



AUDIT, BEST VALUE AND COMMUNITY SERVICES SCRUTINY COMMITTEE

TUESDAY, 15 MARCH 2016

10.00 am COMMITTEE ROOM, COUNTY HALL, LEWES

MEMBERSHIP - Councillor Mike Blanch (Chair)
Councillors John Barnes (Vice Chair), Laurence Keeley, Carolyn Lambert,
Bob Standley, Trevor Webb and Francis Whetstone

A G E N D A

- 1 Minutes of the meeting held on 23 November 2015 (*Pages 3 - 8*)
- 2 Apologies for absence
- 3 Disclosures of interests
Disclosures by all members present of personal interests in matters on the agenda, the nature of any interest and whether the member regards the interest as prejudicial under the terms of the Code of Conduct.
- 4 Urgent items
Notification of items which the Chair considers to be urgent and proposes to take at the appropriate part of the agenda. Any members who wish to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgent.

Audit Items

- 5 Internal Audit progress report Quarter 3 2015/16 (*Pages 9 - 24*)
Report by the Chief Operating Officer
- 6 Strategic Risk Monitoring - Quarter 3 2015/16 (*Pages 25 - 30*)
Report by the Chief Operating Officer
- 7 External Audit Plan 2015/16 (*Pages 31 - 48*)
Report by the Chief Operating Officer
- 8 External Audit report on grants claim certification (*Pages 49 - 52*)
Report by the Chief Operating Officer
- 9 External audit plan for East Sussex Pension Fund 2015/16 (*Pages 53 - 64*)
Report by the Chief Operating Officer

Scrutiny Items

- 10 Reconciling Policy, Performance and Resources (RPPR) for 2016 and beyond (*Pages 65 - 72*)
To review Scrutiny's input relating to the RPPR process. Report by the Chief Executive

- 11 Procurement Performance Update (*To Follow*)
Report by the Head of Procurement
- 12 Public Health One-Off Projects - Update Report (*Pages 73 - 98*)
Report by the Acting Director of Public Health
- 13 Scrutiny committee future work programme (*Pages 99 - 104*)
- 14 Forward Plan (*Pages 105 - 112*)
The Forward Plan for the period to 30 June 2016. The Committee is asked to make comments or request further information.
- 15 Any other items previously notified under agenda item 4

PHILIP BAKER
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7 March 2016

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Agenda Item 1

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

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **15 March 2016**

By: **Chief Operating Officer**

Title of report: **Internal Audit Progress Report – Quarter 3 (01/10/15 – 31/12/15)**

Purpose of report: **To provide Members with a summary of the key audit findings, progress on delivery of the audit plan and the performance of the internal audit service during Quarter 3.**

RECOMMENDATIONS

- 1. Members are recommended to consider and agree any action that should be taken in response to the issues raised in any of the audits carried out during Quarter 3; and**
 - 2. Identify any new or emerging risks for consideration for inclusion in the internal audit plan.**
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1. Background

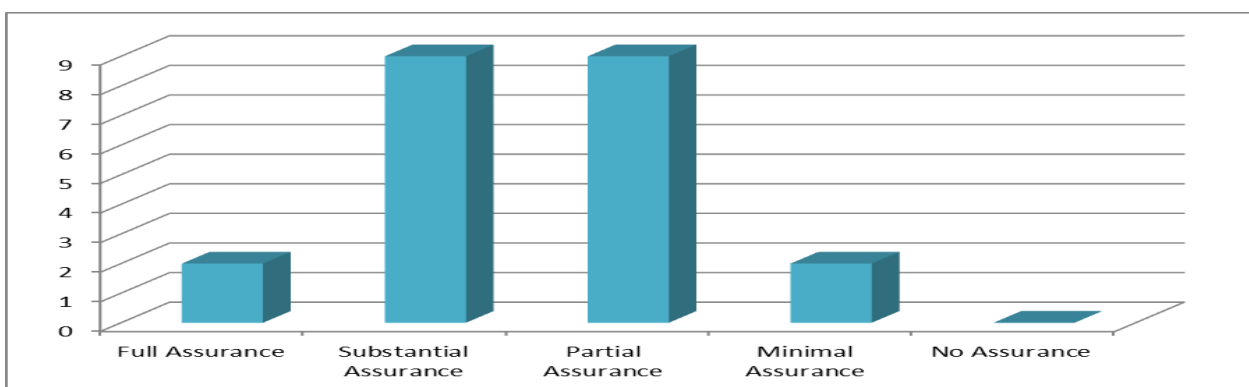
1.1 This progress report covers work completed between 1 October 2015 and 31 December 2015.

2. Supporting Information

2.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2015-16. This was prepared after consulting Chief Officers and senior managers and was endorsed by Audit, Best Value and Community Services Scrutiny Committee on 17 July 2015.

3. Conclusion and Reasons for Recommendation

3.1 Key audit findings from final reports issued during Quarter 3 are summarised in Appendix 1.



3.2 Overall, of the 22 formal audits completed, 2 received 'full assurance' opinions, 9 received 'substantial assurance' (3 of which were schools), 9 received 'partial assurance' (all of which were schools) and 2 (both of which were schools) received 'minimal assurance'. This includes those school audits completed by Mazars which were not part of the original audit plan (see 3.5 below). For the two schools that received an opinion of minimal assurance, we have obtained a commitment from management to address the required actions as a priority and will be undertaking further follow-ups in due course to ensure that this takes place.

3.3 Whilst the same range of internal audit opinions are issued for all audit assignments, it is necessary to also consider the level of risk associated with each area under review when drawing an opinion on the Council's overall control environment. **Taking into account these considerations, the Head of Assurance continues to be able to provide reasonable assurance that the Council has in place an effective framework of governance, risk management and internal control.**

3.4 The overall conclusion has been drawn based on all audit work completed in the year to date and takes into account the management response to recommendations raised and the level of progress in subsequent implementation.

3.5 As explained in previous progress reports, work has been taking place to strengthen financial governance in schools, particularly through a new training programme for governors, headteachers and school business managers and the delivery of a wider programme of school audits. This additional audit work, delivered in conjunction with Mazars Public Sector Internal Audit Limited, is intended to assess financial governance in a much larger sample of schools, not just those deemed to be higher risk, as well as gauging the effectiveness of the new training programme. Details of the schools audits completed so far have been summarised within Appendix 1.

3.6 Formal follow up reviews continue to be carried out for all audits where either 'minimal' or 'no assurance' opinions have been given and for all higher risk areas receiving 'partial' assurance. A schedule of all audits where future follow up reviews are planned is provided at the end of Appendix 1, which will continue to be updated on an ongoing basis. In addition, arrangements are in place to monitor implementation of all individual high risk recommendations. At the time of writing this report, two high risk recommendations due remained outstanding beyond the agreed implementation date, although both of these have been partially implemented. In both instances, a revised implementation date has been agreed with management. Details are in Appendix 2.

3.7 Members will recall that flexibility was built into the audit plan to allow resources to be directed to any new and emerging risks. We continue to liaise with departments to identify these but would also welcome input from the Committee. Details of those reviews added and removed from the plan so far this year are set out towards the end of Appendix 1.

3.8 Progress against agreed performance targets (focussing on quality / customer satisfaction, compliance with professional standards, and cost / coverage) can be found in Appendix 3. All targets have been assessed as on target (Green).

KEVIN FOSTER
Chief Operating Officer

Contact Officers: Russell Banks, Head of Assurance Tel No. 01273 481447

BACKGROUND DOCUMENTS: Internal Audit Strategy and Annual Plan 2015-16

Summary of Key Audit Findings

General Ledger

The key control objectives of this review were to ensure that:

- Up-to-date and approved policy, regulations and supporting procedures, in line with statutory requirements and accounting standards are in place;
- All direct journal inputs to the general ledger are complete, accurate and properly authorised (in accordance with Council policies);
- Transactions posted from feeder systems into control accounts are complete and accurate;
- Unrecognised accounts or suspense balances are reviewed and cleared on a timely basis, and;
- Adequate bank reconciliation procedures are in place.

Based on our work, we were able to provide **full assurance** over the system of controls. We found that the general ledger continues to be appropriately managed and accurately maintained. A small number of opportunities to further improve the control environment were identified. These were, however, minor in nature.

SAP Security and Administration Follow-Up

SAP Security and Administration is a key risk area for ESCC. A failure to properly control access rights and security could result in financial loss and unauthorised access to ESCC data. Inadequate control over access rights and security could also lead to reputational damage and potential fines/litigation where there is non-compliance with data protection laws.

A follow-up review in this area was undertaken due to an audit opinion of partial assurance being provided in a previous audit, where it was found that there were a number of opportunities for improvement which would help to reduce the financial and reputational risk exposure to the Council.

In undertaking this follow-up, we found that most of the actions from the previous review had been either fully or partially implemented, and this resulted in an improved audit opinion of **substantial assurance**. Notable areas of improvement included:

- The strengthening of governance arrangements over SAP security and administration;
- The review and management of SAP user roles and transactions to help ensure users do not have inappropriate access;
- Finalisation of the SAP Disaster Recovery Invocation Plan, increasing the likelihood that SAP is able to be recovered in a controlled and timely manner in the event of a disaster.

We have, however, reiterated the point that there is no formal, automated process for identifying and reviewing potential role conflicts in SAP, which could mean that users have inappropriate access rights that enable them to complete critical and significant elements of a SAP process without further input from others, increasing the risk of inappropriate activity and potential financial loss. This has been an issue since SAP was first implemented within the Council and whilst manual controls partly reduce the associated risks, these are not sufficiently robust to mitigate them completely. We have therefore agreed with management

that this should be escalated to senior management for further consideration, particularly in light of the work currently underway to clarify the requirements of the Council's future business solutions platform.

Some further, minor points were raised as part of the audit and these were agreed in full with management.

Agile Technology Security Audit

Agile working is the ability to work in any place and from any space, supported by the right technology and processes. It provides Council employees with more choice in how, when and where work is undertaken. It also enables the Council to make best use of its resources and improve the way it delivers services to the local community.

An audit was undertaken to review the security arrangements of agile technology in use within the Council. In particular, this incorporated an analysis of:

- Agile technology policies and procedures;
- Agile asset management;
- Mobile device configuration and security;
- End point security.

In completing this work, controls were generally found to be adequate and an opinion of **substantial assurance** was provided. Some areas were, however, identified where improvements could be made, including the need to:

- Review and update existing Council policies, including the corporate email policy and internet access and usage policy, to ensure coverage extends to the use of agile equipment, including smartphones;
- Ensure policies and procedures relating to 'lost and stolen devices' and 'information security incidents' are formally communicated as part of agile equipment roll-out;
- Ensure staff are required to formally accept and evidence receipt of/responsibility for mobile devices in order to increase accountability, and;
- Maintain complete and adequate records of all mobile devices held.

All recommendations for improvement were agreed with management, all of which are due to be implemented by the end of 2015.

Coroner's Office Follow-Up Review

A previous internal audit review in 2014/15 found that there was considerable scope for improving financial administration within the Coroner's Office. The absence of a proper framework of financial control was a contributing factor to the weaknesses found. Due to the control issues highlighted, and the audit opinion of partial assurance given, we conducted a follow-up review to assess the extent to which the agreed actions from the previous audit had been implemented.

Our work found that the control environment at the Coroner's Office had improved significantly since the last audit, with the majority of our recommendations having been implemented. We were therefore able to give an opinion of **substantial assurance**. One outstanding recommendation was restated and a partially implemented action resulted in an amended recommendation. These included the need to:

- Enter additional costs incurred for long inquests into the Coroner's management information system, to ensure that relevant information is captured for all cases, and;

- Ensure the petty cash account is operated properly and in-line with financial regulations.

Both of these actions were agreed with management who are committed to ensuring their implementation by the end of 2015.

Cultural Compliance Reviews

We are continuing to deliver a programme of 'cultural compliance' reviews within different teams across the Council. These are intended to provide assurance that services are delivered effectively and in compliance with appropriate Council policies and procedures. The reviews focus on the following areas:

- Service delivery and good management practice;
- Budget management;
- Expenditure;
- Income;
- Staff management, and;
- Asset and inventory management.

Two such audits have been completed in quarter 3, within the Communications Team (Communities, Economy and Transport) and The Family Plus Team (Children's Services), the results of which are as follows:

The Communications Team

The Communications Team provides guidance and support to Council departments when they need to communicate with each other or the outside world. This can involve press releases, the design of web pages or advertising campaigns. As with other Council teams, the Communication Team has undergone a considerable restructure, including incorporating the public relation activities from individual departments into a single, centralised function.

Overall, we were able to provide an audit opinion of **substantial assurance**. We found that, generally, the service complies with Council policies. However, some areas for improvement were identified as summarised below, including the need:

- For all staff to complete a declaration in the register of business interests and for managers to establish appropriate safeguards where positive declarations are made;
- To increase awareness and knowledge of the key messages in the Employee Code of Conduct and the Council's Anti-Fraud and Corruption Strategy;
- To ensure supporting documentation is retained for all purchasing card (P-Card) transactions;
- To maintain an inventory of equipment and to ensure that assets are security marked, and;
- To ensure that adequate records of hours worked are maintained, and that standard leave cards are used in all instances.

The Family Plus Team / Family Group Conference

The aim of the Family Plus Team (FPT) is to involve family and friends in the safeguarding of children. The FPT assess and support family, friends and connected carers of children and young people who might otherwise be looked after within the care system in East Sussex.

The Family Group Conference (FGC) service organise family group conferences to involve extended family networks in safeguarding.

Our work concluded that the service complies with the majority of Council policies. As a result, we were able to provide an audit opinion of **full assurance** with only one minor recommendation for improvement being made, relating to the need to retain documentation in support of P-Card transactions.

East Sussex Better Together – Governance and Pooled Budget Arrangements

The Government aims to improve public health, reducing the level of acute and intervention care provided by the NHS and, instead, place a greater reliance on community based health and social services. The Health and Social Care Act 2012 transferred responsibility for public health from the NHS to local government and gave new powers to Tier 1 local authorities to commission services.

In 2013, the Better Care Fund was created with a single pooled £3.8bn national budget. This was ring-fenced for two years to incentivise the NHS and local government to work more closely together to improve health and well-being and to focus on outcomes measured against national benchmarks.

ESCC and health service bodies inside and outside the county (NHS England, clinical commissioning groups, GPs and other interested partners) have subsequently developed the East Sussex Better Together (ESBT) initiative. Its aim is to provide stronger co-ordination and joint commissioning of services to improve the health and wellbeing of the people of East Sussex.

Annual spending on health and social services in East Sussex is approximately £1bn, of which approximately £260m currently relates to Adult Social Care (ASC) services. The East Sussex share of the Better Care Fund consists of £42.2m in 2015/16. This has been created by the recycling of resources from within existing clinical commissioning groups (CCG) and ESCC budgets into a pooled budget arrangement. The ESCC contribution is £5.663m, whilst the three CCGs (NHS Eastbourne, Hailsham and Seaford; NHS Hastings and Rother; and NHS High Weald Lewes Havens) contribute the remainder.

As part of an agreed plan of internal audit work in relation to Better Together and the Better Care Fund, we have completed a review of governance (including risk management) and pooled budget arrangements.

We found that, generally, ESBT governance, programme management and arrangements for the management of the pooled budget are sound. Clear objectives for the scheme have been agreed and structures have been set up to manage progress against these. Management is keen to exercise strong oversight and is aware of areas where improvement is needed. Subsequently, we were able to provide an opinion of **substantial assurance**.

Some areas for improvement were, however, identified, including the need to:

- Establish and approve a scheme of financial delegation which will help to ensure the clarity and efficiency of the decision-making process;
- Strengthen the risk management framework to improve the chances of ESBT achieving its objectives;

- Develop a work-plan to monitor and report progress of the programme;
- Develop a formal process for CCG's to draw-down funding from the pooled budget.

The findings from this review were discussed with management and actions for improvement, together with timescales for implementation, were fully agreed.

Shared Care Information System (SCIS)

The Shared Care Information System (SCIS) programme will change the way all records (or cases) in Adult Social Care (ASC) and Children's Services (CSD) are created and monitored. The Council is implementing LAS (Liquidlogic Adults System) and LCS (Liquidlogic Children's System) to replace CareFirst as the client information and case management system. The current social care finance system for ASC, Controcc, will be incorporated for both systems to provide care and finance information in one place.

The main purpose of our work in relation to the SCIS programme, agreed with the SCIS Programme Board, is to provide an opinion on whether risks associated with five key aspects of the system implementation are being properly managed. The main focus areas are:

- Business process re-engineering across ASC, CSD and Finance;
- Data quality and migration;
- Testing arrangements;
- System security and administration, and;
- System interfaces and reconciliation.

As previously reported, we have provided regular updates to the Board and ASC DMT on our work. For LAS, this culminated in a report for their go-live decision in November that summarised our work and provided a commentary on issues that could impact the decision. These included:

- A lack of financial information for the Funding Panel in relation to the cost of framework services (such as Home Care and Residential), potentially preventing informed decisions from being made;
- Certain LAS processes and guidance notes not being finalised at the time of the go-live decision;
- The outcomes from the latest round of user acceptance testing not being formally documented. We were therefore unable to provide assurance that the system had been adequately tested or that there were no outstanding material issues.

In highlighting the above weaknesses, it enabled DMT to seek assurance from programme management that these would be resolved prior to go-live; either through the implementation of formal controls or via temporary workarounds. We felt that, provided these and other issues highlighted by the project were successfully resolved prior to go-live, there was no reason why the programme should not proceed. DMT subsequently received sufficient assurance from programme management to enable them to make the decision to go-live with LAS with effect from 1 December 2015.

Our work is now focussed on LCS, which has a planned go-live date of 23 February 2016.

The Keep

The Keep was opened in November 2013 at a cost of £15 million. It is a centre for archives that provides access to all collections of the East Sussex Record Office, the Royal Pavilion and Museums Local History Collections and the University of Sussex Special Collections. East Sussex County Council (ESCC), Brighton and Hove City Council and the University of Sussex are jointly responsible for governance and management of The Keep.

The overall revenue budget for the 2015/16 financial year is £1.2million, with the contribution from ESCC totalling £740,000 (equivalent to 60% of the revenue budget).

The main purpose of this audit was to review governance, business planning and budget management arrangements in relation to The Keep. In addition, a review of income arrangements and asset security was undertaken.

In providing an audit opinion of **substantial assurance**, we found a robust control environment and a number of areas of good practice. Some opportunities to further strengthen controls were also identified, including the need to:

- Implement formal risk management arrangements;
- Review and revise The Keep's business plan, with particular focus on financial planning;
- Maintain an asset register to help maintain and secure The Keep's assets;
- Ensure outturn against key service targets is properly reported;
- Ensure all cash income received is banked fully intact, and:
- Further enhance cash handling procedures.

All of the above areas were agreed with management.

Before the commencement of the audit, we were made aware of issues in relation to the budget at The Keep. The original budget allocation for ESCC does not meet the Council's costs under The Keep's Operation and Management Agreement with its partners, resulting in an underlying shortfall in the region of £230,000. Furthermore, significant budget pressures for all partners have arisen due to the rateable value and utility costs for the property being significantly higher than anticipated at the beginning of The Keep's operation.

ESCC management are fully aware of this and work is being undertaken to mitigate the costs further. This includes an appeal to the Valuation Office Agency regarding the business rates and the development of an income generation strategy.

Individual School Audits

We are continuing our school audit work in two main areas:

- Audits in a sample of higher risk schools and follow-ups where poorer audit opinions have been given. This work is delivered by our own internal audit team, and;
- A wider programme of audits of randomly selected schools, delivered through Mazars Public Sector Internal Audit.

As reported previously, the purpose of this wider sample of school work is to assess financial governance in more schools, not just those deemed to be higher risk, and to gauge the effectiveness of a new training programme currently being delivered to governors,

headteachers and school business managers. A summary of the results of opinions arising from this work is set out in the following table:

Higher Risk and Follow Up Audits (Delivered in house)	Opinion
Sacred Heart Catholic Primary School	Minimal Assurance
Randomly Selected Audits (Delivered by Mazars)	
Catsfield CE Primary School	Substantial Assurance
St. Peter and St. Paul CE Primary School	Substantial Assurance
Wadhurst CE Primary School	Substantial Assurance
Broad Oak Community Primary School	Partial Assurance
Dallington CE Primary School	Partial Assurance
High Hurstwood CE Primary School	Partial Assurance
Iford and Kingston CE Primary School	Partial Assurance
Manor Primary School	Partial Assurance
Mayfield CE Primary School	Partial Assurance
Rodmell CE Primary School	Partial Assurance
St. Paul's CE Primary School	Partial Assurance
West Rise Junior School	Partial Assurance
Parkside Primary School	Minimal Assurance

In all cases, recommendations arising from our work have been formally agreed with school management, with copies of all audit reports sent directly to all members of each school's governing body. This is in addition to the bulletins we provide to governors which highlight common themes and issues arising from our work which we recommend they seek assurance on within their own schools. Common issues arising from our recent work include the need for schools to:

- ensure declarations of interests are managed effectively;
- always raise purchase orders prior to the goods or services being received;
- ensure decisions and approvals are explicitly recorded in the minutes of the Governing Body;
- confirm the employment status of self-employed people to ensure schools are not liable for additional payments to HMRC;
- strengthen income controls;
- retain sufficient evidence of reconciliations and approvals;
- strengthen control over voluntary funds;
- maintain contract registers, and;
- ensure contractors have the correct level of public liability insurance.

Investigations

Western Road Community Primary School

Following concerns raised by staff and governors at the school, particularly in relation to financial irregularities and missing items of equipment, we conducted an internal audit and investigation during 2014/15. In addition to significant financial control weaknesses being identified, our investigation established that items purchased through the school were missing and unaccounted for, including specialist items of equipment not normally associated with school use. We also found evidence that some items purchased through the school had been delivered to the home address of the Headteacher who had recently left to assume employment outside of East Sussex.

The findings from our work were reported to the police whose investigations led to the previous Headteacher being charged with theft, fraud and false accounting. The case was subsequently heard at Hove Crown Court in December 2015, during which the Headteacher was found not guilty on all charges. Items belonging to the school and found in the former Headteacher's home have, however, been recovered and are being returned to the school.

A comprehensive audit report highlighting a range of control weaknesses, along with actions for improvement, was produced for the school in 2014, the results of which were reported to the Audit, Best Value and Community Services Scrutiny Committee in September 2014.

A follow up of this report is due to take place in the new financial year.

Mileage and Expense Claims

As a result of inconsistencies identified during a routine audit, an investigation into an employee's mileage and expense claims was undertaken which found that the individual had failed to deduct home to work mileage on claims and had also, in some instances, submitted claims for the cost of fuel in addition to the journeys claimed for.

Our investigation found that these issues had most likely come about as a result of human error and a lack of understanding over the process for the correct processing of expense claim forms. Although no disciplinary action has therefore been taken in this case, the full reimbursement of all overpaid sums has been sought from the individual concerned.

Internal Audit is currently working with colleagues in Personnel and Training (PAT) and BSD Finance to help clarify and strengthen the guidance available in this area to help avoid future repetition.

Conflict of Interest – Recruitment

During December 2015, an anonymous allegation was received relating to alleged bullying and irregular recruitment practices at an East Sussex primary school. In agreement with PAT and Children's Services, we conducted a formal investigation into these allegations along with a full audit at the school.

Whilst no evidence was found of bullying or impropriety in recruitment practices, a wide range of internal control and governance weaknesses were identified. These have been set out within a draft audit report which is currently being discussed with the school and which will be reported on in our quarter 4 progress report.

Additional Audit Reviews

Through discussions with management, the following reviews have been added to the audit plan during the course of the year on the basis of risk (see 3.7 above):

- General Ledger;
- E-Invoicing;
- Property – Pre Contract Checking Arrangements;
- Appointeeships Follow-Up;
- Social Care Assessment and Planning Team – Sorrell Drive;
- High Weald Area of Outstanding Natural Beauty;
- Department for Transport Capital Block Funding Grant Claim;
- Broadband Annual Return to BDUK.

In agreement with management, the following audits have been removed from the 2015/16 audit plan and will be considered for inclusion in the 2016/17 plan as part of the overall risk assessment completed during the annual planning process:

- Care Act;
- South East Business Services (SEBS);
- Contract Management;
- Capital Programme;
- Impact of Savings Activity;
- Safeguarding.

Audit Areas Scheduled for Future Follow Up

Audit Area	Original Audit Opinion	Date of Planned Follow Up
Appointeeships	Partial Assurance	2015/16
Compliance with Procurement Standing Orders	Partial Assurance	2016/17
Contract Management	Partial Assurance	2016/17
Special Educational Needs and Disabilities (SEND)	Partial Assurance	2016/17
Public Health Local Service Agreements	Minimal Assurance	2016/17
School's Senior Leadership Team Salaries	Minimal Assurance	2015/16
Western Road County Primary School	No Assurance	2016/17
Pevensey and Westham CE Primary School	Minimal Assurance	2015/16
Shinewater Primary School	Minimal Assurance	2016/17
Northiam CEP School	No Assurance	2016/17
Castledown Primary School	Minimal Assurance	2016/17
Sacred Heart Catholic Primary School	Minimal Assurance	2016/17
Parkside Primary School	Minimal Assurance	2016/17

High Risk Recommendations Overdue**Controcc**

One recommendation relating to the Controcc audit remains overdue where we previously found a lack of procedures for managing amendments and retrospective changes to care packages, which had resulted in a large number of historic cases, collectively significant in value, which remained unresolved. However, in continuing to liaise with management on this, a formal approach to resolution has been agreed and work to address the outstanding cases is due to be completed by the end of January 2016.

East Sussex Pension Fund Processes and Systems

One recommendation has only been partially implemented. This related to the delay in processing a high number of leaver records for ESCC and Academies staff that were to become deferred benefits (664 records in total).

At the time of this report, we understand that approximately half of the backlog has now been processed. However, additional cases have been added throughout 2015/16 and this will continue in 2016/17. A contributing factor to the delay is a lack of information being provided by the Payroll team regarding final pay calculations. The Pensions Team is, by May 2016, aiming to reduce the total of outstanding cases by half and establish an acceptable working caseload as an ongoing concern. In addition, a way forward with Payroll to provide final pensionable pay information on SAP leaver notifications has been agreed. This will reduce the workload of the Pensions Administration team and therefore free-up resources to address the backlog.

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Appendix 3

Internal Audit Performance Indicators

Measure	Source of Information	Frequency	Specific Measure / Indicator	RAG Score	Actual Performance
Client Satisfaction					
Chief Officer/DMT	Consultation / Survey	Annual	Confirmation of satisfaction with service quality and coverage and feedback on areas of improvement.	G	Confirmed through Chief Officer consultations in February / March 2015, where high levels of satisfaction confirmed.
Client Managers	Satisfaction Questionnaires	Each Audit	>89%	G	96.2%
Section 151 Officer	Liaison Meetings	Quarterly	Satisfied with service quality, adequacy of audit resources and audit coverage.	G	Confirmed through ongoing liaison throughout the year and via approval of audit strategy and plan.
ABV&CSSC	Chairs Briefing and Formal Meetings	Quarterly / Annual	Confirmation of satisfaction with service quality and coverage and feedback on areas of improvement.	G	Confirmed through annual review of effectiveness and feedback from committee as part of quarterly reporting.
Cost/Coverage					
CIPFA Benchmarking	Benchmarking Report and Supporting Analysis Tools (to be reviewed for 2015/16)	Annual	1. Cost per Audit Day; 2. Cost per £m Turnover; equal to or below all authority benchmark average	G	Opportunities to improve benchmarking being explored. Last results available are for 2012, these show: 1. £316 against average of £325 2. £559 against average of £1,004
Local and National Audit Liaison Groups	Feedback and Points of Practice	Quarterly	Identification and application of best practice.	G	On-going via attendance at County Chief Auditors Network, Home Counties Audit Group and Sussex Audit Group.
Delivery of the Annual Audit Plan	Audits Completed	Quarterly	90% of audit plan completed.	G	68.8%.

Measure	Source of Information	Frequency	Specific Measure / Indicator	RAG Score	Actual Performance
Professional Standards					
Compliance with professional standards	Self-Assessment against new Public Sector Internal Audit Standards	Annual	Completed and implementation of any actions arising.	G	Self-assessment completed, improvement plan in place and being actioned.
External Audit Reliance	Fundamental Accounting Systems Internal Audit Activity	Annual	Reliance confirmed	G	No matters were raised following the last review of internal audit function by KPMG.

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **15 March 2016**

By: **Chief Operating Officer**

Title of report: **Strategic Risk Monitoring**

Purpose of report: **To update the Committee on current strategic risks faced by the Council, their status and risk controls / responses.**

RECOMMENDATION: The Committee is recommended to note the current strategic risks and the risk controls / responses being proposed and implemented by Chief Officers.

1. Background

1.1 Sound risk management policy and practice should be firmly embedded within the culture of the council, providing a proportionate and effective mechanism for the identification, assessment and, where appropriate, management of risk. This is especially important in the current climate where there remains considerable uncertainty about the future.

1.2 Robust risk management helps to improve internal control and support better decision-making, through a good understanding of individual risks and an overall risk profile that exists at a particular time. To be truly effective, risk management arrangements should be simple and should complement, rather than duplicate, other management activities.

2. Supporting Information

2.1 The Council's Strategic Risk Register is attached as Appendix 1, which is formally reviewed by DMT's and CMT on a quarterly basis. Members should note that this version of the Strategic Risk Register was reviewed by CMT on 10th February 2016 and was presented to Cabinet on 8th March 2016.

2.2 Whilst the overall number of risks within the register has remained the same since it was last presented to the ABVCSSC in November 2015, a number of amendments to the narrative have been made. Risk 4 (Health) has been updated and the risk control amended. Risk 1 (Roads), risk 6 (Local Economic Growth), risk 9 (Workforce), and risk 10 (Welfare Reform) all have amended risk control responses. No risk scores have been amended for this review and no risks have been removed from the register.

2.3 We will continue to explore opportunities to further strengthen the council's risk management arrangements and for mitigating our key strategic risks. It is however, important to recognise that in some cases there is an inherent risk exposure over which the Council has only limited opportunity to mitigate or control.

3. Risk Improvement Activity

3.1 Regular reviews of risk registers continue to be carried out in conjunction with departmental risk coordinators and risk owning managers to ensure that relevant risks are identified and risk controls / responses are effective.

3.2 As part of our plans to help strengthen and embed risk management, risk reviews in support of the Highways contract and the joint Procurement function have been undertaken, and ongoing risk management support continues to be provided.

3.2 A meeting of the South East Risk Managers forum was held in February 2016. This group was set up by the Risk & Insurance Manager to help identify and share good risk management practice among members of the South East Seven group of councils. The meeting was attended by risk managers from East Sussex, Surrey, West Sussex and Essex County Councils, and Brighton & Hove City Council.

KEVIN FOSTER
Chief Operating Officer

Contact Officers: Russell Banks, Head of Assurance, Tel: 01273 481447
Rawdon Philips, Risk & Insurance Manager, Tel: 01273 481593

Local Member: All

Background documents :
None

Strategic Risk Register – Q3 2015/16			
Ref	Strategic Risks	Risk Control / Response	RAG
2	<p>ORDINARY RESIDENCE</p> <p>Risk from other areas placing clients in receipt of social care services in East Sussex, and transferring to ESCC the commissioning, care management and funding responsibility for the individual as a result of a successful Ordinary Residence claim.</p>	<p>Dedicated Ordinary Residence Panel set up. The Panel discusses and agrees strategic and legal responses to Ordinary Residence claims from and to other Local Authorities, and directs reporting content. Panel members contact other Local Authorities directly where appropriate, and instruct Legal Services representation (including Counsel, and applications for Secretary of State determination) on behalf of ESCC.</p> <p>Continued awareness raising for ASC operational staff (and particularly Social Care Direct) in line with published guidance on Ordinary Residence, resulting in earlier case referrals to Ordinary Residence team. Guidance for frontline staff was written and issued followed by panel members visiting all ASC Operational teams to deliver presentation and Q&A. OR Inbox established to provide advice to staff and monitor all known incoming/outgoing OR queries and claims.</p> <p>Regular information gathering and reporting to DMT on all Ordinary Residence case referrals and financial projections.</p>	R
7	<p>SCHOOLS</p> <p>An increasingly diverse set of education providers could, potentially, increase the risk of underperformance due to the local authority having fewer powers of intervention. This could impact negatively on the Council's reputation as Ofsted holds the local authority to account for the performance of all schools.</p>	<p>The LA has a duty to champion educational excellence for all children:</p> <ul style="list-style-type: none"> •Relationships with academies continue to be built and we are working with sponsors, including the Diocese of Chichester, to find appropriate academy solutions for schools. •Academies are included in the Education Improvement Partnerships and alliances. •Academies are all party to data sharing agreements and are sharing targets and progress data with us. •Performance data continues to be analysed for all schools so that the LA maintains an overview of the performance of all pupils in the County. •In the first instance, the LA offers direct support to academies to address any performance concerns that become apparent through close analysis of the data or other intelligence gathering; this includes support from consultant headteachers for secondary academies. •Where academies do not appear to be accessing appropriate support, the LA brings this to the attention of the DfE, who may exercise their intervention powers. 	R
8	<p>CAPITAL PROGRAMME</p> <p>Failure to deliver capital programme outcomes on-time and on-budget, impacting on the Council's ability to support local economic growth.</p>	<p>The Council has a five year capital programme in place which reflects Council priorities. This is updated annually and monitored as part of the Reconciling Policy, Performance and Resources (RPPR) process.</p> <p>In April 2015, a high level Capital Programme Management Review was commissioned with a recognition that we need to not only set firm targets for the next year of the programme, but set indicative targets for the following years and start to focus on shaping the 2018-2021 capital programme. The brief set out that there needs to be shift of focus from capital programme 'monitoring' to capital programme 'management' in order to improve forecasting and scheme scheduling and planning.</p>	R

Strategic Risk Register – Q3 2015/16			
Ref	Strategic Risks	Risk Control / Response	RAG
1	<p>ROADS</p> <p>Severe winter weather, over recent years, caused significant damage to many of the county's roads including an unprecedented number of potholes. We know that this is likely to lead to a backlog in repairs, an increased number of potholes and an increased number of liability claims causing reputational damage and increasing financial risk to the Council.</p>	<p>With the first two years of the current 4 year carriageway funding period now delivered, improvements in condition continue to be achieved in line with initial modelling. Condition of the unclassified road network has improved in line with the asset plan, reducing the length requiring structural maintenance and building resilience.</p> <p>An asset managed preventative approach to the maintenance of the counties highway network is being rolled out across the asset portfolio. The new highways contract to commence in May 2016 places asset management at its core and will target improvement in the condition of the public highway.</p> <p>The county's first drainage strategy was presented to Lead Member and approved in October 2015. The strategy will develop a greater understanding of the asset alongside a risk based, preventative approach to drainage maintenance. This will enable the highway authority to more effectively plan for and mitigate the effects of extreme weather events including flooding.</p>	A
4	<p>HEALTH</p> <p>Failure to secure maximum value from partnership working with the NHS. If not achieved, there will be impact on social care, public health and health outcomes and increased social care cost pressures. This would add pressures on the Council's budget and/or risks to other Council objectives.</p>	<p>Implementation of East Sussex Better Together Programme by ESCC and Hastings and Rother CCG and Eastbourne, Hailsham and Seaford CCGs to transform health and social care in the county and deliver the Better Care Fund plan to improve outcomes for East Sussex residents, with robust governance arrangements reporting to County Council and Health and Wellbeing Board. Programme will include review of needs and available resources, wide engagement with stakeholders and residents and evidence of best practice, to develop a plan for a clinically and financially sustainable health and social care system in East Sussex. There will also be targeted use of the Better Care Fund to better integrate health and social care and contribute to whole system transformation.</p> <p>Discussions are ongoing between ESCC and the High Weald Lewes Havens CCG about how health and social care integration will be achieved in this area of the county.</p>	A
5	<p>RESOURCE</p> <p>Failure to plan and implement a strategic corporate response to resource reductions, demographic change, and regional economic challenges in order to ensure continued delivery of services to the local community.</p>	<p>We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning. We have adopted a commissioning approach which means evaluating need and considering all methods of service delivery, which includes working with partner organisations to deliver services. The Council Plan sets out targets for a 'One Council' approach to deliver our priorities and is monitored quarterly. Over the coming year the Government's savings plans and the impact of new legislation, coupled with increased demands arising from demographic changes, could hamper the Council's ability to deliver its statutory duties. A bid for greater devolution has been submitted to the DCLG on behalf of the 3SC area (East and West Sussex and Surrey), which it is hoped will bring greater local control over all public sector funding, but greater autonomy is not without risk and care will need to be taken to ensure that these are fully understood in any subsequent negotiations.</p>	A

Strategic Risk Register – Q3 2015/16			
Ref	Strategic Risks	Risk Control / Response	RAG
9	<p>WORKFORCE</p> <p>Under-informed and under-motivated workforce results in adverse impact on service delivery / performance and ability to successfully deliver service transformation / corporate change programme.</p>	<p>A People Strategy has been developed based on feedback from a series of employee engagement sessions run in 2013/14 and subsequent manager engagement events. This Strategy sets out a range of initiatives and interventions that will help achieve the people changes needed over the next 3-5 years, in the context of future savings requirements and business improvements. The emphasis is on supporting and developing our managers and staff to enable them to respond positively to the changing environment.</p> <p>We recognise that high levels of change can impact on staff wellbeing and that there is a risk of stress in this context. A Stress Risk Assessment process has been developed to facilitate employees and their managers in jointly investigating the causes of, and identify solutions to perceived stress. Approaching stress management in this way means that employees can play a major part in clearly identifying the issues involved and how these can be addressed. In support of this, a dedicated intranet page on stress has been developed, which includes information around the support we can provide to help staff combat stress, as well as some 'top tips' on managing and coping with stress.</p> <p>Alongside this, a range of Wellbeing Initiatives have been developed and a dedicated wellbeing internal communication plan is now in place. This has included a 'Wellbeing' Yammer group and intranet articles focusing on the importance of taking regular breaks and our commitment to the Mental Health 'Time for Change Pledge'.</p> <p>The appraisal and 1-2-1 protocols and the attendance management procedure are all being reviewed. Included within this will be the facility to enable managers and employees to discuss any wellbeing concerns at an early stage and put in place a shared agreement to prevent future Stress and Mental Health related absences. A mindfulness programme is being developed as part of the resilience strategy and tasters were offered to staff on Stress Awareness Day (04 November 2015).</p> <p>A public communications campaign, accessible to staff was launched in September 2015 around the budget process and the difficult decisions that will have to be taken over the coming months. Social and news media, the website, Your County and other channels are also being used.</p> <p>The Corporate Management Team web-chat provides a quarterly opportunity to engage with a broader cross section of the workforce and respond to staff queries and issues. Alongside this, we continue to engage with Trade Unions on both a formal and informal basis, including discussions about change programmes and the impact on staff motivation and wellbeing.</p>	A
10	<p>WELFARE REFORM</p> <p>Welfare reform leading to sub-optimal outcomes for East Sussex community. Impact on working age adults with the potential increased demand on services. Direct financial pressure on the County Council along with implications on spending within the wider local economy.</p>	<p>Work with the District and Borough Councils to understand the impact of changes to the Council Tax Benefit scheme for East Sussex. Any potential financial impact is reflected through the Reconciling Policy, Performance and Resources (RPPR) process. We are working in partnership through the Financial Inclusion Partnership and the Targeted Welfare Reform Project which provides information on the changes to partners and the public across East Sussex.</p>	A

Strategic Risk Register – Q3 2015/16			
Ref	Strategic Risks	Risk Control / Response	RAG
3	<p>CARE ACT</p> <p>Failure to implement the additional duties, demands and other direct implications arising from the Care Act, within reducing resources, whilst continuing to meet current statutory duties. Although the funding reforms due for implementation have been put on hold until 2020 there is still a need to implement and embed new duties relating to eligibility and assessment, financial assessment and deferred payments, commissioning and market management, advice and information and whole family working. There remain risks (at a lower level) in implementing the remaining duties in relation to financial pressures, staffing issues and legal challenge.</p>	<p>Care Act governance arrangements established with CMT oversight and workstreams identified for each aspect of the Act.</p> <p>Close working with ADASS to ensure, where possible, regional implementation solutions can be sought to minimise duplication and variation. Representation on ADASS workstreams and close working with the regional lead are in place.</p> <p>Joint working with East Sussex Clinical Commissioning Groups, to develop the Better Care Fund are established and implementation is on schedule.</p> <p>Current programmes of work are cognisant of Care Act implications, where known, and are being planned and delivered accordingly. For example with the social care information system; review of internet content; care pathway business process redesign; Better Together - health and social care integration programme.</p>	A
6	<p>LOCAL ECONOMIC GROWTH</p> <p>Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate Local Growth Funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.</p>	<p>The East Sussex economy continues to grow with Gross Value Added (GVA) figures recently released covering 2014 showing £17,321 per head, which is a rise of £435.00 or 2.58% from the previous year. East Sussex has been successful in gaining funding against local projects in Growth Deals Round 1 and 2 totalling £60.28m, along with additional funding of £11.5m via C2C and a pan-LEP Coastal Communities project, gained part-funding of £2m.</p> <p>Work is progressing to issue contracts and deliver all projects where funding has been secured, and business cases are being developed to unlock funding for other pipeline projects.</p> <p>Through the SE LEP 2015/16 Skills capital fund, Sussex Downs College (SDC) was successful in bidding for £160k to help deliver refurbished science facilities. In addition, under the new 'Skills Capital Specialist Equipment' fund SDC have secured a further £50k.</p> <p>Calls for EU funding projects have been issued through various mechanisms (European Social Funds, Regional Development Funds etc.) While an outline bid for 'Growth Hub' funding has been developed with SE LEP partners, and recommended in November 2015 to proceed with a full bid submission by February 2016 with proposed start date from April 2016, if approved.</p> <p>ESCC has agreed to be the lead partner for the Technical Assistance bid for the SE LEP that will help develop applications with partners.</p> <p>On the 25th November 2015, the Government announced in its Comprehensive Spending Review (CSR) its continued 'commitment to release further funding through the Local Growth Fund programme to 2020'. As a result, our efforts continue to develop the project pipeline on all fronts in advance of Growth Deal Round 3.</p>	G

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **15 March 2016**

By: **Chief Operating Officer**

Title of report: **External Audit Plan 2015/16**

Purpose of report: **To inform the Committee of the content of the Council's External Audit plan for 2015/16**

RECOMMENDATIONS

The Committee is recommended to consider and comment upon the External Audit Plan for 2015/16.

1. Background

1.1 The Plan confirms the 2015/16 core external audit fee as £83,575. This is a reduction in audit fee, compared to 2014/15, of £27,857 (25%). The fee is based on a number of assumptions, including the Council providing the auditors with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes.

2. Supporting Information

2.1 The attached East Sussex County Council's external audit plan sets out in more detail the work the external auditors will conduct in order to audit the Council's 2015/16 accounts. The Plan reflects relevant issues that have arisen as a result of the audit of the 2014/15 account and other work carried out by KPMG e.g. the Value for Money assessment.

2.2 KPMG's initial risk assessment has not identified any significant risks that are specific to the Council. Areas of audit focus, either due to their size, level of judgement or their influence on other balances within the financial statements, are:

- Accounting for Local Authority Maintained Schools;
- Fraud risk from management override of controls;
- Better Care Fund.

3. Conclusion and reasons for recommendations

3.1 KPMG's overall audit approach remains similar to last year with no fundamental changes. Officers will continue to liaise with KPMG to ensure that their work is delivered as efficiently and effectively as possible and that internal and external audit plans are complementary and make best use of audit resources. The Plan will be reported to Cabinet for approval on 26 April 2016.

KEVIN FOSTER
Chief Operating Officer

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Local Member(s): All
Background Documents
None

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External Audit Plan 2015/16

Page 33

East Sussex County
Council

March 2016

Appendix 1

Financial Statement Audit



There are no significant changes to the Code of Practice on Local Authority Accounting in 2015/16, which provides stability in terms of the accounting standards the Council needs to comply with.

Materiality

Materiality for planning purposes has set at **£8.5 million** (1% Expenditure). We base our materiality for planning purposes on last year's annual accounts.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this has been set at £425,000 for the Council.

Significant risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error have been identified as:

- Accounting for Local Authority Maintained Schools – Accounting for school assets owned by third parties
- Fraud risk from management override of controls (required by ISAs)

Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding have been identified as:

- PPE Valuation.

See pages 3 to 5 for more details.

Value for Money Arrangements work



The National Audit Office has issued new guidance for the VFM audit which applies from the 2015/16 audit year. The approach is broadly similar in concept to the previous VFM audit regime, but there are some notable changes:

- There is a new overall criterion on which the auditor's VFM conclusion is based; and
- This overall criterion is supported by three new sub-criteria.

Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risks:

- Better Care Fund
- Expenditure relating to the Bexhill –Hastings Link Road project

See pages 6 to 9 for more details.

Logistics



Our team is:

- Phil Johnstone - Director
- Scott Walker - Manager
- Sana Naqvi – Assistant manager

More details are on **page 12**.

Our work will be completed in four phases from January to September and our key deliverables are this Audit Plan and a Report to those charged with Governance as outlined on **page 11**.

Our fee for the audit is £83,572 (£111,429 - 2014/2015) for the Council. See **page 10**.

Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2015/16 presented to you in April 2015, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Our audit has two key objectives, requiring us to audit/review and report on your:

- *Financial statements (including the Annual Governance Statement):* Providing an opinion on your accounts; and
- *Use of resources:* Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

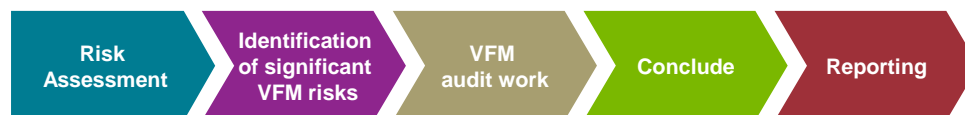
Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.



Value for Money Arrangements Work

Our Value for Money (VFM) Arrangements Work follows a five stage process which is identified below. **Page 6** provides more detail on the activities that this includes. This report concentrates on explaining the VFM approach for the 2015/16 and the initial findings of our VFM risk assessment.



Financial Statements Audit Planning

Our planning work takes place during January to February 2016. This involves the following key aspects:

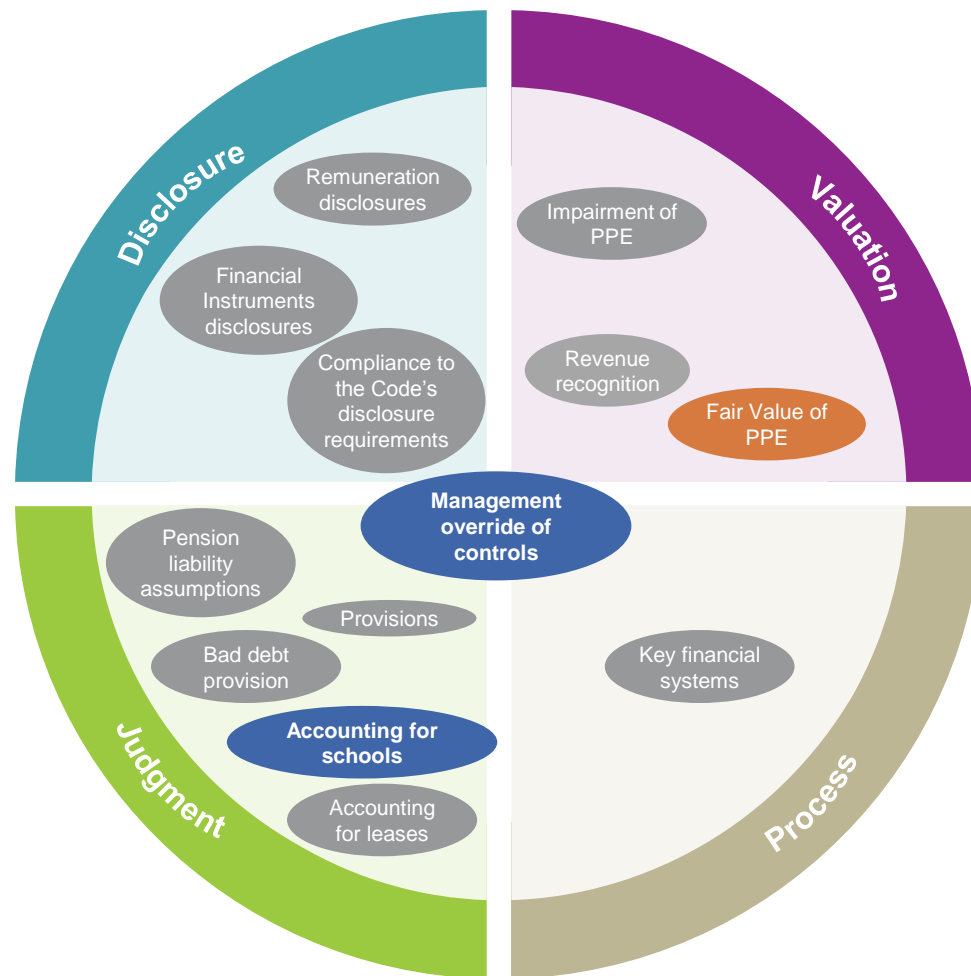
- Risk assessment;
- Determining our materiality level; and
- Issuing this audit plan to communicate our audit strategy.

Risk assessment

Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 450 Report.

- Management override of controls – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Fraudulent revenue recognition – We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

The diagram opposite identifies, significant risks and other areas of audit focus, which we expand on overleaf. The diagram also identifies a range of other areas considered by our audit approach.



Keys: ● Significant risk ● Other area of audit focus ● Example other areas considered by our approach



Significant Audit Risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error.

Accounting for Local Authority Maintained Schools

- Risk: LAAP Bulletin 101 Accounting for School Assets used by Local Authority Maintained Schools issued in December 2014 has been published to assist practitioners with the application of the Code in regard to accounting for Local Authority maintained schools. The challenges relate to school assets owned by third parties such as church bodies and made available to school governing bodies under a variety of arrangements. This includes assets used by Voluntary-Aided (VA) and Voluntary-Controlled (VC) Schools as well as Foundation Schools.

In the last financial year, management reviewed the agreements under which assets are used by VA/VC and Foundation schools and applied the relevant tests of control in the case of assets made available free of charge, or risks and rewards of ownership in the case of assets made available under leases. During the audit, we worked with the Authority to consider these schools fully in light of the applicable guidance and upon review of the newly acquired evidence, including additional legal documentation obtained from the Dioceses' and title deeds from the Land Registry. As part of this, the Council concluded that there was insufficient supporting evidence to confirm the ownership of the remaining 22 schools.

As a result, the Council included these 22 schools in the Council's financial statements where ownership is not currently certain. At that time, we also understood that the Diocese of Chichester was undertaking a process to review these schools and to register the Diocese as the legal owners where they can conclusively prove that they are legally theirs. It is therefore possible that some or all of these 22 schools may be removed from the Council's financial statements but this will only be done where ownership is conclusively proven. This is a key area of judgement and there is a risk that Authorities could omit school assets from, or include school assets in, their balance sheet.

- Approach: As part of our audit, we will discuss with the Authority the latest available information on the remaining schools and review the judgements it has made in this regard. This will include considering the Authority's application of the relevant accounting standards to account for these schools and challenging its judgements where necessary.

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Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

Assuring the Fair value of PPE

- Risk: In 2014/15 the Council reported Property, Plant and Equipment of £842.5m. Local authorities exercise judgement in determining the fair value of the different classes of assets held and the methods used to ensure the carrying values recorded each year reflect those fair values. Given the materiality in value and the judgement involved in determining the carrying amounts of assets we consider this to be an area of audit focus.
- Approach: We will understand the approach to valuation, the qualifications and reports by the Council's valuer and the judgements made by the Council in response to the information received. Where valuations are made other than at the year end we will review the Council's judgement in assessing movements from the valuation date.



Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgment to represent 'misstatements' unless the application of that judgment results in a financial amount falling outside of a range which we consider to be acceptable.

Reporting to the Scrutiny Committee for Audit, Best Value and Community Services

For the Council, materiality for planning purposes has been set at £8.5 million which equates to 1% percent of gross expenditure.

We design our procedures to detect individual errors. This is £6.375 million for the year ended 31 March 2016, and we have some flexibility to adjust this level downwards.

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Scrutiny Committee for Audit, Best Value and Community Services any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260 (UK&I), we are obliged to report omissions or misstatements other than those which are 'clearly trivial' to those charged with governance, and to request that adjustments are made to correct such matters. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

- We propose to report all individual unadjusted differences greater than £425,000 to the Scrutiny Committee for Audit, Best Value and Community Services.
- We will also have regard to other errors below this amount if evidence of systematic error or if material by nature.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Scrutiny Committee for Audit, Best Value and Community Services to assist it in fulfilling its governance responsibilities.

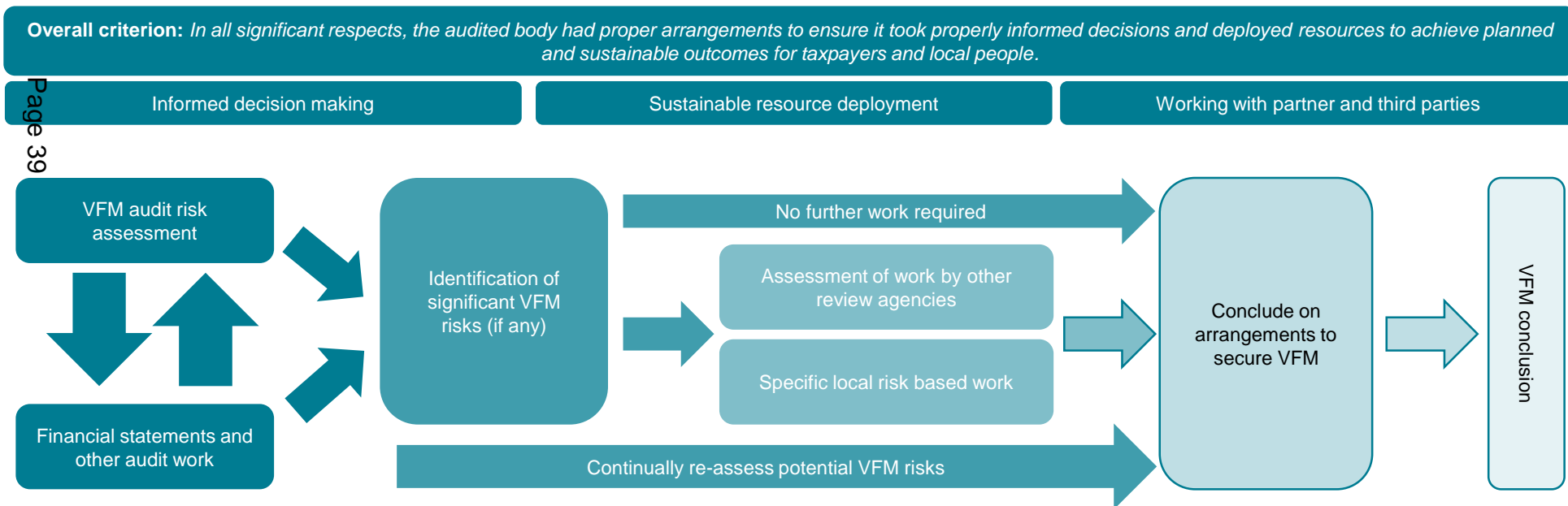


Background to approach to VFM work

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

The VFM approach is fundamentally unchanged from that adopted in 2014/2015 and the process is shown in the diagram below. However, the previous two specified reporting criteria (financial resilience and economy, efficiency and effectiveness) have been replaced with a single criteria supported by three sub-criteria. These sub-criteria provide a focus to our VFM work at the Council. The full guidance is available from the NAO website at: <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>. Our approach to the value for money is recorded below:





VFM audit stage	Audit approach
<p>VFM audit risk assessment</p>	<p>We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Council. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the <i>Code of Audit Practice</i>.</p> <p>In doing so we consider:</p> <ul style="list-style-type: none"> ■ The Council's own assessment of the risks it faces, and its arrangements to manage and address its risks; ■ Information from the Public Sector Auditor Appointments Limited VFM profile tool; ■ Evidence gained from previous audit work, including the response to that work; and ■ The work of other inspectorates and review agencies.
<p>Linkages with financial statements and other audit work</p>	<p>There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Council's organisational control environment, including the Council's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.</p> <p>We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.</p>
<p>Identification of significant risks</p>	<p>The Code identifies a matter as significant <i>'if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.'</i></p> <p>If we identify significant VFM risks, then we will highlight the risk to the Council and consider the most appropriate audit response in each case, including:</p> <ul style="list-style-type: none"> ■ Considering the results of work by the Authority, inspectorates and other review agencies; and ■ Carrying out local risk-based work to form a view on the adequacy of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

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VFM audit stage	Audit approach
<p>Assessment of work by other review agencies</p> <p>and</p> <p>Delivery of local risk based work</p>	<p>Depending on the nature of the significant VFM risk identified, we may be able to draw on the work of other inspectorates, review agencies and other relevant bodies to provide us with the necessary evidence to reach our conclusion on the risk.</p> <p>If such evidence is not available, we will instead need to consider what additional work we will be required to undertake to satisfy ourselves that we have reasonable evidence to support the conclusion that we will draw. Such work may include:</p> <ul style="list-style-type: none"> ■ Meeting with senior managers across the Council; ■ Review of minutes and internal reports; ■ Examination of financial models for reasonableness, using our own experience and benchmarking data from within and without the sector.
<p>Concluding on VFM arrangements</p> <p>Page 4</p>	<p>At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.</p> <p>If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.</p>
<p>Reporting</p>	<p>On the following page, we report the results of our initial risk assessment.</p> <p>We will report on the results of the VFM audit through our ISA 260 Report. This will summarise any specific matters arising, and the basis for our overall conclusion.</p> <p>The key output from the work will be the VFM conclusion (i.e. our opinion on the Council's arrangements for securing VFM), which forms part of our audit report.</p>



Significant VFM Risks

Those risks requiring specific audit attention and procedures to address the likelihood that proper arrangements are not in place to deliver value for money.

Bexhill -Hastings Link Road

Risk: In 2015/16 the Authority made substantial expenditure towards the construction of the Bexhill – Hastings Link Road project, which was opened on 17th December 2015. Of this, £18m has been funded by the Department for Transport, and the remaining funded by the Authority. Total expenditure over the life of this project has been estimated at £124.3m.

We note that we have received a formal objection from an elector regarding this scheme, in which the objector raises a concern regarding the appropriateness of the project management arrangements and approval processes within the Council, and the wider value for money of the scheme.

Approach: We will review the project management and overall approval process utilised during the year, and consider the value of the overspend on the Link Road project and its comparability to the Authority's other projects.

Better Care Fund

Risk: The Better Care Fund was set up by Government to encourage joint work across health and adult social care to ensure local people receive better care. Joint arrangements have been established with NHS Eastbourne, Hailsham and Seaford Clinical Commissioning Group, NHS Hastings and Rother Clinical Commissioning Group and NHS High Weald Havens Clinical Commissioning Group to administer the local Better Care Fund (2015/16 expenditure £42.214m). As the arrangements are new, crossing the health and social care boundary with organisations who have different legal structures there is a risk that the governance and accounting arrangements may not be well developed to manage this partnership arrangement appropriately.

Approach: We will review the legal, governance and accounting arrangements that have been put in place to govern and administer the Better Care Fund within East Sussex. These include the s75 agreement with NHS Eastbourne, Hailsham and Seaford Clinical Commissioning Group, NHS Hastings and Rother Clinical Commissioning Group and NHS High Weald Havens Clinical Commissioning Group, and the functioning of the governance structure that has been put in place under the Health and Wellbeing Board.

Whole of government accounts (WGA)

We are required to review your WGA consolidation and undertake the work specified under the approach that is agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and the specified approach for 2015/16 have not yet been confirmed.

Elector challenge

The Local Audit and Accountability Act 2014 gives electors certain rights. These are:

- The right to inspect the accounts;
- The right to ask the auditor questions about the accounts; and
- The right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the PSAA's fee scales.

Our audit team

Our audit team will be led by Phil Johnstone (Director) and Scott Walker (Audit Manager) providing continuity at a senior level. Appendix 2 provides more details on specific roles and contact details of the team.

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the finance team and the Scrutiny Committee for Audit, Best Value and Community Services. Our communication outputs are included in Appendix 1.

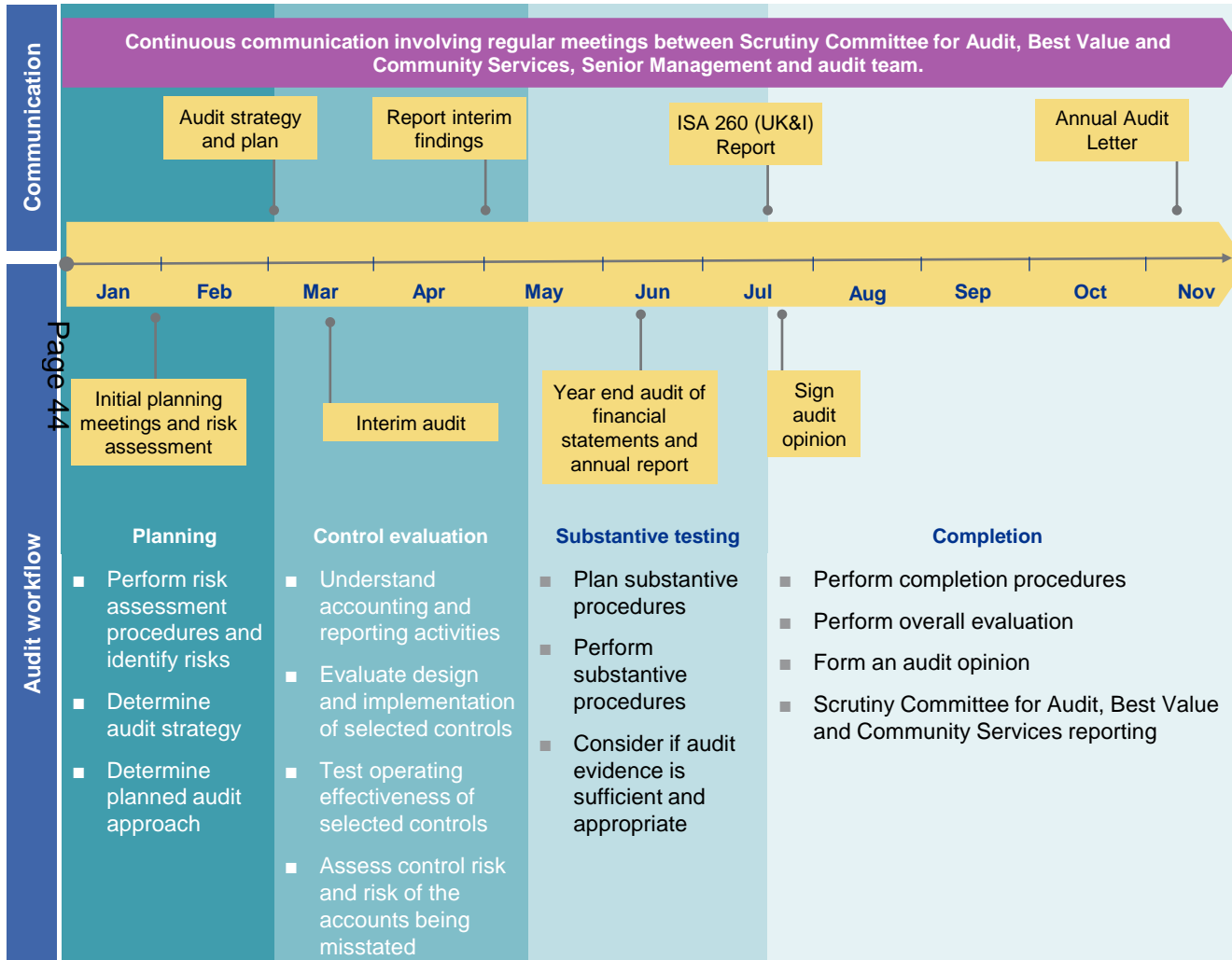
Independence and Objectivity

Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

Audit fee

Our Audit Fee Letter 2015/2016 presented to you in April 2015 first set out our fees for the 2015/2016 audit. This letter also sets out our assumptions. We have not considered it necessary to make any changes to the agreed fees at this stage.

The planned audit fee for 2015/16 is £83,572 for the Council. This is a reduction in audit fee, compared to 2014/15, of £27,857 (25%).



Driving more value from the audit through data and analytics

Technology is embedded throughout our audit approach to deliver a high quality audit opinion. Use of Data and Analytics (D&A) to analyse large populations of transactions in order to identify key areas for our audit focus is just one element. We strive to deliver new quality insight into your operations that enhances our and your preparedness and improves your collective 'business intelligence.' Data and Analytics allows us to:

- Obtain greater understanding of your processes, to automatically extract control configurations and to obtain higher levels assurance.
- Focus manual procedures on key areas of risk and on transactional exceptions.
- Identify data patterns and the root cause of issues to increase forward-looking insight.

We anticipate using data and analytics in our work around key areas such as accounts payable and journals.



Your audit team has been drawn from our specialist public sector assurance department. Phil Johnstone and Scott Walker provide continuity on the audit at a senior level. Sana Naqvi is new to the audit team this year, and brings a fresh perspective to our audit approach.



Name	Phil Johnstone philip.johnstone@kpmg.co.uk
Position	Director
	<p>'My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.</p> <p>I will be the main point of contact for the Scrutiny Committee for Audit, Best Value and Community Services, Chief Executive and Executive Directors.'</p>



Name	Scott Walker Scott.walker@kpmg.co.uk
Position	Manager
	<p>'I provide quality assurance for the audit work and specifically any technical accounting and risk areas.</p> <p>I will work closely with Phil to ensure we add value.</p> <p>I will liaise with the Chief Finance Officer, Director of Finance and the Finance Team'</p>

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Name	Sana Naqvi sana.naqvi@kpmg.co.uk
Position	Assistant Manager
	<p>'I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants.'</p>

Independence and objectivity

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Scrutiny Committee for Audit, Best Value and Community Services.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standard 1 Integrity, Objectivity and Independence requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Further to this auditors are required by the National Audit Office's Code of Audit Practice to:

- Carry out their work with integrity, independence and objectivity;
- Be transparent and report publicly as required;
- Be professional and proportional in conducting work;
- Be mindful of the activities of inspectorates to prevent duplication;
- Take a constructive and positive approach to their work;
- Comply with data statutory and other relevant requirements relating to the security, transfer, holding, disclosure and disposal of information.

PSAA's Terms of Appointment includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of PSAA audit work should not take part in political activity.

- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.
- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Auditors appointed by the PSAA should not accept engagements which involve commenting on the performance of other PSAA auditors on PSAA work without first consulting PSAA.
- Auditors are expected to comply with the Terms of Appointment policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the PSAA's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the Terms of Appointment.

Confirmation statement

We confirm that as of 15 March 2016 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.



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This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment’s website (www.psa.co.uk).

External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Phil Johnstone the engagement lead to the Council, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG’s work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to Andrew.Sayers@kpmg.co.uk After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA’s complaints procedure by emailing generalenquiries@psaa.co.uk by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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Report to: **Audit, Best Value and Community Services Scrutiny Committee**
Date: **15 March 2016**
By: **Chief Operating Officer**
Title of report: **KPMG Certification of Grant Claims and Returns for the year ended 31 March 2015**
Purpose of report: **To report to the Committee the external auditor's findings from grant certification work for the financial year 2014/15.**

RECOMMENDATIONS

The Committee is recommended to note the report.

1. Background

1.1 The Council is responsible for compiling grant claims and returns in accordance with the requirements and the timescales set by central government.

2. Supporting Information

2.1 The Council's external auditors (KPMG) annually review the claims/returns through a grants certification audit. KPMG require the Council to communicate the key messages from the grants certification audit with those charged with governance, which at East Sussex County Council is the Audit, Best Value and Community Services Scrutiny Committee. The attached report from KPMG covers a grant audited during 2014/15.

2.2 There was only one claim/return audited by KPMG in relation to the 2014/15 financial year, which is the certification work on the TRA11 – Local Transport Plan Major Projects claim during the year at a cost of £1,467 to the Council.

2.3 Members will note that the external auditor is positive about the Council's processes for grant certification and makes no recommendations for improvement.

3. Conclusion and reasons for recommendations

3.1 KPMG undertakes grant claim/return certification and the audit did not identify any matters which require reporting to members. No amendments were made to the grant claim and no qualification letter was issued.

KEVIN FOSTER
Chief Operating Officer

Contact Officer: Ola Owolabi, Head of Accounts and Pensions
Tel. No. 01273 482017
Email: Ola.Owolabi@eastsussex.gov.uk

Local Member(s): All

Background Documents
None

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Private & confidential

Members of the Audit, Best Value and
Community Services Scrutiny Committee
East Sussex County Council
County Hall
St Anne's Crescent
Lewes
East Sussex BN7 1UE

Our ref CG/588/ESCC

8 February 2016

Dear Members

Certification of claims and returns - annual report 2014/15

This report summarises the results of work we have carried out on the Council's 2014/15 grant claims and returns. This encompasses the work we have completed under the Public Sector Audit Appointment (PSAA) certification arrangements.

In 2014/15 we carried out certification work on the TRA11 – Local Transport Plan Major Projects claim (certified value: £8,418,761).

Matters arising

Our certification work did not identify any issues or errors with the claim, and we certified the claim unqualified without amendment.

Consequently we have made no recommendations to the Authority to improve its claims completion process and there are no further matters to report to you regarding our certification work.

Certification work fees

The PSAA set an indicative fee for our certification work in 2013/14 of £0. This is because the PSAA sets scale fees for grants certification based on the level of work undertaken two years previously, and the TRA11 claim was not required to be certified in 2011/12. The fee which we have agreed with the Authority and the PSAA for this work is £1,467, which has been agreed through the PSAA's fee variation process.

Yours sincerely



Philip Johnstone
Director, *KPMG LLP*

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Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **15 March 2016**

By: **Chief Operating Officer**

Title of report: **External Audit Plan for East Sussex Pension Fund 2015/16**

Purpose of report: **To inform the Committee of the content of the Pension Fund External Audit Plan for 2015/16**

RECOMMENDATIONS

The Committee is recommended to consider and comment upon the External Audit Plan for the East Sussex Pension Fund for 2015/16.

1. Background

1.1 The Plan confirms the core external audit fee as £26,607. This is unchanged from the 2014/15 fee. The fee is based on a number of assumptions, including the Council providing the auditors with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes. The audit fee is charged to the Pension Fund and not to the Council itself.

2. Supporting Information

2.1 The attached Pension Fund external audit plan set out in more detail the work the external auditors will conduct in order to audit the Pension Fund's 2015/16 accounts. The Plan reflects relevant issues that have arisen as a result of the audit of the 2014/15 Pension Fund accounts and other work carried out by KPMG.

2.2 KPMG's initial assessment has not identified any significant risks that are specific to the Pension Fund. Areas of audit focus, either due to their size, level of judgement or their influence on other balances within the financial statements, are:

- LGPS accounting treatment;
- Management override of controls.

3. Conclusion and reasons for recommendations

3.1 KPMG's overall audit approach remains similar to last year with no fundamental changes. Officers will continue to liaise with KPMG to ensure that their work is delivered as efficiently and effectively as possible and that internal and external audit plans are complementary and make best use of audit resources. The Plan will be reported to the Pension Committee for approval on 31 May 2016.

KEVIN FOSTER
Chief Operating Officer

Contact Officer: Ola Owolabi, Head of Accounts and Pensions
Tel. No. 01273 482017
Email: Ola.Owolabi@eastsussex.gov.uk

Local Member(s): All
Background Documents
None

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External Audit Plan 2015/16

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East Sussex County
Council Pension Fund

March 2016

Appendix 1

Financial Statement Audit



There are no significant changes to the accounting guidance for Pension Funds in 2015/16, which provides stability in terms of the accounting standards the Fund needs to comply with.

Materiality

Materiality for planning purposes has set at **£27m (1% Net Assets)**. We base our materiality for planning purposes on last year's annual accounts.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this has been set at £1.35m for the Pension Fund.

Significant risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error have been identified as:

- Fraud risk from management override of controls (required by ISAs)

See pages 3 for more details.

Logistics



Our team is:

- Phil Johnstone - Director
- Scott Walker - Manager
- Sana Naqvi – Assistant manager



More details are on **page 7**.

Our work will be completed in four phases from January to September and our key deliverables are this Audit Plan and a Report to those charged with Governance as outlined on **page 6**.

Our fee for the audit is £26,607 (£26,607 - 2014/15) for the Pension Fund. See **page 5**.

Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2015/16 presented to you in April 2015, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Our key objective, is to audit/review and report on your:

- *Financial statements:* Providing an opinion on your accounts.

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

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Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.





Financial Statements Audit Planning

Our planning work takes place during January to February 2016. This involves the following key aspects:

- Risk assessment;
- Determining our materiality level; and
- Issuing this audit plan to communicate our audit strategy.

Risk assessment

Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 260 Report.

- Management override of controls – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Fraudulent revenue recognition – We do not consider this to be a significant risk for Pension Funds as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

We have not identified any significant risks over and above those detailed above.



Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgment to represent 'misstatements' unless the application of that judgment results in a financial amount falling outside of a range which we consider to be acceptable.

Reporting to the Scrutiny Committee for Audit, Best Value and Community Services

For the Pension Fund, materiality for planning purposes has been set at £27 million which equates to 1% of net assets.

We design our procedures to detect individual errors. This is £20.25 million for the year ended 31 March 2016, and we have some flexibility to adjust this level downwards.

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Scrutiny Committee for Audit, Best Value and Community Services any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260 (UK&I), we are obliged to report omissions or misstatements other than those which are 'clearly trivial' to those charged with governance, and to request that adjustments are made to correct such matters. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

- We propose to report all individual unadjusted differences greater than £1,350,000 to the Audit and Governance Committee.
- We will also have regard to other errors below this amount if evidence of systematic error or if material by nature.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Scrutiny Committee for Audit, Best Value and Community Services to assist it in fulfilling its governance responsibilities.

Our audit team

Our audit team will be led by Phil Johnstone (Director) and Scott Walker (Audit Manager) providing continuity at a senior level. Appendix 2 provides more details on specific roles and contact details of the team.

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the finance team and the Scrutiny Committee for Audit, Best Value and Community Services. Our communication outputs are included in Appendix

1.
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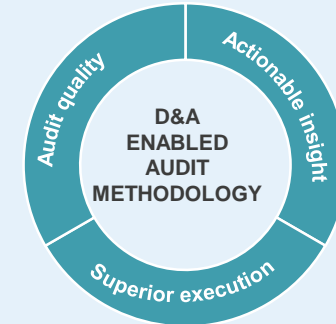
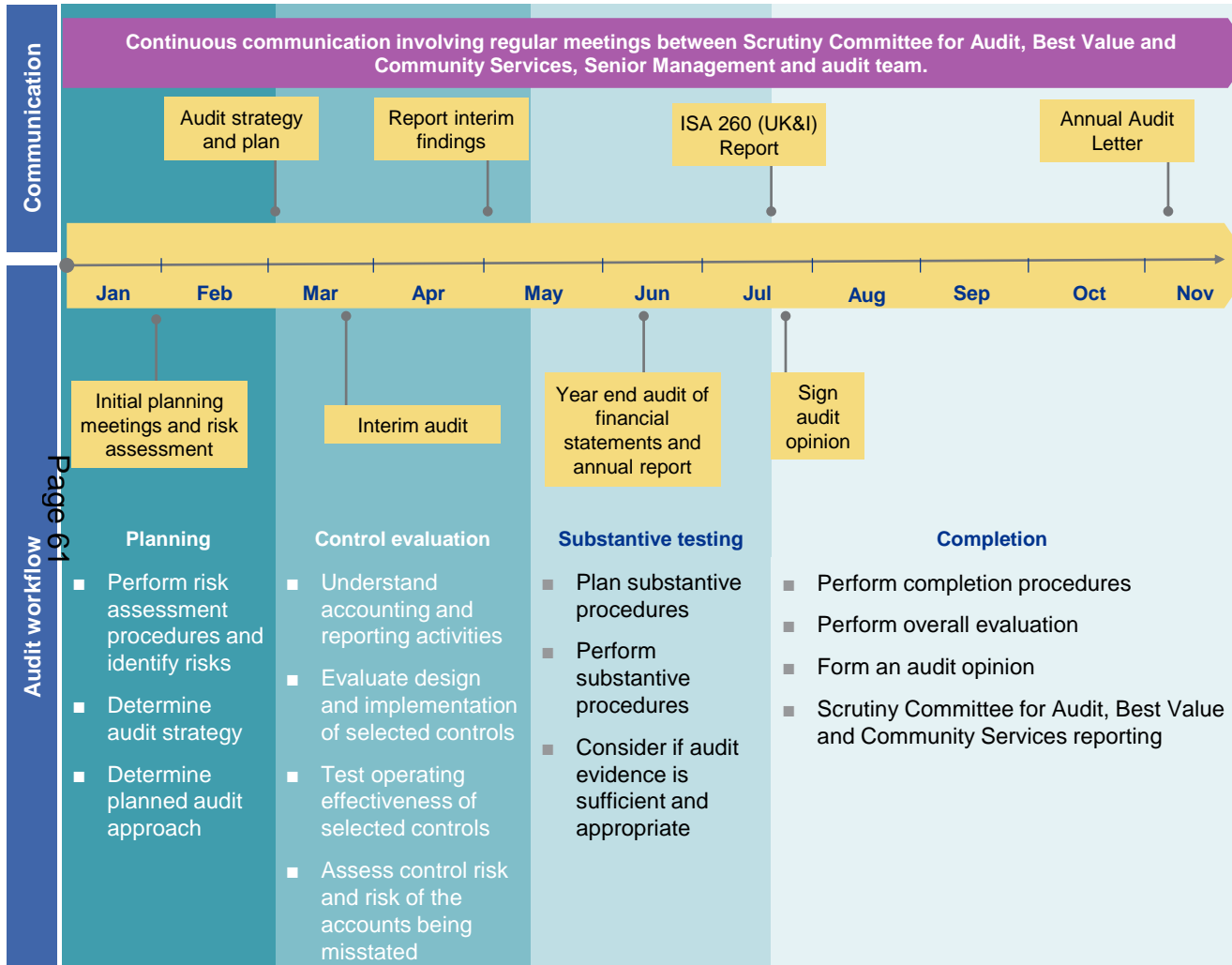
Independence and Objectivity

Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

Audit fee

Our Audit Fee Letter 2015/2016 presented to you in April 2015 first set out our fees for the 2015/2016 audit. This letter also sets out our assumptions. We have not considered it necessary to make any changes to the agreed fees at this stage.

The planned audit fee for 2015/16 is £26,607 for the Pension Fund (2014/15 £26,607).



Driving more value from the audit through data and analytics

Technology is embedded throughout our audit approach to deliver a high quality audit opinion. Use of Data and Analytics (D&A) to analyse large populations of transactions in order to identify key areas for our audit focus is just one element. We strive to deliver new quality insight into your operations that enhances our and your preparedness and improves your collective 'business intelligence.' Data and Analytics allows us to:

- Obtain greater understanding of your processes, to automatically extract control configurations and to obtain higher levels assurance.
- Focus manual procedures on key areas of risk and on transactional exceptions.
- Identify data patterns and the root cause of issues to increase forward-looking insight.

We anticipate using data and analytics in our work around key areas such as accounts payable and journals.



Your audit team has been drawn from our specialist public sector assurance department. Phil Johnstone and Scott Walker provide continuity on the audit at a senior level. Sana Naqvi is new to the audit team this year, and brings a fresh perspective to our audit approach.



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Name	Phil Johnstone philip.johnstone@kpmg.co.uk
Position	Director
	<p>'My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.</p> <p>I will be the main point of contact for the Scrutiny Committee for Audit, Best Value and Community Services, Chief Executive and Executive Directors.'</p>



Name	Scott Walker Scott.walker@kpmg.co.uk
Position	Manager
	<p>'I provide quality assurance for the audit work and specifically any technical accounting and risk areas.</p> <p>I will work closely with Phil to ensure we add value.</p> <p>I will liaise with the Chief Finance Officer, Director of Finance and the Finance Team'</p>



Name	Sana Naqvi sana.naqvi@kpmg.co.uk
Position	Assistant Manager
	<p>'I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants.'</p>

Independence and objectivity

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Scrutiny Committee for Audit, Best Value and Community Services.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standard 1 Integrity, Objectivity and Independence requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Further to this auditors are required by the National Audit Office's Code of Audit Practice to:

- Carry out their work with integrity, independence and objectivity;
- Be transparent and report publicly as required;
- Be professional and proportional in conducting work;
- Be mindful of the activities of inspectorates to prevent duplication;
- Take a constructive and positive approach to their work;
- Comply with data statutory and other relevant requirements relating to the security, transfer, holding, disclosure and disposal of information.

PSAA's Terms of Appointment includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of PSAA audit work should not take part in political activity.

- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.
- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Auditors appointed by the PSAA should not accept engagements which involve commenting on the performance of other PSAA auditors on PSAA work without first consulting PSAA.
- Auditors are expected to comply with the Terms of Appointment policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the PSAA's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the Terms of Appointment.

Confirmation statement

We confirm that as of 15 March 2016 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.



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This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment’s website (www.psa.co.uk).

External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Phil Johnstone the engagement lead to the Council, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG’s work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to Andrew.Sayers@kpmg.co.uk After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA’s complaints procedure by emailing generalenquiries@psaa.co.uk by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date of meeting: **15 March 2016**

By: **Chief Executive**

Title: **Reconciling Policy, Performance and Resources for 2016/17 and beyond**

Purpose: **To review scrutiny's input into the Reconciling Policy, Performance and Resources (RPPR) process during 2015/16**

RECOMMENDATIONS

The Committee is recommended to:

- 1) Review its input into the Reconciling Policy, Performance and Resources process; and**
 - 2) Identify any lessons for improvement for the process in future.**
-

1 Background

1.1 Reconciling Policy, Performance and Resources (i.e. aligning the Council's budget setting process with service delivery plans) has established an effective and transparent business planning process.

1.2 Scrutiny committees actively engage in the process, firstly to allow them to bring the experience they have gained through their work to bear and, secondly, to help inform their future work programmes.

2 Reconciling Policy, Performance and Resources (RPPR) and scrutiny in East Sussex

2.1 In September 2015 each scrutiny committee considered extracts from the *State of the County* report and the departmental savings and Portfolio Plans. Requests for further information or reports were made to help the scrutiny committee evaluate proposals made in the respective Portfolio Plans.

2.2 The scrutiny committees established scrutiny boards to provide a more detailed input into the RPPR process. These met in December 2015 to consider the draft portfolio plans and the impact of proposed savings. The boards:

- considered any amendments to the Portfolio Plans and how they were being delivered against the proposed key areas of budget spend for the coming year;
- assessed the potential impact of these savings on services provided to East Sussex County Council customers.
- In addition the Audit, Best Value and Community Services RPPR Board carried out separate pieces of work on the Orbis Business Plan, Libraries' Transformation Programme and the Marketing and Communications Team.

2.3 Appendix 1 summarises the comments and recommendations made by the Audit, Best Value and Community Services Scrutiny Committee RPPR board to Cabinet.

3. Conclusion and reasons for recommendations

3.1 The committee is recommended to review its input into the RPPR process and in particular to establish whether there are lessons for improvement for the future.

BECKY SHAW
Chief Executive

Contact Officer: Martin Jenks
Tel. No. 01273 481327
Email: martin.jenks@eastsussex.gov.uk

LOCAL MEMBERS

All.

BACKGROUND DOCUMENTS

None.

APPENDICES

Appendix 1 – Comments and recommendations made by the Audit, Best Value and Community Services Scrutiny Committee RPPR board.

Appendix 1**Audit, Best Value and Community Services Scrutiny Committee RPPR Board****Overview and Scrutiny: Reconciling Policy, Performance and Resources (RPPR) Boards – 2015/16**

This is a summary of the outcomes, observations and findings of the scrutiny RPPR Board held in December 2015.

All the scrutiny boards considered draft Portfolio Plans and savings plans and attempted to assess the impact of both any significant budget cuts facing the County Council over the coming years and activities where savings were not necessarily being proposed but which accounted for significant use of resources.

Scrutiny boards commented on the plans being put in place and the means being proposed to protect front line services as far as practicable.

Audit, Best Value and Community Services Scrutiny Committee RPPR Board – 14 December 2015

Present: Councillors Mike Blanch, John Barnes, Philp Howson (substituting for Councillor Laurence Keeley), Bob Standley, Trevor Webb and Francis Whetstone.

Lead Member: Councillor David Elkin.

Consultation results

The Board did not consider that any clear themes or new ideas emerged from the responses and recommended that future consultations would benefit from having greater clarity around:

- The difference between revenue and capital expenditure, as it was apparent that this was not very well understood by respondents.
- The background to the budget setting process and in particular that the Council was having to make savings as a result of cuts to local government funding by Central Government, and this was something that the County Council had no control over.
- The responsibility for services provided by the County Council, and those that are the responsibility of the district and borough Councils. Often respondents refer to “the Council” and are not clear on which services County Council is responsible for.

Additional Work carried out by the RPPR Board

The Board noted that it had previously commented on, or carried out separate pieces of work on:

- The Orbis Business Plan and the proposed savings of around 12% over the next 3 financial years.
- Communications Team.
- The Libraries’ Transformation Programme.

Corporate Governance and support

Transition and Change

The Board commented that the wording in paragraph 2.3 (page 5 of the Portfolio Plan) “We must prepare.....” gives the impression that ESCC is going to change in the future. The Board recommended that the wording is amended to reflect that ESCC is in the process of transformation to meet the challenges it faces, and is prepared for change which is permanent in nature.

- The Chief Executive responded that the aim was to convey that there had been a fundamental shift in local government services and this was a permanent change. ESCC has changed since 2010 and is now having to change again.

One Council

The Board asked for further clarification of the concept of a ‘One Council’ approach to services, as it felt this was not clearly understood, and questioned how well this was being delivered in practice.

- The Chief Executive explained that the ‘One Council’ approach was about ESCC behaving as a single organisation and working closely with partners (e.g. health providers and other councils) to provide services; for example the East Sussex Better Together (ESBT) programme.
- The Chief Executive added that actions were being taken to embed the ‘One Council’ approach. A set of behaviours and values have been developed which feed directly into staff recruitment, induction and appraisal.

Senior Management Structure

The Board asked how the senior management structure might change in response to the need to act as one organisation, ESBT, the loss of schools and the development of traded services (e.g. for school improvement, children’s services).

- The Chief Executive stated that the number of senior managers was about right for the challenges that ESCC currently faces. That structure is informed by the drive to behave as one organisation, the need for capacity to manage change, and to have accountability. This may need to be reviewed in the light of changes that may take place over the next two years.
- The Deputy Leader commented that he considered that the current scrutiny arrangements may act to magnify a ‘silo’ approach and this may need to be reviewed.

Members ICT Strategy

The Board wished to see greater progress with the development of the strategy and asked whether hardware changes would be introduced before the next ESCC elections in 2017.

- The Assistant Chief Executive responded that officers have been meeting with Councillors to resolve individual ICT related problems and small group training is planned next year on the topics identified by the Members’ ICT survey. There is a renewed focus on making sure the current equipment works (both mobile phones and computers etc.), with plans to provide new hardware after the next elections (e.g. options will include new hybrid tablets with a detachable keyboard).

Policy and Performance Management

The Board received a paper last year on this area of activity and asked for further information on the staffing and costs for this function.

- The Chief Executive is supported by 3 FTE (full-time equivalent) policy officers and 1 intern. The performance management function covers all departments except Adult Social Care (ASC) and Children's Services (CS). The performance team has 4 FTE staff and one intern. The total annual revenue budget for both functions is £444k (7 FTE staff and 2 interns). The combined team covers all policy and performance work including support for devolution, SE7, the RPPR process and portfolio plans (except ASC and CS). The team has experienced a 20% reduction over the last three years.
- For ASC and CS it is more difficult to separate out costs for policy and performance work as it tends to be just one part of officers' roles who carry out a mix of operational and policy work. As part of the savings plans it is proposed to reduce the CS Communication, Planning and Performance function by £260k and the ASC Planning, Performance and Engagement function by £500k.
- The Director for Adult Social Care added that the policy function within ASC is contained within the commissioning manager's role, which includes responsibility for policy development and advice. The Performance function has 3 FTE posts and almost 1 FTE administration post. The number of performance posts was reduced two years ago and the policy function has been reduced via savings in commissioning.

Public Health

Budget Reductions

The 20% RPPR savings shown in the report are based on the assumption that the ring-fencing of the Public Health budget would cease at the end of April 2016. It has been announced the ring-fence arrangements will be retained until the end of 2017/18 but the 20% savings plans would remain in place due to the uncertainty about future funding levels.

The Board noted the 6.2% reduction in Public Health funding in 2015/16 and the further reductions of 2.2% in 2016/17 rising to 2.6% in 2018/19 and 2019/20. The extension of the ring fencing arrangements for the Public Health budget, and uncertainty about future funding allocations, means there is a risk that it may be difficult to achieve the predicted £4.8m savings in 2016/17.

- The Director for Adult Social Care confirmed that the change to the ring fence does potentially change the situation, depending on the allocation formula and phasing of budget reductions. It is unlikely that ESCC will get this information until the New Year. Up until now, the Public Health reserve has been used to offset in-year budget reductions. The way the Public Health grant is received does allow for some cushioning and the setting aside of money in a reserve.

Smoking Cessation

The Board noted that the savings plan contained two entries for smoking cessation, as well as one for tobacco control, and sought clarification on the impacts of these services. The Board expressed an interest in monitoring the impact of these interventions as part of the work of the ABVCS Scrutiny Committee.

- The Director informed the Board that there was good evidence for the efficacy of these interventions, which lead to reduced demand for health services.
- The Acting Director for Public Health confirmed that smoking cessation is not a mandatory service. The proposed savings for smoking cessation prescribing activity would not have an impact on the service, but modelling has shown that further reductions would have an impact on the efficacy of the interventions.

Life Expectancy Indicator

The Board questioned the measurement of success through the morbidity measure when ESCC cannot directly assess the impact of the programmes it has put in place (due to the contribution made by other organisations). The Board also commented that it was hard to see how the life expectancy indicator relates to the rest of the work in the Portfolio Plan. The Board noted that more direct measures of the impact of ESCC's work are being developed through the ESBT programme.

- ESCC is required to report against this measure as it is one of the overarching performance indicators contained within the national Public Health Outcomes Framework (PHOF), which has 200 other indicators below it.

Community Resilience Steering Group

The Board requested that there be greater consultation with parish and town councils on the development and delivery of this work which aims to improve social capital as well as to achieve a number of other objectives.

- The Acting Director for Public Health responded that parish councils were being engaged through the ESSP and the Community Resilience work stream will be reported via the ESBT Scrutiny Board.

Resources (Business Services/Orbis)

Agile Programme

The Board questioned why the implementation of the Agile ICT was taking so long and noted that, with the exception of Children's Services, savings made as a result of the Agile Programme were not reported in departmental savings plans. The Board recommended that a commentary is included in departmental Portfolio Plans that refers to the savings made as a result of the Agile Programme, as Children's Services has done, to enable the impact of the programme to be evaluated.

- The Chief Operating Officer clarified that there were no delays with the technology programme; this will be completed at the end of March 2016 with the implementation of SharePoint during 2017.
- The Chief Operating Officer clarified that the BSD's Agile savings were incorporated within the development of Orbis.

Capital Programme

The Board requested a further explanation of the shift from 'monitoring' to 'management' of the capital programme.

- The Chief Operating Officer explained that a stronger approach was needed to the way in which the programme is managed through, for example, the scheduling of budgets and the costing of schemes; this would reduce slippage for example. Currently the programme is only monitored through the reporting of progress to date.

Income and Income Generation

The Board commented that in addition to the work to generate income, the public is very interested in the cost reduction programmes ESCC has in place (e.g. energy reduction, bill validation etc.) and this should be given greater prominence.

The Board recommended that a breakdown of income (and a reference/link to the Council's budget book) is included in the Resources Portfolio Plan and greater emphasis is given to cost reduction measures to reassure the public that the Council is taking action to reduce costs. The Board would also like the outcome of the Income Generation Programme work to be shared with them at the earliest opportunity, in order to aid the budget setting process.

- The Chief Finance Officer undertook to forward a breakdown of income which is broadly divided into four categories: business rates; Direct Schools Grant (DSG); other grants (capital) and; income from fees, charges etc.
- The Income Generation Programme, which is led by the Chief Executive and supported by the Chief Finance Officer, comprises fifteen officers. It has generated £1.3m in additional income. The major pieces of work include:
 - The Property Strategy;
 - Fees and charges review; and
 - Orbis work to increase commercial activity.

Financial System (SAP/ERP)

The Board asked if it was possible to make a saving if the implementation of a new or enhanced financial system was delayed. The Board requested the opportunity to see the business case for the replacement/enhanced system before a final decision is made.

- The Chief Operating Officer said he would come back to the Board with some costs, but the department had set aside around £1m for development or replacement of the SAP/ERM financial system.

Property

The Board welcomed the implementation of PAMS and requested further information on the costs/benefits of the new system and whether the outcomes of the business case had been achieved.

- The Acting Chief Property Officer said it was difficult to predict the level of savings as some savings were achieved as benefits to customers and others relied on an analysis of data from the system (which leads to increased efficiencies and enhanced customer satisfaction).

Report to:	Audit, Best Value and Community Services Scrutiny Committee
Date:	15 March 2016
By:	Acting Director of Public Health
Title of report:	Public Health One-Off Projects - Update Report
Purpose of report:	To provide an update on Public Health Grant one-off funded cross departmental projects.

RECOMMENDATIONS

The Committee is recommended to consider and note this report.

1. Background

1.1 As a consequence of the complexity of changes in responsibility across health services and local authorities there was some funds in the 2013/14 Public Health grant which were unallocated. A cross-council East Sussex Public Health Group agreed that this resource be allocated, through a business case process, to one-off interventions which would create or support a step-change in addressing public health outcomes, i.e. where East Sussex is performing significantly worse against the Public Health Outcomes Framework indicators than other areas. Four projects were subsequently agreed relating to:

- Suicide Prevention;
- Addressing Obesity;
- Safer Streets;
- Tobacco Free East Sussex.

1.2 In 2015/16, unallocated Public Health Reserve was identified to be used to implement the recommendations of the 2014/15 Director of Public Health Annual Report, Growing Community Resilience in East Sussex, and to support a second tranche of one-off funded projects to deliver improved public health outcomes in relation to the Public Health Outcomes Framework.

1.3 Eleven projects were subsequently agreed relating to:

- Reduced Social Isolation Through Technology
- Speed Limits
- Speech, Language and Communications Training for Pre-School
- School Readiness
- Impact of Trauma on Brain Development
- Reduced Incidents of Self Harm in Young People
- Re-offending levels
- Pupil Absence
- HIV testing in Eastbourne
- Chlamydia Screening

In addition to the following to support implementation of the Public Health Annual Report:

- Community Resilience Population Health Check Survey;
- Implementation of Community Resilience Programme;
- Community Resilience Programme Support.

2. 2013/14 Project Updates

2.1 Members have received an overview of all these projects and updates on progress of projects at previous Committee meeting.

2.2 The four projects agreed in 2013/14 for three years funding: Suicide Prevention; Addressing Obesity; Safer Streets; Tobacco Free East Sussex; were all due to complete by the end of 2015/16.

2.3 Appendix 1 contains a progress report in relation to these projects. For all the projects, a delay in starting, caused by a variety of reasons, results in them over-running into 2016/17.

3. 2015/16 Project Updates

3.1 The eleven projects agreed in 2015/16 are in progress: Reduced Social Isolation Through Technology; Speed Limits; Speech, Language and Communications Training for Pre-School; School Readiness; Impact of Trauma on Brain Development; Reduced Incidents of Self Harm in Young People; Re-offending levels; Pupil Absence; HIV testing in Eastbourne; Chlamydia Screening.

3.2 Those projects receiving three years funding are due to complete in 2017/18.

3.3 Appendix 2 contains a progress report in relation to these projects.

4 Update on 2015/16 Projects Implementing the Annual Public Health Report on Building Community Resilience through East Sussex Better Together

4.1 The 2014/15 Director of Public Health Report, *Growing Community Resilience in East Sussex*, focused on how we can build community resilience by growing the assets of wellbeing across East Sussex and provides the evidence base for the East Sussex Better Together (ESBT) community resilience programme.

4.2 *Growing Community Resilience in East Sussex* is supported by a 230 page review of the literature. The literature review was guided by the National Institute of Health and Care Excellence (NICE) guidelines on best practices for reviewing evidence, and the method expounded by the Cochrane Collaboration in the Cochrane Handbook for Systematic Reviews. Both the Search Parameter Framework for the review and the full review document is available upon request.

4.3 Community resilience is generated by community members coming together to identify and use community resources and strengths, e.g. voluntary groups, local businesses, parks, buildings etc. to help influence change in their community, e.g. to remedy the impact of a problem, gain more control over their wellbeing and manage their health and care support needs

4.4 Assets are any factor (or resource), which increases the ability of individuals, communities and populations, to maintain and sustain health and wellbeing and to help reduce health inequalities.

4.5 The Public Health Report looked at how we can identify, better understand and support development of existing and potential new community assets. It described how individuals can play a significant role in increasing community resilience and how systematic processes can be used to support this work and monitor its impact particularly in developing sustainability. Based on a review of the evidence, this report recommended further work to enhance community resilience which seeks positively to develop, harness and mobilise the assets, capacities and resources available to individuals and communities to enable them to gain more control over their lives and circumstances and to meet primary prevention, health, wellbeing and social care support needs.

4.6 The following projects are supporting implementation of the Public Health Annual Report: Community Resilience Population Health Check Survey; Implementation of Community Resilience Programme; Community Resilience Programme Support.

4.7 Appendix 3 contains a progress report in relation to these projects. It also includes information from Cumbria, used to inform the level of funding identified for the community resilience programme, details of the evaluation framework for the programme and brief information on economic assessment and evidence on the economic benefits of capacity building.

5. Recommendation

5.1 The Committee is recommended to consider and note the report.

CYNTHIA LYONS
Acting Director of Public Health

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Cynthia.lyons@eastsussex.gov.uk

Local Members: All

Background Documents: None

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Appendix 1: 2013/14 Project Updates

Suicide Prevention

Aims

The aim of this work is to reduce suicide rates in E. Sussex, in particular at Beachy Head.

Outline project achievements

Achievements for the five inter-related work-streams are as follows:

1. Infrastructure development at local 'hotspot': Exeter University produced a report in June 2015 reviewing the infrastructure at Beachy Head. A senior officers group (with representatives from ESCC, EBC, South Downs National Park and National England) has met to review the recommendations and advise on implementation. All infrastructure recommendations have been costed. A number of actions are in progress, e.g. work with bus and taxi companies, up-dating of Samaritans and cliff safety signage, renewal of fencing, installation of automatic number plate recognition camera and additional telephone box., and a number of actions are still being considered, e.g. reducing vehicle access and installation of an electronic surveillance system.
2. Support for voluntary agency: The need for support around communications and IT for Beachy Head Chaplaincy Team has been identified; the former has been commissioned and the latter is currently being commissioned.
3. Training for community organisations and primary care staff: A suicide prevention charity was commissioned to deliver nationally recognised training to a range of frontline staff over two years. Grassroots should fulfil their obligation to train 298 people by the end of November 2016. The feedback has been uniformly excellent.
4. Support for those affected by suicide: A counselling service for those that have attempted/been bereaved by suicide was commissioned for two years. Counselling Partnership has seen nearly 200 clients either in groups or on a one-to-one basis.
5. Pilot non- statutory 'place of safety' to address aftercare issues & reduce Section 136s: The 'Place of Calm' was commissioned as a one year pilot. Referrals are received from: Sussex Partnership Foundation Trust's Department of Psychiatry, Street Triage and the Approved Mental Health Practitioners. University of East London has been commissioned to evaluate the service to inform future direction.

All the interventions are based on best evidence and in-line with national strategy and guidance.

A strong network of experts has been developed as a result of this work that will continue to support the work through existing mechanisms post completion of the project, e.g. Beachy Head Risk Management Group and the East Sussex Suicide Prevention Group.

This is a particularly complex project involving a significant amount of partnership working across agencies and has over-run into 2016/17 to complete.

Original Budget: £988,500

Remaining budget available to be spent in 2016/17: £588,143

Safer streets

Aims

A multi-agency, behaviour change approach to Safer Streets enabling a Countywide phased roll out of 20mph road speed in appropriate residential areas, subject to the agreement of partners.

Outline project achievements:

Peter Brett Associates were commissioned to undertake a scoping summary with partners to inform taking forward a behaviour change approach to implementing 20mph in East Sussex.

The scoping review indicated that there was not widespread support for implementation of area wide 20mph. However partners indicated that they are interested in working together to improve road safety using behaviour change approaches.

An understanding of what causes individuals to undertake risky behaviour and what is most likely to persuade them to change their behaviour will be utilised to inform road safety interventions undertaken by all partners.

Road safety work will be tailored to different groups in the population

Bespoke materials will have been developed for East Sussex

An approach to implementing this project has been developed and will be shared at a Joint Scrutiny Board on Killed and Seriously Injured on 11 March 2016.

Original Budget: £1,000,000

Remaining budget available to be spent in 2016/17: £967,000

Tobacco Free East Sussex

Aims

To reduce the health impact of tobacco by reducing access to lower cost illegal and illicit tobacco and raising awareness of the harms of illegal/illicit tobacco, through:

- Increased enforcement activity e.g. Test Purchasing in priority locations based on increased intelligence generated through social marketing;
- Social marketing campaign to increase awareness of harms of illegal and illicit tobacco and increase reporting of where these products are being sold; and
- Training for partner agencies staff to understand harms to them and their communities of illegal tobacco (and smoking) and convey this to people they are in contact with.

Outline project achievements

A programme of illegal and illicit tobacco activity work has been undertaken by the Trading Standards team in conjunction with Sussex Police. This has included gathering intelligence on premises selling illicit tobacco, undertaking raids and seizing tobacco products and prosecuting people trading in illicit tobacco.

The majority of work around tobacco is associated with stop smoking services, therefore additional work has had to be undertaken to identify the best approach to communicating illegal/illicit tobacco harms. Evidence reviews have been completed, and the market to provide this explored through soft market testing services. A request for quotation to provide the work has been issued and work is due to commence in April to generate insight and materials to be used so that partners and the public will understand the harms to them and their communities from illegal and illicit tobacco. A range of effective approaches and resources will have been developed that can be utilised at limited cost in future years.

Original Budget: £430,000

Budget planned to be spent in 2016/17: £283,333

Addressing obesity

Aims

To develop a referral management system for adults and additional primary prevention in children and young people for one year to test the impact prior to developing a service. This will:

Reduce obesity in children and young people by improving the health improvement offer in early years settings.

Enable adult individuals to be directed, or direct themselves to an appropriate health improvement service for their level of need and behavioural/motivational preferences. The system will enable those people who can achieve good outcomes through self-care to be directed to sources of information and advice e.g. online and those who are most likely to need more intensive interventions to achieve the same outcomes to be directed to appropriate face to face services. Thus, making the most efficient use of resources by matching resource with need, based on an understanding of behaviour and individual preferences.

Outline project achievements

Healthy Active Little Ones (HALO) - East Sussex is an 18 month workforce development and intervention programme, designed to support targeted early years settings across East Sussex to adopt a whole settings approach to obesity prevention. Targeted settings are those located in the wards with the highest prevalence of overweight and obese children at reception year.

As part of the programme, two healthy eating/physical activity (HEPA) co-ordinators were recruited in Feb 2015 and have led on the auditing of early years settings, utilising the Eat Better, Start Better (Children's Food Trust) and Early Movers (British Heart Foundation National Centre for Physical Activity and Health) audit tools. Following a baseline "HALO check", HEPA co-ordinators provide recommendations and ideas (in the areas of physical activity, healthy eating and child development) and work with settings to develop an action plan to facilitate improvements as part of a whole setting approach.

To date: over 100 targeted early years settings recruited; around 200 HALO checks baseline audits completed; 6 month follow up audits commenced legacy document to highlight examples of best and innovative practice in promoting physical activity/healthy eating as part of a whole settings approach being developed.

Children's Food Trust: Eat Better Start Better training for early years practitioners. Alongside ongoing HEPA co-ordinator support the Children's Food Trust (CFT) to provide a range of workforce development activities in the area of early years nutrition.

To date: over 30 early years settings have accessed face to face training designed to provide practitioners with the knowledge, skills and confidence to improve food provision in their setting and to run healthy cooking sessions with the families they work with; online training, particularly targeted at childminders, has been made available for up to 300 practitioners via the CFT's Learning Network. This includes three early years food and nutrition courses and to date, over 150 learning network licences have been set up; settings involved in HALO-East Sussex programme are being supported to work towards the CFT's Excellence award, with funding available to support award validation costs. It is anticipated that 25% of audited settings will be able to achieve the award by the end of the programme (July 2016).

National Social Marketing Centre Scoping Exercise – Healthy Weight Behaviours (Children and Families). National Social Marketing Centre (NSMC) commissioned to undertake a scoping exercise, designed to inform the future commissioning of programmes likely to enable positive and sustainable changes in healthy eating and physical activity behaviours amongst families with children 2-11 years.

Following a secondary evidence review, interviews were conducted with 36 parents/ carers, as well as 25 stakeholders and 10 front line practitioners. The insight generated provided an in-depth understanding of the motivations behind families' healthy eating and physical activity behaviours, and the barriers to behaviour change. The initial findings of the scoping exercise were then shared with key partners through a number of co-creation workshops, through which stakeholders explored how the insight could be used to enhance the delivery of existing services and suggested a number of intervention ideas. These suggested interventions, alongside a number of recommendations shared by the NSMC were then pre-tested with local residents.

Referral management - Scoping of the referral management system revealed that the approach we wanted to take had not been done before. This meant that additional work had to be undertaken with the councils I.T. department and with suppliers to understand what was technically possible. Because of the innovative nature of the work and competing priorities e.g. for I.T. input the development phase of the programme took longer than anticipated. Technical and service specifications have been developed and a procurement process undertaken. Following the procurement process it was identified that that the system could be developed in-house at a significantly reduced cost which would not only reduce overall cost but increase the potential flexibility of the system to add in other areas of activity emerging through ESBT , or for example self-care and self-management as well as for primary prevention. Development work with ESCC I.T. department has now commenced and the triage tool is expected to be available in June

The final scoping exercise and intervention recommendations report is currently being finalised by the NSMC and ESCC Public Health is due to be share the final agreed version with key stakeholders in March 2016.

HALO posts were due to finish end June 2016 however due to the success of the posts and early positive outcomes the roles have been extended from recurrent health improvement funds for children until March 2017.

The remaining Children's Food Trust workforce development opportunities available to settings will be completed by the end of July 2016.

The evaluation of the Healthy Active Little Ones (HALO) – East Sussex programme is due be completed in September 2016, with the learning gained from this pilot used to inform the future development and delivery of the programme.

Due to the decision to develop the triage system in-house, the development of the system will not be completed until June 2016.

Original Budget: £285,000

Budget planned to be spent in 2016/17: £109,943

Appendix 2: 2015/16 Project Updates

Description of proposal	Outcomes	Performance				RAG
<p>Reduced social isolation through technology To reduce social isolation of carers through development of peer to peer befriending via Social Media and I.T. communication technology as well as telephone. Proposal includes ongoing coordination of agreed model(s).</p>	<p>Model produced that can be extended to other client groups and developed into peer group support, local community activities.</p>	<p>The project started September 2015. Research conducted into identifying existing models. Carers' views sought through an article in CareLine magazine, Carers' Voices meetings and a carers' focus group. The project manager attended three Carers' Forums to gain further carers' feedback.</p> <p>Service offer available; telephone, Skype, Email and letter writing. Also a forum and Facebook page- from Care for the Carers and also the national Carers UK site. Carers who would like to use technology, but feel they would like some extra support getting online are referred to the Association of Carers' Computer Help at Home service which can provide up to six weeks of tutorials in the carers' home. Carers who need financial help to purchase equipment can apply to Care for the Carers who hold a small fund for equipment. In order to maintain privacy, Care for the Carers are running a drop box system for carers who choose to write letters. This service called "Care to Chat" opened to referrals in January 2016 and is being publicised widely.</p>				G
Funding narrative	Original	2015/16	2016/17	2017/18	Total	
Revised costs		£32,000	£12,000	£12,000	£56,000	
Total development costs £20k	Forecast	2015/16	2016/17	2017/18	Total	
Ongoing annual cost £6-12k		£10,000	£6,000	£0	£16,000	

Description of proposal	Outcomes	Performance				RAG
<p>Speed limits To identify approximately 5 locations with a history of injury crashes where a lower speed limit may help to make the road safer and introduce the lower speed limit where appropriate.</p>	Average reduction in injury crashes.	<p>Speed surveys carried out in the locations identified as having the most potential to reduce road casualties together with a detailed crash investigation. Safety improvements agreed with Sussex Police for implementation in the 2015/2016 financial year at the following priority locations.</p> <ol style="list-style-type: none"> 1. A259 Buckle Bypass near Bishopstone 2. B2112 Ditchling Road near Wivelsfield 3. C27 Powdermill Lane near Battle 4. A264 near Blackham 5. A271 Magham Down to Herstmonceux 6. C33 at Ringles Cross . 				G
Funding narrative	Original	2015/16	2016/17	2017/18	Total	
Some of the locations may require more expensive traffic calming to lower the average speed of drivers in accordance with the lower speed limit.		£125,000	£0	£0	£125,000	
	Forecast	2015/16	2016/17	2017/18	Total	
		£125,000	£0	£0	£125,000	

Description of proposal	Outcomes	Performance				RAG
<p>Speech, language and communications training for preschools</p> <p>To provide funded specialist training for schools and preschools on speech, language and communication training to accelerate improvement in children's speech and language development.</p> <p>(2014 EYFS outcomes improved significantly on 2013, but there is a need to sustain this progress in order to ensure East Sussex maintains a stronger position in securing good outcomes for all children. Closing the Gap for the most vulnerable learners remains a challenge to be overcome).</p>	<p>Foundation Stage Profile (FSP) outcomes in Speech, Language and Communication above National Average and Year 1 Phonics Screening in line with National Average</p>	<p>Good Level of Development (GLD) in 2014 in East Sussex was 49.6% for FSM children compared to 68.9% non FSM children, a gap of 19.3%. GLD gap in 2015 narrowed from 58.9% to 76.9%. A gap of 18%. The gap between non FSM pupils in Early Years Foundation Stage (EYFS) and FSM pupils has narrowed by 1.3%.</p> <p>Year one phonics screening data has shown a three year increase that is beyond that national rate of improvement. East Sussex attainment is now broadly in line with the National Average in 2015. The gap has narrowed each year for three consecutive years. To reach this improvement an action plan was put in place using the funding received. There is a focus on the FSM gap for 2015-2016.</p>				G
<p>Funding narrative</p> <p>Phonics - To provide funded specialist training for schools and preschools</p>	<p>Original</p>	<p>2015/16</p> <p>£55,000</p>	<p>2016/17</p> <p>£55,000</p>	<p>2017/18</p> <p>£55,000</p>	<p>Total</p> <p>£165,000</p>	
	<p>Forecast</p>	<p>2015/16</p> <p>£55,000</p>	<p>2016/17</p> <p>£55,000</p>	<p>2017/18</p> <p>£55,000</p>	<p>Total</p> <p>£165,000</p>	

Description of proposal	Outcomes	Performance				RAG
School readiness To maintain a team of eight Early Communication Support Workers and two Senior Teachers who support the development of young children's early speech, language and communication in line with the East Sussex Early Years Speech, Language and Communication Pathway. Offer early intervention to children's language development to decrease the need for referral to formal therapy services.	Implement Early Communication Pathway with the Speech and Language service and enable early identification of children with impoverished language skills.	As part of the joint work with colleagues from the Standards Learning and Effectiveness Service (SLES), CITS service and Health, we have developed a speech, language and communication pathway which is now routinely used by EY providers across East Sussex. Early indications show that the Foundation Stage Profile FSP scores have increased from last year. The Children's Centre clusters support children and families where communication has been identified as impoverished. The support includes Toddler Talk sessions – 1:1 support for parents and children together to give guidance on activities to support communication.				G
Funding narrative	Original	2015/16	2016/17	2017/18	Total	
Maintain a team of eight Early Communication Support Workers and two Senior Teachers		£237,700	£238,900	£242,500	£719,100	
	Forecast	2015/16	2016/17	2017/18	Total	
		£237,700	£238,900	£242,500	£719,100	

Description of proposal	Outcomes	Performance				RAG
<p>Impact of trauma and brain development This is a pilot programme of training and action learning for staff in schools around the implications for children's behaviour of experiencing trauma in their early lives, plus some work with children and parents. It is based on evidence based work elsewhere in the country, (Place to be) designed to equip teachers and others with a better understanding of the impact of trauma and to provide them with a repertoire of responses to children's behaviours which are designed to improve children's resilience. Some direct work with children is part of the programme too.</p>	Improved resilience for children vulnerable to poor mental health.	As an element of the joint work through the Education Support Behaviour and Attendance Service and the Educational Psychology Service, we have set up 9 nurture groups in primary schools. These groups focus on providing both a space for children with Social, Emotional and Mental Health challenges and a toolkit for staff in understanding how developmental delays can impact on behaviour. A Nurture Network has also been set up to provide CPD for staff and monitor the implementation and effectiveness of Nurture. This provision has had a positive impact on behaviour and days lost through exclusions in target schools.				G
<p>Funding narrative The proposal is for one year's funding. There may be delays so that some costs may run into 2016/2017.</p>	Original	2015/16	2016/17	2017/18	Total	
		£50,000	£0	£0	£50,000	
	Forecast	2015/16	2016/17	2017/18	Total	
		£50,000	£0	£0	£50,000	

Description of proposal	Outcomes	Performance				RAG
<p>Young people and self-harm Reduce the presentations to hospitals of under 18's caused by unintentional and deliberate injuries. This work will focus on raising awareness within the defined age group and improving outcomes by better communication and service pathways.</p>	<p>Increased awareness in schools and improve links to existing provision. Reduced A&E admission.</p>	<p>Alternative stress relief behaviours promoted to avoid the potential for harm. Clients helped to undertake self-harm in a way that is as safe as is possible and minimises the chances of serious or long term harm. Individual Schools Health Strategy to cover issues around self-harm. All Secondary School have a trained TYS link caseworker. Part time youth workers trained in identification and clear referral pathways to TYS caseworker support. Joint Self Harm Protocols in place and joint working with school nurses established. Referral to sessions from within TYS, from CAMHS colleagues and from school nurses.</p>				<p>G</p>
<p>Funding narrative Management oversight and supervision = 15%. Accommodation and additional support costs = 15%. Direct practitioner costs = 70% of total funding.</p>	<p>Original</p>	<p>2015/16</p>	<p>2016/17</p>	<p>2017/18</p>	<p>Total</p>	
		<p>£120,000</p>	<p>£0</p>	<p>£0</p>	<p>£120,000</p>	
	<p>Forecast</p>	<p>2015/16</p>	<p>2016/17</p>	<p>2017/18</p>	<p>Total</p>	
		<p>£120,000</p>	<p>£0</p>	<p>£0</p>	<p>£120,000</p>	

Description of proposal	Outcomes	Performance				RAG
<p>Re-offending levels</p> <p>(i) Continue delivery of Functional Family Therapy, targeted at young people at risk of custody, and embed this within the YOT. Continue to evaluate the effectiveness and potential cost savings of this work.</p> <p>(ii) Deliver training to the YOT Staff team in screening for issues with speech and communication given the link between young people who offend and reoffend and difficulties they have with communication</p> <p>(iii) Identify and deliver effective interventions to address domestic abuse in young people.</p>	<p>Reduced levels of offending and the use of custody</p> <p>Improved understanding of healthy relationships within the YOT client group.</p>	<p>(i) 12 families worked with - no cases dropped out and 100% engagement achieved. Of the five closed cases, four recorded positive change (one as no significant change). No young people became LAC. No young people (engaged with FFT) went into custody or received new charges.</p> <p>(ii) Speech, language and communication training has been delivered in multi-agency groups. A screening tool is being rolled out in the YOT. Systems set up to offer consultancy to YOT case managers on how to use the learning style information and the information we have to inform how the YOT interventions are delivered.</p> <p>(iii) Five Step Up programmes started - none of the young people have come to the attention of the police again for DA offences.</p>				G
Funding narrative	Original	2015/16	2016/17	2017/18	Total	
(i) £80K per year		£117,000	£117,000	£117,000	£351,000	
(ii) £20K per year	Forecast	2015/16	2016/17	2017/18	Total	
(iii) £17K per year		£117,000	£117,000	£117,000	£351,000	

Description of proposal	Outcomes	Performance				RAG
<p>Pupil absence Funding for Practitioner posts to target children from vulnerable groups with protracted poor attendance. We aim to close the gap between vulnerable groups and their peers for educational, and social and emotional outcomes. Non-attendance is linked to academic underachievement, anxiety, challenging behaviour and further non-attendance. Truancing and non-attendance can also place children and young people at greater risk of Child Sexual Exploitation.</p>	Reduction in absence rates.	<p>In the PA target groups 14% of closed cases and 16% of cases remaining open had an improvement in attendance. 95% of the target group had improved attendance either during or at the end of the intervention. At four weeks after closing a case 14/16 pupils had sustained improved attendance averaging 98% (87.5% of the target group). Year 11 pupils could not be measured for sustainability as they were school leavers following the intervention. 66% of the target group were no longer persistently absent. 0% of pupils (0/62) had more than 15 days off from the point of intervention. 3% had 15 consecutive days at the beginning of the intervention.</p>				G
Funding narrative	Original	2015/16	2016/17	2017/18	Total	
The funding will be used to fund 3.0 fte Education Support, Behaviour and Attendance Practitioner posts each year.		£86,994	£86,994	£86,994	£260,982	
	Forecast	2015/16	2016/17	2017/18	Total	
		£86,994	£86,994	£86,994	£260,982	

Description of proposal	Outcomes	Performance			RAG
<p>HIV testing in Eastbourne HIV testing introduced to Eastbourne to test the feasibility of expanded testing in Lewes and Hastings. Pilot the feasibility of introducing expanded HIV testing for all new GP practice registrations aged 16 years old and over and register in Eastbourne practices. Pilot the feasibility of expanded testing for all Eastbourne residents over 15 years who are admitted as a general medical admission to ESHT.</p>	Reduction in onward transmission rates, morbidity & mortality and higher treatment costs associated with late diagnosis.	<p>Hospital testing - Inaugural meeting held with ESHT clinical leads. Proposal presented to ESHT full medical establishment, pathology devising template, plan to commence pre April 2016, restrict to all Medical Assessment Unit admissions.</p> <p>GP testing – Presentations to locality managers and CCGs held to begin operational discussions. Business case being written to procure HIV home sampling kit provider</p>			A
Funding narrative	Original	2015/16	2016/17	2017/18	Total
		£160,889	£160,889	£160,889	£482,667
	Forecast	2015/16	2016/17	2017/18	Total
		£0	£321,778	£160,889	£482,667

Description of proposal	Outcomes	Performance			RAG
<p>Chlamydia screening Chlamydia screening focused on areas (Rother and Wealden) and groups (men) where achievement is poorest. Interventions to increase Chlamydia screening in order to meet positivity targets include:</p> <ul style="list-style-type: none"> • home testing kits to reach sexually active young people not accessing sexual health services • engagement post to work with GP practices and pharmacies in Wealden • social marketing work to raise awareness of the importance of chlamydia testing 	Increased screening rates and positivity rates.	<p>Web based testing funded through the existing specialist sexual health services provider to extend existing limited provision has started.</p> <p>A primary care engagement worker has been funded via the current specialist service provider and post filled.</p> <p>There has been a delay to the start of the social marketing exercise. The service specification is complete and procurement due to start in the Spring.</p>			A
Funding narrative	Original	2015/16	2016/17	2017/18	Total
		£163,520	£73,520	£0	£207,040
	Forecast	2015/16	2016/17	2017/18	Total
		£48,920	£133,520	£24,600	£207,040

Appendix 3: Update on 2015/16 Projects Implementing the Annual Public Health Report on Building Community Resilience

Description of proposal	Outcomes	Performance				RAG
<p>Community Resilience Population Health Check Survey To commission a postal survey of adults resident in East Sussex. The survey will establish a baseline and monitor change over time and support evaluation of the community resilience programme. The survey will be repeated during 2017/18 and again in 2019/20.</p>	<p>Update Wellbeing and Resilience Measure (WARM) analysis at ward level plus additional information around health and well-being (particularly mental wellbeing) and social capital.</p>	<p>An open tender (single stage) process was undertaken between July and September to identify a provider. The preferred bidder, Ipsos Mori, started the contract in October - fieldwork was undertaken in 2015, with the analysis and final report to be available in the Spring of 2016 to inform 2016/17 Director of Public Health Report.</p>				<p>G</p>
<p>Funding narrative The latest forecast is £72,000 in 2015/16, £79,400 in 2017/18 and £86,500 in 2019/20 – a total of £237,900 and an underspend of £62,100.</p>	<p>Original</p>	<p>2015/16</p>	<p>2017/18</p>	<p>2019/20</p>	<p>Total</p>	
		<p>£100,000</p>	<p>£100,000</p>	<p>£100,000</p>	<p>£300,000</p>	
	<p>Forecast</p>	<p>2015/16</p>	<p>2017/18</p>	<p>2019/20</p>	<p>Total</p>	
		<p>£72,000</p>	<p>£79,400</p>	<p>£86,500</p>	<p>£237,900</p>	

Description of proposal	Outcomes	Performance			RAG
<p>Community Resilience Programme Support</p> <p>To support the development and delivery of the ESBT community resilience programme</p>	<p>Delivery of programme below according to agreed plans and budgets</p> <p>Key stakeholders fully engaged in design and delivery of programme below</p>	<p>A programme lead was appointed in August 2015 (0.6 wte). Additional support requirements have been agreed by the Steering Group and a JD has been developed for a supporting post and this is being recruited to in February.</p> <p>A partnership of local voluntary organisations and independent expert advice has been commissioned through a competitive quotation process, to undertake a process of engagement and co-design of a county wide and locality approach to community resilience</p>			<p>G</p>
<p>Funding narrative</p> <p>Underspend from 2015/16 shared between 2016/17 and 2017/18</p>	<p>Original</p>	<p>2015/16</p>	<p>2016/17</p>	<p>2017/18</p>	<p>Total</p>
		<p>£200,000</p>	<p>£200,000</p>	<p>£200,000</p>	<p>£600,000</p>
	<p>Forecast</p>	<p>2015/16</p>	<p>2016/17</p>	<p>2017/18</p>	<p>Total</p>
		<p>£43,250</p>	<p>£278,375</p>	<p>£278,375</p>	<p>£600,000</p>

Description of proposal	Outcomes	Performance				RAG
Implementation of Community Resilience Programme	<p>People have improved health and wellbeing and are prevented from developing health and social care needs</p> <p>People with existing health and social care needs are prevented from developing needs for higher intensity services</p> <p>Dependence on statutory sector services for low level interventions is reduced</p> <p>The strengths of communities are utilised to better support others in their community</p>	<p>Programme took longer to establish because of the interdependencies with other ESBT work streams.</p> <p>The delay impacted mostly on progressing the establishment of the eight Locality Link Worker posts. The detail of these posts have now been agreed and recruitment will commence shortly, now that locality structures are being put in place.</p> <p>The Building Stronger Bridges programme has been extended enabling 5 voluntary organisations to continue to develop good neighbour schemes with 18 new schemes now in operation.</p> <p>Expert external support is being commissioned to co-produce with voluntary sector providers an evaluation framework with voluntary sector providers and strengthen asset based methodologies for the Chances for Change East Sussex programme which supports local people to develop community led health improvement initiatives in their areas</p>				G
Funding narrative Underspend from 2015/16 shared between 2016/17 and 2017/18	Original	2015/16	2016/17	2017/18	Total	
		£1000,000	£1000,000	£1000,000	£3000,000	
	Forecast	2015/16	2016/17	2017/18	Total	
		£253, 487	£1,373,257	£1,373,257	£3000,000	

Level of Funding: Cumbria’s Neighbourhood Care Independence Programme

The level of funding identified to support the programme is based upon the Cumbria Neighbourhood Care Independence Programme.

Cumbria has a population of 494,400 people, 51% of the population live in rural areas and by 2035 a third of the population will be over 65 years of age.

The County Council and CCG wanted to help more people to retain their independence and control over their lives. They believed that this can be achieved by recognising that each community in Cumbria is unique and has the skills and knowledge needed to make lasting changes to people’s lives.

Their asset- based approach programme started in 2013 and is called Neighbourhood Care Independence Programme. The programme budget is £3.824 million over 4 years, with a contribution from Cumbria Clinical Commissioning Group of £152,000 per annum.

ESBT Community Resilience Programme Evaluation

The 2014/15 Director of Public Health Report, *Growing Community Resilience in East Sussex*, sets out the evidence of effectiveness for the community resilience programme.

Measuring outcomes in asset based approaches is not straightforward. Bespoke approaches to evaluation and development of key performance indicators (KPIs) are required for community resilience programmes. Consequently comprehensive methods are being put in place to test the effectiveness of the overall programme, and to identify achievement of programme outcomes. Alongside this, because of the timescales for developing and measuring overarching outcomes, KPIs of progress towards achieving the overall outcomes are being put in place.

Strategic Priorities for Community Resilience work stream and current associated initial KPI’s

Draft Strategic Priority	KPI	Method of measurement
1. Ensure building resilience and community-centred/asset approaches become an integral part of all ESBT plans and programmes	– Development of an evaluation framework that identifies appropriate methods to capture embedding asset based approaches across ESBT	– Evaluation framework published
2. Continue to measure the Wellbeing and Resilience Measure (WARM) to support a system shift from deficits to assets and provide a means to evaluate impact at a strategic level	– Updated WARM measured pre-implementation of programme and at 2 points over the life of the programme	– Resident postal surveys in December 2015, 2017, 2019
3. Ensure leaders, commissioners, providers and practitioners in all sectors have a full understanding of and apply approaches and evidence	– Training and capacity plan for the programme developed and delivered; Cross sector participatory appraisal training programme delivered for key staff groups – Champions identified from priority teams and commissioners – Commission participatory techniques e-learning training	– No of training courses delivered – No of attendees – No of organisational champions

Draft Strategic Priority	KPI	Method of measurement
4. Ensure that communities themselves, and particularly those at risk of social exclusion, are actively involved in overcoming barriers to participation	<ul style="list-style-type: none"> - Eight locality events held for community members - Current services utilising asset based approaches identified and community participation captured (CGP, C4C and BSB) 	<ul style="list-style-type: none"> - Number of events held - Number of attendees - Map of current services - Number of participants / volunteers
5. Support and develop a range of volunteering roles, responding to identified local facilitators and barriers	<ul style="list-style-type: none"> - Increasing number of volunteers engaged in community resilience work streams (starting with C4C and BSB and annually refreshed target as programme develops) 	<ul style="list-style-type: none"> - C4C and BSB evaluations - Ongoing programme monitoring
6. Link communities, services and new integrated teams together within the new ESBT localities	<ul style="list-style-type: none"> - Eight community link worker posts in place. - Link worker KPIs: - Number of new community activities established - Total number of referrals from community teams and GPs referred to community activity - Number of new referrals from community teams and GPs referred to community activity - Number of self- referrals referred to community activity - Client satisfaction - Number of community facilities being utilised for community activity - Amount of funding/funding in kind levered in to the locality - Impact on health and social care referrals 	<ul style="list-style-type: none"> - Programme lead and Link workers to develop collection methods and refine indicators
7. Continue to support local businesses to play an increased role as assets in their communities	<ul style="list-style-type: none"> - x businesses in each locality engaged in resilience programme (e.g. allowing groups to meet on premises, achieving eat out eat well award, promoting community volunteering, engaging in business in the community activity etc.) 	<ul style="list-style-type: none"> - Link workers to identify collection methods and refine
8. Improve information and awareness of assets available in local communities	<ul style="list-style-type: none"> - Asset mapping undertaken in each area - Number of locations promoting resilience activity (e.g. websites, shop windows, notice boards) 	<ul style="list-style-type: none"> - Link worker with C4C volunteers to undertake annual snap shot audit
9. Obtain additional funding streams from outside the county that can be used to promote resilience	<ul style="list-style-type: none"> - At least £100,000 of external funding per year aligned to the programme 	<ul style="list-style-type: none"> - Link workers and member organisations to identify aligned funding
10. Further develop evaluation of community centred work, and refine asset based methodologies	<ul style="list-style-type: none"> - Evaluation framework utilised by organisations across system 	<ul style="list-style-type: none"> - Number of different organisations utilising evaluation framework - Number of projects being evaluated

Evidence Base

The 2014/15 Director of Public Health Report, *Growing Community Resilience in East Sussex*, provides the evidence base for the East Sussex Better Together (ESBT) community resilience programme. This is supported by a 230 page review of the literature. The literature review was guided by the National Institute of Health and Care Excellence (NICE) guidelines on best practices for reviewing evidence, and the method expounded by the Cochrane Collaboration in the Cochrane Handbook for Systematic Reviews. Both the Search Parameter Framework for the review and the full review document is available upon request.

Economic assessment

Evidenceⁱ on the economic paybacks of investing in community assets is as yet limited. However, there is strong and growing evidence that social networks and social capital increase people's resilience to and recovery from illness. There is better evidence on some of the individual components of a local strategic approach to building and utilising community assetsⁱⁱ. For example, every £1 spent on health volunteering programmes returns between £4 and £10, shared between service users, volunteers and the wider community. British Red Cross volunteers have been shown to generate cost-savings equivalent to three and a half times their costsⁱⁱⁱ. An evaluation of 15 specific community health champion projects found that they delivered a social return on investment of between around £1 and up to £112 for every £1 invested^{iv}.

Evidence for the economic benefits of capacity building

The Building Community Capacity for Putting People First project commissioned Professor Martin Knapp of the National Institute for Health Research School for Social Care Research at LSE to show the economic impact of the community capacity-building initiative compared to what would happen in the absence of such an initiative^v.

The research found that each type of initiative studied "generated net economic benefits in quite a short time period. Each of those calculations was conservative in that monetary value was only attached to a subset of the potential benefits of community capacity building".

Three specific interventions that could be a component of a wider effort to build community capacity, and ones for which they could calculate the costs of the intervention and the potential savings and economic benefits that arise as a result were:

- *Befriending schemes* typically cost about £80 per older person but could save about £35 in the first year alone because of the reduced need for treatment and support for mental health needs. There could well be savings in future years too. Knapp et al state: "If we then also look at quality of life improvements as a result of better mental health – using evidence from some of the Partnerships for Older People Projects pilots – their monetary value would be around £300 per person per year."
- The cost per member of a *timebank* would average less than £450 per year, but could result in savings and other economic payoffs of over £1,300 per member. Knapp et al add: "This is a conservative estimate of the net economic benefit, since timebanks can achieve a wider range of impacts than those we have been able to quantify and value."
- '*Community navigators*' working with hard-to-reach individuals to provide benefit and debt advice cost just under £300 but the economic benefits from less time lost at work, savings in benefits payments, contribution to productivity and fewer GP visits could amount to £900 per person in the first year. Knapp et al add: "Quality of life improvement as a result of better mental health could be valued in monetary terms to add a further sizeable economic benefit."^{vi}

Social return on investment (SROI) – monetising impact

New Economics Foundation (NEF) was created in June 1986 and is one of the largest think-tanks in the UK. NEF's model of Social return on investment SROI is a well-established framework and is recognised by HM Treasury. NEF and the Community Development Foundation sponsored the Community

Catalysts action research project^{vii} with four local councils who used SROI to evaluate their community development activity.

Their headline findings were:

- “For each £1 invested by a local authority in community development activities and by the volunteers’ time input to deliver activities, £2.16 of social and economic value is created.
- For every £1 that a local authority invests in a community development worker, £6 of value is contributed by community members in volunteering time.”

i The King’s Fund. Strong communities, wellbeing and resilience. <http://www.kingsfund.org.uk/projects/improving-publics-health/strong-communities-wellbeing-and-resilience>. Accessed 21.03.14

ii Knapp M, Bauer A, Perkins M, Snell T (2011). Building Community Capacity: Making an economic case [online]. Available at: www.thinklocalactpersonal.org.uk/BCC/Latest/resourceOverview/?cid=9300

iii Naylor C, Mundle C, Weaks L, Buck D (2013). Volunteering in Health and Care: Securing a sustainable future. London: The King’s Fund. Available at: www.kingsfund.org.uk/publications/volunteering-health-and-care

iv Hex N, Tatlock S (2011). Altogether Better: Social Return on Investment (SROI) Case Studies. York: York Health Economics Consortium. Available at: www.altogetherbetter.org.uk/Data/Sites/1/sroiyehecreport1pagesummaryfinal.pdf

v Knapp, Bauer et al. http://www.thinklocalactpersonal.org.uk/_library/BCC/key_issues_06.pdf

vi Wilton, C. Think Local Act Personal Report 2012 - http://www.thinklocalactpersonal.org.uk/_library/BCC/Building_Community_Capacity_-_Evidence_efficiency_and_cost-effectiveness.pdf

vii Catalysts for Community Action and Investment: a social return on investment analysis of community development work based on a common outcomes framework. (nef October 2010) www.cdf.org.uk/web/guest/publication?id=362954

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Work Programme for Audit, Best Value and Community Services Scrutiny Committee



Future work at a glance

Updated: February 2016

This list is updated after each meeting of the scrutiny committee. Follow us on Twitter for updates: [@ESCCScrutiny](#)

Items that appear regularly at committee	
<p>The Council's Forward Plan</p>	<p>The latest version of the Council's Forward Plan is included on each scrutiny committee agenda. The Forward Plan lists all the key County Council decisions that are to be taken within the next few months together with contact information to find out more. It is updated monthly.</p> <p>The purpose of doing this is to help committee Members identify important issues for more detailed scrutiny <i>before</i> key decisions are taken. This has proved to be significantly more effective than challenging a decision once it has been taken. As a last resort, the call-in procedure is available if scrutiny Members think a Cabinet or Lead Member decision has been taken incorrectly.</p> <p>Requests for further information about individual items on the Forward Plan should be addressed to the listed contact. Possible scrutiny issues should be raised with the scrutiny team or committee Chairman, ideally before a scrutiny committee meeting.</p>
<p>Committee work programme</p>	<p>This provides an opportunity for the committee to review the scrutiny work programme for future meetings and to highlight any additional issues they wish to add to the programme.</p>

Future Committee agenda items		Author
15 March 2016		
Internal Audit 2015/16	Quarterly progress reports	Russell Banks, Head of Assurance
Strategic Risk Monitoring	Strategic Risk Monitoring quarterly reports	Russell Banks, Head of Assurance
External Audit Plan 2015/16	Sets out in detail the work to be carried out by the Council's external auditors	Marion Kelly, Chief Finance Officer
External Audit report on grants claim certification	External auditors are required to certify certain grant claims; this is an annual report summarising that grant work and highlights the key issues arising	Marion Kelly, Chief Finance Officer
External audit plan for East Sussex Pension Fund 2015/16	To consider and comment on the External audit plan for the East Sussex Pension Fund for 2015/16	Marion Kelly, Chief Finance Officer
Reconciling Policy, Performance and Resources (RPPR) 2015/16	To consider the draft Council Plan 2016/17, the Revenue Budget and Capital Programme and to consider whether to implement the savings proposals set out in the report.	Becky Shaw, Chief Executive
Procurement Performance Update	Update on the progress of the actions from the contract management and PSO audits	Kevin Foster, Chief Operating Officer
Public Health One-Off Projects - Update Report	Update on the progress of the Public Health funded one-off projects	Cynthia Lyons, Acting Director of Public Health

15 July 2016		
Internal Audit 2015/16	Quarterly progress reports	Russell Banks, Head of Assurance
Strategic Risk Monitoring	Strategic Risk Monitoring quarterly reports	Russell Banks, Head of Assurance
Review of Annual Governance Report and 2015/16 Statement of Accounts	Report of the external auditors following their audit of the Council's statutory accounts.	Marion Kelly, Chief Finance Officer
Pension Fund Annual Governance Report and Statement of Accounts 2015/16	Report of the external auditors following their audit of the Pension Fund.	Ola Owolabi, Head of Accounts and Pensions
Corporate Governance Framework	Sets out an assessment of the effectiveness of the Council's governance arrangements and includes an improvement plan for the coming year, and the corporate assurance statement which will form part of the statement of accounts.	Kevin Foster, Chief Operating Officer
27 September 2016		
Internal Audit 2015/16	Quarterly progress reports	Russell Banks, Head of Assurance
Strategic Risk Monitoring	Strategic Risk Monitoring quarterly reports	Russell Banks, Head of Assurance
Orbis Progress Update	An update report to inform the committee of the progress in implementing the Orbis Business Plan	Adrian Stockbridge, Orbis Project Manager
Internal Audit 2016/17	Quarterly progress reports	Russell Banks, Head of Assurance

Treasury Management Annual Report 2015/16 and mid year report (2016/17)	Review of Treasury Management performance: The report will set out <ul style="list-style-type: none"> • A summary of the original strategy agreed for 2015/16 and the economic factors affecting this strategy in the first six months of the year. • The treasury management activity during the first six months. • The performance to date of the Prudential Indicators, which relate to the Treasury function and compliance within limits. • The outturn report. 	Marion Kelly, Chief Finance Officer
Atrium property asset management system	Implementation of the Atrium property asset management system, outlining progress towards adopting the corporate landlord model	John Stebbings, Acting Chief Property Officer
8 November 2016		
Internal Audit 2015/16	Quarterly progress reports	Russell Banks, Head of Assurance
Strategic Risk Monitoring	Strategic Risk Monitoring quarterly reports	Russell Banks, Head of Assurance
Annual Audit Letter 2015/16	Annual Audit Letter and fee update for 2015/16	Russell Banks, Head of Assurance

Current Scrutiny reviews and other work underway

Agile Working Reference Group

Reference Group comprising Cllrs Blanch, Barnes, Keeley, Standley and Whetstone that meets with key officers to comment on the progress of the Agile Programme after key stages in the Programme. Meeting and visit to Ropemaker Park planned for 1 March 2016.

Road Safety

The ASC Scrutiny Committee agreed to form a joint review board to examine the delivery of road safety interventions and their effectiveness in reducing the number of people killed or seriously injured (KSI) in East Sussex. The board will consist of representatives from the ABVCS Scrutiny Committee, plus the following members of the ETE Scrutiny Committee: Councillors St. Pierre, Pursglove, Taylor and Stogdon. An initial meeting of the joint review board is planned for March 2016.

Enquiries: Democratic Services
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EAST SUSSEX COUNTY COUNCIL'S FORWARD PLAN

The Leader of the County Council is required to publish a forward plan setting out matters which the Leader believes will be the subject of a key decision by the Cabinet or individual Cabinet member in the period covered by the Plan (the subsequent four months). The Council's Constitution states that a key decision is one that involves

- (a) expenditure which is, or the making of savings which are, significant having regard to the expenditure of the County Council's budget, namely above £500,000 per annum; or
- (b) is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions.

As a matter of good practice, the Council's Forward Plan includes other items in addition to key decisions that are to be considered by the Cabinet/individual members. This additional information is provided to inform local residents of all matters to be considered, with the exception of issues which are dealt with under the urgency provisions.

For each decision included on the Plan the following information is provided:

- Page 105 -
- the name of the individual or body that is to make the decision and the date of the meeting
 - the title of the report and decision to be considered
 - groups that will be consulted prior to the decision being taken
 - a list of other appropriate documents
 - the name and telephone number of the contact officer for each item.

The Plan is updated and published every month on the Council's web-site two weeks before the start of the period to be covered.

Meetings of the Cabinet/individual members are open to the public (with the exception of discussion regarding reports which contain exempt/confidential information). Copies of agenda and reports for meetings are available on the web site in advance of meetings. For further details on the time of meetings and general information about the Plan please contact Andy Cottell at County Hall, St Anne's Crescent, Lewes, BN7 1SW, or telephone 01273 481955 or send an e-mail to andy.cottell@eastsussex.gov.uk.

For further detailed information regarding specific issues to be considered by the Cabinet/individual member please contact the named contact officer for the item concerned.

EAST SUSSEX COUNTY COUNCIL

County Hall, St Anne's Crescent, Lewes, BN7 1UE

For copies of reports or other documents please contact the officer listed on the Plan or phone 01273 335138

FORWARD PLAN – EXECUTIVE DECISIONS (including Key Decisions) –3 March 2016 TO 30 June 2016

Additional notices in relation to Key Decisions and/or private decisions are available on the Council's website via the following link:

<http://www.eastsussex.gov.uk/yourcouncil/about/committees/download.htm>

Cabinet membership:

Councillor Keith Glazier - Lead Member for Strategic Management and Economic Development

Councillor David Elkin – Lead Member for Resources

Councillor Chris Dowling – Lead Member for Community Services

Councillor Rupert Simmons – Lead Member for Economy

Councillor Carl Maynard – Lead Member for Transport and Environment

Councillor Bill Bentley – Lead Member for Adult Social Care

Councillor Sylvia Tidy – Lead Member for Children and Families

Councillor Nick Bennett – Lead Member for Education and Inclusion, Special Educational Needs and Disability

Date for Decision	Decision Taker	Decision/Key Issue	Decision to be taken wholly or partly in private (P) or Key Decision (KD)	Consultation	List of Documents to be submitted to decision maker	Contact Officer
8 Mar 2016	Cabinet	To consider a report on the Three Southern Counties Devolution			Report, other documents may also be submitted	Lee Banner 01273 481857
8 Mar 2016	Cabinet	To consider the Council Monitoring report for Quarter 3, 2015/16.			Report, other documents may also be submitted	Jane Mackney 01273 482146
8 Mar 2016	Cabinet	To consider the findings of the recent Ofsted inspection of Children's Services			Report, other documents may	Fiona Wright, 01273 481231

					also be submitted	
8 Mar 2016	Cabinet	To consider a report on the Waste & Minerals Sites Plan – Regulation 19 Consultation – Response to objections	KD	South Downs National Park Authority and Brighton & Hove City Council	Report, other documents may also be submitted	Sarah Iles 01273 481631
14 Mar 2016	Lead Member for Transport and Environment	To consider the list of schemes and associated expenditure to be included in the Capital Programme for local transport improvements	KD		Report, other documents may also be submitted	Karl Taylor 01273 482207
14 Mar 2016	Lead Member for Transport and Environment	Community Match Funding 2016/17 – To consider the proposed allocation of match funding for a number of community led local transport improvement schemes	KD		Report, other documents may also be submitted	Sarah Valentine 01273 335274
14 Mar 2016	Lead Member for Transport and Environment	To consider the approval of the Implementation 2 report and associated planned transport infrastructure improvements for East Sussex over the five year period 2016/17 to 2020/21	KD		Report, other documents may also be submitted	James Harris 01273 482158
14 Mar 2016	Lead Member for Transport and Environment	Notice of Motion: Determination of Planning Applications within East Sussex - submitted by Councillor Field			Report, other documents may also be submitted	Tony Cook 01273 481653
14 Mar 2016	Lead Member for Transport and Environment	Proposed improvements at the Sackville Road Roundabout, Bexhill To consider the outcome of the review of		Local Members	Report, other documents may also be submitted	Chris Tree 01273 482247

		the detailed design work and agree which roundabout layout should be taken forward for construction as part of the 2016/17 capital programme for local transport improvements				
21 Mar 2016	Lead Member for Education and Inclusion, Special Educational Needs and Disability	Proposed enlargement of Cradle Community Primary School To seek approval to publish notices in relation to a proposal to enlarge Cradle Hill Community Primary School.	KD	The Local Authority will have consulted with the local community prior to the decision.	Report, other documents may also be submitted	Gary Langford 01273 481758
31 Mar 2016 Page 108	Lead Member for Adult Social Care	To consider the results of the consultation in relation to charging for Learning Disability Community Support and to consider whether, in future, Learning Disability Community Support Services should be a chargeable service.	KD		Report, other documents may also be submitted	Kay Holden 01323 464470
18 Apr 2016	Lead Member for Transport and Environment	To consider the proposed adoption of Bancroft Road Bexhill		Local Members	Report, other documents may also be submitted	Alex Jack 01273 482563
18 Apr 2016	Lead Member for Transport and Environment	To consider the Shoreham Harbour Joint Area Action Plan - revised Statement of Common Ground	KD		Report, other documents may also be submitted	Tony Cook 01273 481653
26 Apr 2016	Cabinet	External Audit Plan 2015/16 To consider in detail the work to be carried out by the Council's external auditors	KD		Report, other documents may also be submitted	Marion Kelly 01273 335078

26 Apr 2016	Cabinet	To consider the Rights of Way and Countryside Sites: Strategic Commissioning Strategy	KD		Report, other documents may also be submitted	Alice Henderson 01273 481804
26 Apr 2016	Cabinet	Scrutiny Review of Highway Drainage: To consider the report of the Economy, Transport and Environment (ETE) Scrutiny Committee from the Scrutiny review of highway drainage in East Sussex.			Report, other documents may also be submitted	Martin Jenks 01273 481327
27 Apr 2016 Page 109	Lead Member for Community Services	East Sussex Record Office Collection policies To agree policies relating to collection development and management for the East Sussex Record Office			Report, other documents may also be submitted	Elizabeth Hughes 01273 482356
27 Apr 2016	Lead Member for Community Services	Provision of an on street advisory disabled bay in Blackman Avenue, St Leonards To consider concerns raised by objectors and approval of the provision of an advisory disabled parking bay in Blackman Avenue, St Leonards		Local residents and Local Members	Report, other documents may also be submitted	Clare Peedell 01424 726347
27 Apr 2016	Lead Member for Community Services	Provision of two bus stop clearways - Laton Road, Hastings To consider concerns raised by objectors and approve the provision of two bus stop clearways in Laton Road, Hastings		Local residents and Local Members	Report, other documents may also be submitted	Clare Peedell 01424 726347
27 Apr 2016	Lead Member for	Redundant assets of the Schools Library			Report, other	Nick Skelton

	Community Services	and Museum Service: Proposals to dispose of redundant museum stock belonging to the Schools Library and Museum Service (SLAMS)			documents may also be submitted	01273 482994
16 May 2016	Lead Member for Education and Inclusion, Special Educational Needs and Disability	Age range changes - Grovelands Community School To seek approval to publish notices in relation to Grovelands Community School			Report, other documents may also be submitted	Joanne Grogan 01323 464506
16 May 2016	Lead Member for Education and Inclusion, Special Educational Needs and Disability	Age range changes - Meridian Primary School To seek approval to publish notices in relation to Meridian Primary School			Report, other documents may also be submitted	Joanne Grogan 01323 464506
20 May 2016	Lead Member for Resources	Municipal Bonds Agency Participation To consider the formal approval for East Sussex County Council to participate in, and commit funding in the Municipal Bonds Agency (the Local Capital Finance Company Ltd).			Report, other documents may also be submitted	Marion Kelly 01273 335078
28 Jun 2016	Cabinet	Council Monitoring Quarter 4 - 2015/16 To consider the end of year Council Monitoring report for 2015/16			Report, other documents may also be submitted	Jane Mackney 01273 482146
28 Jun 2016	Cabinet	Reconciling Policy Performance and Resources - State of the County 2016 To begin the Reconciling Policy, Performance and Resources process for	KD		Report, other documents may also be submitted	Jane Mackney 01273 482146

		2017/18 and beyond				
28 Jun 2016	Cabinet	To consider the Treasury Management Annual Report			Report, other documents may also be submitted	Ola Owolabi 01273 482017

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