

SCRUTINY COMMITTEE FOR AUDIT, BEST VALUE AND COMMUNITY SERVICES

MINUTES of a meeting of the Scrutiny Committee for Audit, Best Value and Community Services held at County Hall, Lewes on 10 June 2014.

- PRESENT - Councillors John Barnes, Jeremy Birch, Michael Blanch (Chair), Peter Charlton, Robert Standley and Francis Whetstone
- OFFICERS - Philip Baker, Assistant Chief Executive
Kevin Foster, Chief Operating Officer
Marion Kelly, Chief Finance Officer
Cynthia Lyons, Acting Director of Public Health
Russell Banks, Head of Assurance
Alison Rendle, Head of Education Improvement
Anita Counsell, Head of Specialist Health Improvement
Roger Williams, Head of Highways
Dr Jane Thomas, Consultant in Public Health
Rawdon Phillips, Insurance and Risk Manager
Harvey Winder, Scrutiny Support Officer

ALSO PRESENT - Councillor Richard Stogdon, Chair of Economy, Transport and Environment Scrutiny Committee (for item 9)

1. MINUTES

1.1. RESOLVED – 1) to approve as a correct record the minutes of the meeting of the Committee held on 12 March 2014;

2) to agree to hold an additional meeting of the Reconciling Policy Performance and Resources (RPPR) Board earlier in the RPPR process to give Members more time to understand the impact of required savings and develop recommendations. All Members of the Committee are invited to attend.

2. APOLOGIES FOR ABSENCE

2.1. Apologies for absence were received from Cllr Laurence Keeley (substitute: Cllr Peter Charlton).

3. DECLARATIONS OF INTEREST

3.1. Cllr Bob Standley declared a personal interest in items 5 and 8 as a school governor of Uplands Community College.

3.2. Cllr Michael Blanch declared a personal, non-prejudicial interest in item 10, as the relative of a Beachy Head Chaplain.

4. REPORTS

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

Audit and Risk Items

5. INTERNAL AUDIT SERVICES – ANNUAL REPORT AND OPINION 2013/14 PLAN

5.1. The Committee considered a report by the Chief Operating Officer giving an opinion on the Council's control environment for the year from 1 April 2013 to 31 March 2014.

5.2. The Committee noted that client satisfaction for Internal Audit was high. As a client of Internal Audit, the Committee expressed satisfaction with their audit and investigative work, their written reports and their presentations of those reports to the Committee. The Committee noted that Internal Audit was performing this role with fewer resources than in previous years and in doing so was offering very good value for money.

5.3. The following key points emerged from discussion:

- The Internal Audit review of School's Senior Leadership Salaries (SSLS) identified that some headteachers who carry out paid work for Ofsted continue to receive their headteacher salary; there is no national guidance as to whether or not this is an appropriate arrangement. Internal Audit has recommended that these arrangements should be formalised by the County Council, for example, headteachers should receive an allowance for their Ofsted work.
- A school's governing body has the power to determine the headteacher's salary, but the Council may be able to influence a governing body's decision by issuing guidance and insisting that the school adhere to governance arrangements around SSLS. Internal Audit identified a number of actions (which have been agreed and implemented by the appropriate teams) to help increase schools' compliance with necessary conditions and requirements relating to SSLS:
 - provide up to date guidance on SSLS to schools and their governing bodies;
 - ensure that the Council's Personnel and Training team speak to the Chair of Governors to make sure that they have read the guidance when a request is made to raise a headteacher's pay;
 - ensure that the Council's Personnel and Training team only approve requests to increase headteacher pay that are supported by evidence that they have been approved by the school's governing body.

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

2) agree that there are no significant control issues that should be included in the Council's annual governance statement for 2013/14;

3) agree that the Council's system for internal audit has proved effective during 2013/14;

4) request that Internal Audit circulates a summary of the report on the audit of contract management arrangements with Apetito to the Committee;

5) request that Internal Audit considers informing the local member(s), as a matter of course, of any schools in their division given reviews of 'minimal assurance' or 'no assurance'; and

6) to recommend that Cabinet asks the Local Government Association (LGA) to lobby the Department for Education to put in place a full regulatory framework for schools, since local authorities no longer have the powers to provide that role and no other organisation has been given the responsibility.

6. INTERNAL AUDIT STRATEGY 2014/15 AND ANNUAL PLAN

6.1. The Committee considered a report by the Chief Operating Officer presenting the Council's Internal Audit Strategy and Annual Audit Plan 2014/15.

6.2. Internal Audit is looking to bring in external specialist support for its planned reviews of major organisational initiatives like Agile Working. Internal Audit will also use this as an opportunity to transfer some of the specialist knowledge to its own staff and working practices.

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

2) to endorse the Council's Internal Audit Strategy and Annual Audit Plan 2014/15;

3) to approve the updated Internal Audit Charter; and

4) to recommend that, as part of future reporting arrangements, Internal Audit more clearly identifies where it plans to carry out follow up audits in some of the higher risk areas which have received 'partial assurance'.

7. ASSESSMENT OF THE CORPORATE GOVERNANCE FRAMEWORK AND CORPORATE ASSURANCE STATEMENT FOR 2013-14

7.1. The Committee considered a report by the Monitoring Officer containing the draft annual assessment reports of the Corporate Governance Framework and Annual Governance Statement that are due to be agreed by the Governance Committee on 1 July 2014.

7.2. RESOLVED – 1) to note the report to Governance Committee and its appendices;

2) to recommend to the Governance Committee the following changes to Annex A of the report:

- Include action that will be taken to strengthen governance, risk management and the internal control environment for the Social Care Information System (SCIS);
- Include the action: "Encourage schools to develop the financial skills and knowledge of their business managers and governing bodies."

Scrutiny Items

8. UPDATE ON THE PROGRESS OF THE SCHOOL RISK REVIEW GROUP

8.1. The Committee considered a report by the Director of Children's Services summarising the progress to date of the School Risk Review Group (SRRG).

8.2. The following key points emerged from discussion:

- Governing bodies are now responsible for providing financial oversight of schools, and it is a priority of the SRRG to ensure that local authority (LA) governors have the necessary financial skills to perform this oversight role effectively.
- The SRRG is developing a comprehensive training programme for schools aimed at improving the knowledge and skills of governing bodies and school staff. However, schools are free to purchase training from a variety of providers, so the Council will need to be able to sell its training programme to schools in competition with national organisations.

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

(2) to request that the School Risk Review Group report back to the Committee with an update on how it has reduced reputational and financial risk to the Council from schools once its plans have been fully implemented.

9. REVIEW OF HIGHWAYS PUBLIC LIABILITY CLAIMS

9.1. The Committee considered a report by the Assistant Chief Executive summarising the work by the Highways Claims Review Board to implement ways of managing highways public liability claims more effectively.

9.2. The following key points emerged from the discussion:

- The time it takes for the Council to deal with each pothole claim has not so far been systematically measured, so it is not possible to conclude whether the changes implemented by the Highways Claim Review Board have sped up the overall time it takes to deal with an individual claim. However, claim times will be performance managed going forward and the results will be available in due course. All claims are currently managed according to the existing pre action protocol, where possible.
- Members recommended that the Highways Claims Review Board should promote to the public the positive message that the claims handling process is now more transparent, fairer and quicker. For example, reporting potholes is now easier, and the claims handling team and Jardine Lloyd Thomas have been assessed as 'excellent' by an independent audit.
- Where legal liability is accepted, all claims against the Council are paid out, up to the value of £250,000, from the Council's internal insurance fund. The cost of the claim is then recharged internally to the relevant budget. Claims relating to vehicle damage caused by potholes are the most common form of highways claim, but claims relating to personal injuries, which can cost several thousand pounds each, account for a higher percentage of the total value of claim payments.

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

2) to recommend that the Highways Claims Review Board consider:

- including a performance indicator for the Governance Services Department on the amount of time it takes to process claims;
- promoting the improvements to the claims handling process, for example, on the Council website;
- looking at whether claims could be handled more efficiently if extra claims handling staff are hired early in the winter period before a considerable backlog of claims arises; and

3) to recommend that the Economy, Transport and Environment Scrutiny Committee look at how resources are allocated to the different work areas within the Highways budget to see whether there is scope to make adjustments to the budget that would help reduce instances of the most costly liability claims, such as for personal injury and flooding.

10. BUSINESS CASE PROPOSALS FOR ONE OFF FUNDING FROM PUBLIC HEALTH

10.1. The Committee considered a report by the Acting Director of Public Health containing the four business cases receiving one off transformational funding from unallocated spend in the Public Health Grant.

10.2. The Public Health System performance of East Sussex is measured against the performance indicators in the Public Health Outcomes Framework and can be compared to national averages. The four one off projects were agreed by the Public Health Commissioning Group as they related to indicators in the Public Health Outcomes Framework where East Sussex was performing significantly worse than England as a whole and where there was a strong evidence base that one-off funding could produce a significant improvement in performance against the indicator. Delivery against the indicators required cross-council and multi-agency delivery.

Suicide prevention

10.3. Beachy Head is a suicide hotspot. Research indicates that investment in making adjustments to infrastructure in the surrounding area (such as the removal of the cliff top car park or installing infrared fencing) would prevent some deaths, for example, by delaying access to the cliff tops to allow more time for the interception of individuals. There is evidence from Sydney, Australia that similar infrastructure changes to nearby cliffs were effective. It is also an initiative that has received the support of the Beachy Head Multi Agency Group (which includes the Samaritans and the coastguard). The decision on whether or not to make infrastructure changes will depend on the outcome of a technical report undertaken by independent experts.

10.4. Members agreed that it was worthwhile for the suicide prevention project to allocate some of the one-off funding to voluntary organisations, specifically the Beachy Head Chaplaincy Team (BHCT) which is facing financial challenge. Members identified, as a high priority, working to provide aftercare for those who, having been pulled back from potential suicide by BHCT, are not steered towards community and healthcare support and often seek to return to Beachy Head.

Safer Streets

10.5. Members welcomed the proposals to move the issue of Safer Streets forward, but noted that the initial stages of the project are to be implemented within a relatively short timescale. The initial process is set to be completed over a three to

four month time period and requires the gathering of the views of partner organisations, the development of a full business case and an implementation plan and sign off from relevant groups such as the Community Safety Partnership.

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

2) to receive the technical report on infrastructure changes to Beachy Head in order to demonstrate that the expenditure on infrastructure would be beneficial and the best use of resources;

3) to request that the Public Health Department invites the Committee to comment, either at a committee meeting or in a sub-committee, on future one-off transformational commissioning programmes earlier on in the planning stages so that Members' views can be considered before the Public Health Commissioning Group makes a decision.

11. REVIEW OF THE RESOURCES CONSOLIDATION

11.1. The Committee welcomed a report by the Chief Operating Officer summarising the achievements and challenges of the launch of the Business Services Department (BSD).

11.2. The Committee congratulated the staff of the BSD on the progress and key achievements they have made since the launch of the Department in September 2013.

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

2) to request a report on the Strategic Workforce Plan and People Strategy, once they have been agreed and put in place, in order to gain a better understanding of how they will help to develop the required cultural and behavioural changes across the Council necessary to achieve the BSD outcomes.

12. NEW CLIENT AFFAIRS POLICY

12.1. The Committee considered a report by the Chief Operating Officer seeking the Committee's approval for the new Client Affairs policy.

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

2) to approve the new Client Affairs Policy.

13. SCRUTINY WORK PROGRAMME

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

13.2. RESOLVED – 1) to note the work programme.

14. FORWARD PLAN

14.1. The Committee considered the Forward Plan for the period 1 June 2014 to 31 October 2014.

14.2. RESOLVED – to note the Forward Plan.

The meeting ended at **1.00pm**. The next meeting of the Committee will be held on **5 September 2014**.