

AUDIT, BEST VALUE AND COMMUNITY SERVICES SCRUTINY COMMITTEE

MINUTES of a meeting of the Audit, Best Value and Community Services Scrutiny Committee held at Committee Room, County Hall, Lewes on 23 November 2015.

PRESENT Councillors Mike Blanch (Chair), John Barnes (Vice Chair), Laurence Keeley, Carolyn Lambert and Bob Standley and Barry Taylor (substituting for Councillor Francis Whetstone).

LEAD MEMBERS Councillor David Elkin

ALSO PRESENT Kevin Foster, Chief Operating Officer
Russell Banks, Head of Assurance
Marion Kelly, Chief Finance Officer
Sarah Mainwaring, Interim Assistant Director Personnel and Training
Nigel Chilcott, Senior Audit Manager
Bethan Hampson, Executive Officer
Wendy Hardy, Counter Fraud Specialist

Martin Jenks, Senior Democratic Service Advisor

31 MINUTES OF THE MEETING HELD ON 15 SEPTEMBER 2015

31.1 RESOLVED to approve as a correct record the minutes of the meeting held on 15 September 2015.

32 APOLOGIES FOR ABSENCE

32.1 There were none.

32.2 It was noted that Councillor Taylor was acting as a substitute for Councillor Whetstone.

33 DISCLOSURES OF INTERESTS

33.1 Councillor Bob Standley declared a personal interest in Item 6 (see minute 37), as he is a Governor of Uplands Community College, but he did not consider this to be prejudicial.

34 URGENT ITEMS

34.1 None notified.

35 REPORTS

35.1 Reports referred to in the minutes below are contained in the minute book.

35.2 It was RESOLVED to take item 9 after items 5 and 6 on the agenda (see minutes 36, 37 and 38).

36 INTERNAL AUDIT PROGRESS REPORT QUARTER 2 (01/7/15 - 30/9/15)

36.1 The Committee considered a report by the Chief Operating Officer which summarises the key audit findings, progress against the internal audit plan and the performance of the internal audit service for quarter 2 of 2015/16. The Head of Assurance outlined the three main areas of work within the report which are: individual school audits; Public Health Local Service Agreements; and the Shared Care Information System (SCIS).

36.2 The Committee requested that a summary of planned follow up audits is included in future quarterly monitoring reports for audits where the initial assessment was either minimal assurance or no assurance.

36.3 The Committee discussed the audit findings and made the following comments on the main areas of audit work.

- Shared Care Information System (SCIS). A decision will be taken shortly on the 'go live' date for the new system and the Committee asked what the implications would be if the implementation was delayed. The Chief Operating Officer explained the key impact would be on the Children's Services department, whose implementation of SCIS is planned to follow Adult Social Care. The Committee asked for an update on internal audit work associated with this project to be given at the March 2016 Audit, Best Value and Community Services (ABVCS) Scrutiny Committee meeting.
- Highways Contract. The Committee's concern about the ability to manage the performance of sub-contractors was noted and will be considered as part of any more detailed work that will be undertaken once the new service provider is known.
- Fraud Awareness. The Committee was introduced to Wendy Hardy, who has joined the team as a Counter Fraud Specialist. Fraud awareness training is being carried out with all staff teams as part of the fraud risk assessment work. It is hoped that increased staff awareness will lead to an increase in reporting by staff of potential fraud issues.
- Additional Audit Reviews – Superfast Broadband BDUK. Councillor Barnes raised concerns about the delivery of access to Superfast Broadband in some of the county's rural areas. As the scrutiny of this project mainly lies within the remit of the ETE Scrutiny Committee it was agreed that Councillor Barnes would liaise with the Chair of the ETE Scrutiny Committee on this issue and the value for money aspects of the Broadband project.
- High Risk Recommendations Overdue. The Head of Assurance reported that the outstanding management action following the audit of the East Sussex Pension Fund is now complete.

36.4 The Committee RESOLVED to (1) note the report;

(2) request an update on the SCIS audit work as part of the next quarterly monitoring reports; and

(3) congratulate the Internal Audit Team on their performance indicators.

37 STRATEGIC RISK MONITORING - QUARTER 2 2015/16

37.1 The Committee considered a report by the Chief Operating Officer which provided an update on current strategic risks faced by the Council, their status and risk controls and responses.

37.2 The Committee noted the revised wording of the strategic risks and the changes to their red, amber, green (RAG) rating after mitigation measures have been put in place.

37.3 The Committee discussed the emerging cost pressures facing small schools caused by projected salary and pensions increases, and highlighted that this may have implications for the financial viability of some small schools. The Chief Finance Officer commented that this was more an issue of financial viability, than one of financial management. The Finance Team does provide support to schools through a budgetary advice service to schools.

37.4 The Committee RESOLVED to note the current strategic risks and the risk controls/responses being proposed and implemented by Chief Officers.

38 ANNUAL AUDIT LETTER AND FEE UPDATE 2014/15

38.1 The Committee considered a report by the Chief Operating Officer which presented the annual audit letter and fee outturn for 2014/15. The Committee noted that there were no changes to the external auditor's report which had previously been reviewed by the Committee. The Committee had no further comments and resolved to note the report.

38.2 RESOLVED to note the report.

39 PEOPLE STRATEGY

39.1 The Committee considered a report by the Chief Operating Officer which presented the People Strategy and the progress made against the four key themes of the strategy set out in the action plan. The key themes are:

- Leadership and Management (Appendix 3A)
- Performance, Development and Reward (Appendix 3B)
- Employee Engagement and Recognition (Appendix 3C)
- Employee Health, Wellbeing and Inclusion (Appendix 3D)

39.2 The year 2 action plan of the People Strategy is detailed in appendix 4 of the report. The key priorities for delivery in 2016/17 will be implementing the Leadership and Management capability framework, and introducing a new appraisal system.

39.3 The Committee questioned the pace of implementation and why the Leadership and Management capability framework had not been given higher priority given its importance. The Interim Assistant Director for Personnel and Training responded that it had been important to implement the Learning Management System first so that training programmes could be delivered electronically and staff could manage their training on line. It is also important to bear in mind that the development of the Leadership and Management capability framework is being co-created with managers to ensure their engagement and that the right capabilities are included.

39.4 The Committee commented that the future management capability work was key to the East Sussex County Council's (ESCC) future and should include competencies that managers of the future will need to possess. If ESCC intends to empower its managers, it may be more challenging than the People Strategy suggests to adjust the style of management across the whole organisation.

39.5 The Interim Assistant Director for Personnel and Training confirmed that resources were in place within departments to implement the Leadership and Management capability framework. Development work has also included information from the 21st Century Public Servant resource to ensure competencies for the future are included and not just those suggested by existing managers. The appraisal system will help ESCC develop the managers needed for future leadership roles. The Leadership and Management capability framework will make it possible to have an honest and genuine dialogue with managers about their future role and capability.

39.6 The Committee asked about the resources for the implementation of the health and wellbeing initiatives to tackle sickness absence rates. The Interim Assistant Director for Personnel and Training replied that the department is aware of the issue and have identified a member of the team who will be able to develop and implement the health and wellbeing initiatives. Both the Chief Executive and the Chief Operating Officer attended a 'mindfulness session' that was run as part of Stress Awareness Day on 4 November 2015 and good feedback has been received from staff about this. There are a range of wellbeing initiatives that are being considered for implementation and it will be important to evaluate their impact.

39.7 The Committee commented that the People Strategy was a little bland and did not reflect the enthusiasm that was evident from those that were implementing it. The Committee considered that it needed to be more punchy and visionary in order to engage staff.

39.8 The Committee RESOLVED to: (1) note the development of the People Strategy and the progress made against the action plan deliverables; and

(2) thank the staff for their work to implement the People Strategy.

40 SPEND ON AGENCY WORKERS IN EAST SUSSEX COUNTY COUNCIL 2015

40.1 The Committee considered a report by the Chief Operating Officer which presented the latest information available about the use of agency workers via Comensura. The Interim Assistant Director for Personnel and Training introduced the report and highlighted the key points within the report and the appendices.

40.2 The Committee asked for an update on two issues that were raised in response to last year's report:

- The establishment of a relief bank of care workers for Adult Social Care (ASC) to reduce the number of agency staff needed.
- The suggestion of employing/identifying dedicated staff to work to reduce sickness absence in the ASC department.

40.3 The Interim Assistant Director for Personnel and Training reported that a relief bank had been established in ASC to provide care workers in directly provided services (DPS) where minimum staffing levels exist. The relief bank is working well, with existing part time staff being offered additional hours. This has had a positive impact on the quality of care as it maintains the continuity of care by using staff who are already familiar with service users. It has been difficult to assess the impact this has had on costs, but at a time of increased pay levels, the expenditure on agency workers has remained fairly consistent at around £6.5m - £7m per year.

40.4 A number of pilot schemes have been undertaken in ASC to reduce sickness absence, which have had positive impact on sickness absence levels. There are two examples in appendix 3 of the report. In one pilot scheme the provision of physiotherapy has led to a reduction in musculoskeletal absence, in another the “Five Weeks to Wellbeing” campaign has reduced the occurrence of sickness absence. The main piece of work has been to equip locality teams with robust return to work procedures and to support managers to have the necessary discussions with staff about their sickness absence.

40.5 The Committee discussed a number of aspects of the report and made the following comments.

40.6 The Committee noted that the Business Services Department (BSD) has the highest agency expenditure and asked for a breakdown of the expenditure. The Chief Operating Officer explained that approximately £2 million of the £2.4 million expenditure was spent on corporate change programmes, and was not supporting BSD core services. The agency assignments for corporate change programmes include short term posts (fixed term contracts) and interim managers where specialist skills are required (especially in Information Technology). It is the intention to reduce the number of these short term posts as the various change programmes come to an end.

40.7 Committee asked whether membership of the Orbis Partnership would have an impact on the use of agency workers. The Interim Assistant Director for Personnel and Training responded that the Orbis Partnership may potentially lead to a reduction in the level of agency assignments in these specialist areas as Orbis will provide a bigger staff pool. Alongside this, the ambition of being an employer of choice will hopefully lead to an enhanced ability to attract staff, which will, in turn, help Orbis reduce the number of agency workers needed.

40.8 The Committee requested a further explanation of the agency assignments used for a ‘work peak’ in the Communities, Economy and Transport (CET) department. The Interim Assistant Director for Personnel and Training agreed to update the Committee, but thought it may be linked to lower permanent staffing levels in the lead up to the letting of the new Highways Maintenance contract.

40.9 The Committee noted that the report shows a reduction in sickness absence levels for quarter 1 of 2015/16 and asked if this was likely to continue. The Interim Assistant Director for Personnel and Training explained that there are likely to be seasonal variations in absence levels due to illnesses such as colds and flu. All key staff (such as care workers) are offered flu vaccinations, and may have to avoid contact with vulnerable service users if they believe they are becoming unwell. Therefore, it is expected that sickness absence levels will increase, but it is not currently anticipated that they will be any worse than last year.

40.10 The Committee RESOLVED to note the findings and conclusions presented in the report.

41 SCRUTINY COMMITTEE FUTURE WORK PROGRAMME

41.1 The Committee considered the Committee’s planned programme of works for the forthcoming year.

41.2 The Committee discussed the work that has been carried out by the Committee’s Reconciling Policy, Performance and Resources (RPPR) Board on Communications, Libraries and Orbis. The Chair noted that there was likely to be a change in the Chair of Surrey County Council’s, Council Overview Board (COB) and asked the Senior Democratic Services Advisor to find out who will be the new COB Chair.

41.3 It was agreed to hold a pre- meeting before the next Committee meeting on the 15 March 2016 for a briefing on the Internal Audit Plan.

41.4 The Committee RESOLVED to note the work programme and briefing on the Internal Audit Plan (see minute 41.3 above).

42 FORWARD PLAN

42.1 The Committee considered the published Forward Plan for the period to 29 February 2016.

42.2 The Committee RESOLVED to note the Forward Plan.

43 NEXT MEETING

43.1 The next meeting of the Committee will be held on 15 March 2016.

The meeting ended at 3.34 pm.

Councillor Mike Blanch
Chair