee considered a report by the Assistant Chief Executive, Governance and Community Services setting out the Committee's planned programme of work for the forthcoming year.

52.2 RESOLVED – to note the Committee's programme of work for 2013/14.

53. FORWARD PLAN

53.1 The Committee considered the Forward Plan for the period 1 March 2013 to 31 July 2013.

53.2 RESOLVED – (1) to note the Forward Plan;

(2) to request a copy of the report on the introduction of cashless parking, due to be considered by the Lead Member for Transport and Environment on 17 June 2013.

54. NEXT MEETING

54.1 The meeting ended at **12.35**. The next meeting of the Committee will be held on **4 June 2013**.