

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

MINUTES of a meeting of the Audit, Best Value and Community Services Scrutiny Committee held at County Hall, Lewes on 15 September 2015.

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PRESENT Councillors Mike Blanch (Chair), John Barnes (Vice Chair), Laurence Keeley, Bob Standley, Trevor Webb and Francis Whetstone

LEAD MEMBERS Councillor Keith Glazier, Leader and Lead Member for Strategic Management and Economic Development  
Councillor David Elkin, Lead Member for Resources

ALSO PRESENT Becky Shaw, Chief Executive  
Kevin Foster, Chief Operating Officer  
Keith Hinkley, Director of Adult Social Care and Health  
Russell Banks, Head of Assurance  
Cynthia Lyons, Acting Director of Public Health  
Laura Langstaff, Joint Head of Procurement  
Ola Owolabi, Head of Accounts and Pensions  
Nick Skelton, Assistant Director Communities

### 17 MINUTES

17.1 RESOLVED to approve as a correct record the minutes of the meeting held on 17 July 2015.

### 18 APOLOGIES FOR ABSENCE

18.1 Apologies for absence were received from Councillor Carolyn Lambert.

### 19 DISCLOSURES OF INTERESTS

19.1 Councillor Mike Blanch declared a personal interest in Item 9 (see Minute 23), as a relative of one of the Beachy Head Chaplaincy Team, but he did not consider this to be prejudicial.

### 20 URGENT ITEMS

20.1 None notified.

### 21 REPORTS

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

21.2 It was RESOLVED to amend the agenda order and take items 7, 9 and 10 first (see minutes 22, 23 and 24).

## 22 RECONCILING POLICY, PERFORMANCE AND RESOURCES (RPPR)

22.1 The Committee considered a report by the Chief Executive which invited the Committee to begin its involvement in the Reconciling Policy, Performance and Resources (RPPR) process. A revised Appendix 3 had been circulated. The Lead Member for Resources confirmed that no budget was exempt from investigation for potential savings.

22.2 The Committee discussed:

- The capital programme, the links to the revenue budget and limits on capital spending;
- The living wage and its impact;
- The inclusion of the Dedicated Schools Grant within the overall figures, and the potential for public misunderstanding;
- The Highways maintenance contract;
- The Asset Management Strategy, and in particular the 73 sites previously planned for disposal;
- Speeding up cost reduction programmes, especially in areas such as digitisation and energy efficiency, in particular the street lighting initiative;
- How to measure productivity;
- The future shape of the senior management and structure of the Council, and the potential for increased partnership working with Borough and District Councils and with Health colleagues through the Orbis programme.

22.3 The Chief Executive and Chief Operating Officer confirmed that the matter of what could be capitalised was subject to a set of technical accounting issues. The tenders for the Highways maintenance contract are being examined and assessed, and the process had been overseen by a Review Board of the Economy, Transport and Environment Scrutiny Committee. The Lead Member for Resources set out that the Asset Management Strategy was under review, including the use of community asset transfers, and would be presented to Scrutiny at a future meeting.

22.4 The Leader and Lead Member for Strategic Management and Economic Development emphasised the need for the Council to take a business-like approach, to improve opportunities to generate income. He stressed the need to exploit available resources fully, which could include community uses for Council-owned property, but that a flexibility of approach should be retained, to allow for disposal if necessary.

22.5 The Chief Operating Officer explained the impacts of digitisation in several modernisation programmes, such as Agile and the Social Care Information System (SCIS) update, and the links to the Information Management Strategy. The Chief Executive set out that there were significant demands on senior management as a result of the various transformation programmes that were under way and planned. A briefing on the street lighting project was offered, and it was confirmed that the Economy, Transport and Environment Scrutiny Committee were keeping the matter under review.

22.6 RESOLVED to (1) note the report;

(2) convene meetings of the standing RPPR Board in October and December 2015, and note that Review Boards had been established to examine the Library Service and Communications;

(3) focus on (a) the Property Strategy, (b) the shape and structure of the Council in the medium term, and (c) capital programme levels and funding sources.

## 23 SUICIDE PREVENTION: BEACHY HEAD INFRASTRUCTURE UPDATE

23.1 The Committee welcomed a report by the Acting Director of Public Health which provided an update on how the recommendations of the Beachy Head infrastructure report have been taken forward to date, including involvement of partners especially the Beachy Head Chaplaincy Team.

23.2 The Committee discussed: the Virtual Fence and what it consisted of; long term funding for the street triage pilot; the need to consider all users of the area and trying not to act to the detriment of the character of a national landmark; dog walker training; the follow up to a successful interception.

23.3 The Director of Adult Social Care and Health set out: that the County Council is engaged with partners from Eastbourne Borough Council, Sussex Police, Natural England and the National Park Authority; the need to ascertain what is viable and what will be effective; the capacity of other agencies to respond to increased alerts and the potential need to commission services.

23.4 RESOLVED to note the report and the measured approach being taken, and to request a further update at a future meeting.

## 24 UPDATE ON THE PUBLIC HEALTH GRANT UNALLOCATED RESERVE ONE-OFF FUNDED PROPOSALS

24.1 The Committee considered a report by the Acting Director of Public Health which provided an update on the progress of the Public Health Grant unallocated reserve one-off funded proposals.

24.2 The Committee was informed that the Department of Health consultation on the methodology for the in-year reduction to the Public Health budget had closed in August, and the outcome was awaited. It has also been signalled that the Department of Health will require recurring savings to be made but there is no further detail on the methodology for that to date.

24.3 The Committee discussed Community Resilience and was apprised of how this work links with the Locality Team development which is a core part of East Sussex Better Together. The projected funding for Community Resilience is informed by evidence from a project in Cumbria. The work on Community Resilience will seek though localised programmes to reduce demands on health services.

24.4 The Committee picked up other strands in the report: falls prevention, young people's mental health, speed reduction and reducing social isolation through technology. The Director of Adult Social Care and Health reinforced the point that some of the funding was for pilots to allow assessment of the impact of the proposals, which may lead to a revised way of working should the pilot demonstrate a cost-effective and sustainable alternative approach when set against all the other competing demands and savings requirements. With regard to falls prevention, the Director set out that an increased use of technology, funded from the community care budget, to monitor those vulnerable to falls had led to a decrease in incidents and therefore a reduction in budget pressure.

24.5 There was general agreement that future monitoring of the one-off projects should be undertaken by the relevant service Scrutiny Committee.

24.6 RESOLVED to (1) note the report; and

(2) request a further update on the programme of one-off funded projects including more detail on the community resilience work, to examine value for money, within six months.

## 25 INTERNAL AUDIT PROGRESS REPORT QUARTER 1 2015/16

25.1 The Committee considered a report by the Chief Operating Officer which provided a summary of the key audit findings, progress on delivery of the audit plan and the performance of the internal audit service during Quarter 1 of 2015/16. The Committee were provided with a Supplementary Briefing on the Procurement and Contract Management audits.

25.2 The Committee discussed the assessment of compliance with Procurement Standing Orders and Contract Management with the Head of Procurement. She offered the Committee the assurance that clear roles and responsibilities were built into the framework for awarding new contracts, and that training was being provided to staff to manage the process robustly. Progress in implementing the findings of the Procurement Standing Orders audit will be included in future Procurement update reports.

25.3 The Committee discussed the assessment of the Controcc system. The Head of Assurance set out the complexity of the system, which the Chief Operating Officer confirmed would shortly be integrated into the new Liquid Logic system of care management. A comprehensive action plan has been developed and will be followed up by the internal audit team, and reported on at a future meeting.

25.4 The Committee also discussed the means available to secure control over performance of outsourced work, especially that of sub-contractors, and used the Highways Maintenance contract as an example. Particular concerns over highway drainage issues were raised, and the Committee's attention was drawn to the Economy, Transport and Environment Scrutiny Review Board on Gully Emptying and Drainage. The Head of Procurement set out that her team provided advice and guidance to service colleagues, on how to set measurable service levels, and ensure regular receipt of data to support those targets. Evidence of the effective management of sub-contractors is part of the process for assessing tenders.

25.5 RESOLVED to (1) note the report; and

(2) congratulate the internal audit team on their performance indicators.

## 26 STRATEGIC RISK MONITORING - QUARTER 1 2015/16

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

26.2 The Committee discussed:

- Risk 7 – Schools, and in particular the deficiency of regulatory powers granted to the local authority, and whether the Council had contacted the Department for Education with concerns about Academy performance in the light of recent reported results;
- Risk 6 – Local Economic Growth, and the link between Risk 7 and the development of a skilled workforce

26.3 The Committee discussed whether the Broadband project should be considered a strategic risk, in terms of performance and value for money. A report to the September meeting

of the Economy, Transport and Environment Scrutiny Committee about Strategic Infrastructure, including Broadband, was highlighted to the Committee.

26.4 The Committee discussed a review of the departmental risk registers, to gain an insight into those risks that were considered not to be strategic. It was considered that individual Scrutiny Committees would be in a better position to assess those risks.

26.5 RESOLVED to (1) note the current strategic risks and the risk controls/responses being proposed and implemented by Chief Officers;

(2) request a report on the Business Services departmental risk register; and

(3) recommend that the other Scrutiny Committees consider an annual report on the relevant departmental risk registers.

## 27 TREASURY MANAGEMENT - STEWARDSHIP REPORT 2014/15

27.1 The Committee considered a report by the Chief Operating Officer which presented a review of the County Council's performance on treasury management for the year 2014/15 and mid year review for 2015/16.

27.2 The Committee discussed: Lender Option Borrower Option (LOBO) Loans and the low risk of loans being called in; internal borrowing as a means of funding capital projects and in particular the Bexhill Hastings Link Road; the LGA Municipal Bonds Agency, the lessons of the Municipal Assurance scheme and the effect on the Public Works Loans Board (PWLB); and the potential benefits of increasing the rate of investment into certain capital projects, designed to reduce revenue pressures, while interest rates are low.

27.3 The Committee was reassured that there was an extremely low risk of any LOBO loan being called in, following recent meetings with lenders, and that the Council would simply repay any loan without penalty should a loan be called in. Similarly there are no plans to exercise the Borrower Option to repay any loans early.

27.4 With regard to internal borrowing, the link to the Capital Finance Requirement was explained, together with the advice from our advisors, Capita, about the reduced differential between interest being paid by the Council on borrowings, and interest being received on loans out.

27.5 The Committee was reminded that that the Treasury Management Strategy had been amended by Cabinet to allow for investment in the Municipal Bonds Agency. Membership of the Agency would allow access to European funding for large scale infrastructure requirements.

27.6 RESOLVED to note the report.

## 28 SCRUTINY COMMITTEE FUTURE WORK PROGRAMME

28.1 The Committee considered the Committee's planned programme of work for the forthcoming year.

28.2 The Committee discussed the RPPR Board schedule and scrutiny of the Orbis programme. It was noted that there would be a meeting held jointly with Surrey County Council on 5 October 2015 in Kingston, and that the Committee would retain overview of the Orbis

programme in relation to matters concerning East Sussex. Scrutiny of other matters would be determined on an issue by issue basis with Surrey.

- 28.3 RESOLVED to (1) note the work programme; and  
(2) arrange a pre-meeting to structure the RPPR Board agendas.

29 FORWARD PLAN

29.1 The Committee considered the Forward Plan for the period to 31 December 2015.

29.2 RESOLVED to note the Forward Plan.

30 NEXT MEETING

30.1 The next meeting of the Committee will be held on Monday 23 November 2015.

The meeting ended at 12.45 pm.

Councillor Mike Blanch  
Chair