

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 12 March 2014.

- PRESENT - Councillors John Barnes, Jeremy Birch, Michael Blanch (Chair), Laurence Keeley, Robert Standley and Francis Whetstone
- OFFICERS - Philip Baker, Assistant Chief Executive
Marion Kelly, Chief Finance Officer
Rupert Clubb, Director of Communities, Environment and Transport
Cynthia Lyons, Acting Director of Public Health
Dr Irene Campbell, Assistant Director, Community and Customer Services
Ola Owolabi, Head of Accounts and Pensions
Russell Banks, Head of Assurance
Anita Counsell, Head of Specialist Health Improvement
Tony Proom, Strategic Commissioning Manager – Sexual Health
Jane Mackney, Head of Policy and Performance
Stephen Randall, Programme Director, Agile Working Programme
Simone Cuthbert, Programme Manager, SPACES
Harvey Winder, Scrutiny Support Officer
- ALSO PRESENT - Samantha Maloney and Tamas Wood, External Auditors, KPMG

44. MINUTES

44.1. RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 5 November 2013.

45. APOLOGIES FOR ABSENCE

45.1. Apologies for absence were received from Cllr Carolyn Lambert.

46. DECLARATIONS OF INTEREST

46.1. Cllr John Barnes declared a personal, non-prejudicial interest in Item 8 as a local councillor for the Rother North West division where Etchingham CE Primary School is located.

46.2. Cllr Michael Blanch declared a personal, non-prejudicial interest in Item 12 as the relative of a Beachy Head Chaplain.

47. REPORTS

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

Audit and Risk Items

48. EXTERNAL AUDIT REPORT ON GRANTS CLAIM CERTIFICATION

48.1. The Committee considered a report by the Chief Operating Officer summarising the findings of the external auditor's grant certification work for the financial year 2012/13 in line with the requirements of the Audit Commission.

48.2. RESOLVED – to note the report and its appendices.

49. EXTERNAL AUDIT PLAN FOR EAST SUSSEX PENSION FUND 2013/14

49.1. The Committee considered a report by the Chief Operating Officer summarising the content of the External Audit Plan for the East Sussex Pension Fund for 2013/14.

49.2. RESOLVED – to note the report and its appendices.

50. EXTERNAL AUDIT PLAN 2013/14

50.1. The Committee considered a report by the Chief Operating Officer summarising the content of the External Audit Plan for East Sussex County Council for 2013/14.

50.2. RESOLVED – to note the report and its appendices.

51. INTERNAL AUDIT PROGRESS REPORT: QUARTER 3

51.1. The Committee welcomed and thanked the Internal Audit team for a report by the Chief Operating Officer summarising the key audit findings, progress on delivery of the audit plan and the performance of the Internal Audit Service during Quarter 3.

51.2. 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.

52. STRATEGIC RISK MONITORING

52.1. The Committee considered a report by the Chief Operating Officer updating the Committee on current strategic risks faced by the Council, their status and risk controls/ responses.

52.2. RESOLVED – to note the report and its appendices.

Scrutiny Items

53. RECONCILING POLICY, PERFORMANCE AND RESOURCES

53.1. The Committee considered a report by the Chief Executive summarising the Committee's input into the Council's Reconciling Policy, Performance and Resources (RPPR) process during 2013/14.

53.2. This had been an unusual round of RPPR because it set the budget for the second year of a three year medium term financial plan, following a County Council election. Nearly half of the Members of the Council were newly elected and had not therefore been involved in the choices made by the Council in setting the plan in the

preceding February. A good deal of time had been taken during the early part of the cycle at members' forums and scrutiny committees in setting out the existing plans to members. It had also meant that scrutiny committees had been less well equipped than usual to introduce ideas from their experience of the service at their meetings in September and November.

53.3. The following key points were made in reference to specific messages of the Audit, Best Value & Community Services Scrutiny Committee RPPR Board:

Legal Services

- Legal Services were delivering their 20% savings targets. The service was being managed carefully at a time of reducing budgets in order to protect the Council from risks arising from potential legal action and to allow it to respond to any issues arising which could create liabilities for the Council. In addition, the capacity needs to be available to serve income generation initiatives, such as the provision of services to Sussex Police. These issues would need to be taken into account if savings over the 20% set out in the medium term financial plan were to be proposed.

Communications

- The joint-Head of Communications for East Sussex County Council and Medway Council would be leaving. However, the Council was still committed to working with Medway on joint working initiatives such as joint procurement (for example, of Hootsuite and Gov Delivery), joint training and joint campaigns, where this gave a financial benefit to the Council.

Library Services

- The service had investigated a number of routes to improve income generation and was engaged with other authorities to learn from best practice elsewhere. Any initiatives would need to produce sufficient profit to justify the costs and staff time spent on non-core activities. For this reason, the sale of cards in libraries had not been profitable. The sale of second hand books was however producing significant revenue.

Public Health

- The cross-council Public Health Commissioning Group funds one-off public health projects using unallocated Public Health Grant funds. The Group allocates funds through a business case process to areas of public health where East Sussex is performing significantly worse against the Public Health Outcomes Framework indicators than other areas, and which require cross-council involvement for delivery, for example, the number of people killed and seriously injured on the roads. Approximately £3m has been allocated to four public health one-off transformation projects to date. The Audit, Best Value & Community Services Scrutiny Committee requested that it be kept more closely informed of future one-off projects and be involved in the discussion where appropriate.

53.4. RESOLVED – 1) to note the report and its appendices;

2) to identify that the following changes ought to be made to Scrutiny's involvement in the RPPR process going forward:

- The Audit, Best Value & Community Services Scrutiny Committee RPPR Board should meet earlier in the year so that it has more time to understand the impact of required savings and develop recommendations;
- Savings targets should be shown in the context of the overall budget from which they are being made; and
- Provide, where appropriate, the RPPR board with information about how the savings proposals were developed and what alternatives there might be.

3) to request a report on the proposed future of the Communications Team and its relationship with Medway Council; and

4) to provide a summary of the business cases for the public health transformation projects receiving one-off funding for the 10 June 2014 meeting; and

5) to be kept informed of future public health transformation projects and be involved in the discussion where appropriate.

54. AGILE WORKING REFERENCE GROUP

54.1. The Committee considered a report by the Chief Operating Officer summarising the work of the Committee's Agile Working Reference Group to date.

54.2. The Agile Working Reference Group summarised the headline issues raised at its first meeting:

- The sign-off of the Agile Working Programme (AWP) will take longer than expected as officers have identified opportunities to increase the scope of the programme from 2,600 staff to 3,500. This will eventually result in higher pro rata savings, but the Central Management Team will need to agree a new business case for the expanded programme.
- The next stage of the AWP involves the recruitment of 25 new staff who will manage the role out of the Programme across the Council. The purpose of this recruitment drive is to ensure that the savings from the AWP are delivered to schedule. Consequently, if the Council does not manage to recruit permanent staff to fill all of the posts, consultants might need to be recruited on short term contracts to ensure that there is a full complement of staff.
- In order to gain government Code of Connection (CoCo) accreditation by August 2014, the Council must replace all laptops and desktop PCs that use the Windows XP operating system, which will no longer supported after April 2014. Failure to remove Windows XP from the Council's network before August 2014 will result in the network being considered insecure. To achieve compliance, the Council must replace all laptops using Windows XP (1,600 units), upgrade all desktops, and test the network. This project is not part of the AWP, but is critical to its success.
- Work is ongoing to ensure that the AWP Property Workstream aligns properly with the Council's Property Strategy.
- The long-term arrangements for the leadership of the AWP are currently under review.
- The next Agile Working Reference Group will meet to look at the latest AWP business case and benefit realisation plan, and take a closer look at the AWP

sub-programme for information management and the AWP property workstream, which are both critical to the success of the Programme.

54.3. RESOLVED – 1) to note the report and its appendices;

2) to agree that the Agile Working Reference Group should continue to meet to comment on the progress of the Agile Working Programme.

55. REVIEW OF THE OUTCOME OF TRANCHE 1 PUBLIC HEALTH SERVICES REVIEW AND RE-COMMISSIONING PROGRAMME

55.1. The Committee considered a report by the Acting Director of Public Health summarising the outcomes of the Tranche 1 review commissioning/re-commissioning review of public health services and the progress of the Tranche 2 review.

55.2. The following key points emerged from the discussion:

- The Council has a duty to take appropriate steps to improve the health of the local population. The Public Health Department explained that an important way to improve the health of the population is by commissioning a range of lifestyle services, which support people to change their behaviour, for example, improve their diet, take more exercise, stop smoking, and reduce the amount of alcohol they drink. The service specifications for these services are based on the National Institute of Clinical and Social Excellence (NICE) guidance and other national guidance.
- East Sussex County Council and the NHS Clinical Commissioning Groups (CCGs) jointly commission services to prevent falls. The joint commissioner for falls services is hosted by Adult Social Care. The Public Health Department provides falls injuries data to help inform commissioning and also commissions a range of health improvement activity around accidental injury prevention.
- The Public Health Grant is ring-fenced until April 2016. The Public Health Department understands that, after that date, the public health budget will be subject to the same level of savings required of other departments within the Council. In anticipation of this, the Public Health Department has started to model the impact of cuts on the different services that it commissions.

55.3. RESOLVED – 1) to note the report and its appendices; and

2) to circulate a briefing on the sexual health promotion and HIV prevention work.

56. SPACES INTRODUCTION AND PROGRAMME UPDATE

56.1. The Committee considered a report and presentation by the Chief Operating Officer summarising the remit and progress of the Strategic Property Asset Collaboration in East Sussex (SPACES) Programme.

56.2. The following key points emerged from the discussion:

- The SPACES Programme is a partnership of public organisations designed to deliver more efficient and cost effective services in East Sussex by helping member organisations to make better use of their estates through partnership working and the co-location of services.
- A consultant set challenging Key Performance Indicator (KPI) targets for the SPACES programme to be achieved by the end of the programme's life cycle

in 2021. These include raising £30m of capital receipts, reducing revenue costs by £10m per year and reducing the property portfolio's carbon footprint by 20%. The SPACES Programme Board accepted and adopted the KPI targets. Achieving these KPIs is not straightforward, for example, obtaining baseline CO₂ levels is difficult because not all organisations have been required historically to measure their output.

- The SPACES programme encourages groups of partner organisations with similar needs to develop joint contracts for a particular service. These projects can face difficulties if the partner organisations have existing contracts that expire at different times. For example, a partner organisation had to delay signing up to a joint storage contract because their contract with an existing provider expired before the contracts of other partners. This organisation is still part of the group, but they have extended their existing contract to enable them to join later.
- SPACES Programme has no authority over its member organisations so the momentum of the programme is dependent largely on the interest and willingness of the member organisations and individuals within those organisations. As much as possible, the SPACES Programme is aligned to the strategic plans of the member organisations and its progress is reported senior management on a regular basis to ensure the maximum buy-in from member organisations.
- The SPACES Programme has a dedicated resource of one independent officer who reports to the SPACES Programme Board.

56.3. RESOLVED – 1) to note the report and its appendices;

2) to thank the Programme Manager of the SPACES programme for reassuring the Committee that the SPACES Programme is achieving its stated goals.

57. MOBILE LIBRARIES REVIEW PANEL: UPDATE

57.1. The Committee considered a report by the Director of Communities, Economy and Transport summarising the input of the Mobile Libraries Review Panel into the proposals to improve the efficiency of the mobile libraries service.

57.2. RESOLVED – 1) to note the report and its appendices;

2) to request that the Libraries and Information Services reviews the mobile libraries service again once the lease for the mobile library expires and that the views of the Audit, Best Value & Community Services Scrutiny Committee are sought as part of the review process.

58. SCRUTINY WORK PROGRAMME

58.1. The Committee considered a report by the Assistant Chief Executive setting out the Committee's planned programme of work for the forthcoming year.

58.2. RESOLVED – 1) to note the work programme;

2) To agree the following items to add to the work programme (in addition to those agreed during earlier items):

- An away day during the summer to discuss future items for the work programme.

59. FORWARD PLAN

59.1. The Committee considered the Forward Plan for the period 1 March 2014 to 30 June 2014.

59.2. RESOLVED – to note the Forward Plan.

60. NEXT MEETING

60.1. The meeting ended at **1.00pm**. The next meeting of the Committee will be held on **10 June 2014**.