

# Audit and Scrutiny Committee

Minutes of a meeting held at County Hall  
Colliton Park, Dorchester on 26 November 2013.

## Present:-

Trevor Jones (Chairman)  
Mike Byatt (Vice-Chairman)  
Deborah Cronney, Ian Gardner, David Harris and Peter Wharf.

## Officers:

Sam Fox-Adams (Senior Policy and Performance Manager), Mark Taylor (Head of Internal Audit, Insurance and Risk Management) and Helen Whitby (Principal Democratic Services Officer).

## The Following officers attended for certain items, as appropriate:

Miles Butler (Director for Environment), Mike Harries (Deputy Director for Environment and Head of Dorset Property), Dave Hill (Audit Manager, South West Audit Partnership), Peter Jackson (Senior Consultation and Research Officer), Richard Pascoe (Head of ICT and Customer Services), David Phillips (Director of Public Health), Matthew Piles (Senior Policy and Performance Manager), John West (Efficiency and Change Manager), Tom Wilkinson (Finance Manager, Treasury and Investments) and Mike Winter (Head of Dorset Highways Management).

Robert Gould, Deputy Leader and Cabinet Member for Corporate Resources, attended for minutes 212 under Standing Order 54(1).

(Note: These minutes have been prepared by officers as a record of the meeting and of any decisions reached. They are to be considered and confirmed at the next meeting of the Audit and Scrutiny Committee to be held **on 20 January 2014.**)

## **Apologies for Absence**

205. Apologies for absence were received from Andrew Cattaway, Lesley Dedman and Debbie Ward.

## **Code of Conduct**

206. There were no declarations by members of any disclosable pecuniary interests under the Code of Conduct.

## **Minutes**

### 17 September 2013

207.1 The Chairman referred to the recent meeting of the County Council and a request from the Cabinet Member for Education and Communications to amend the wording of minute 178.4. Members were reminded of the wording of the agreed minute and were provided with a suggested amendment. Members agreed to the change and the Chairman undertook to inform the Cabinet Member that the change had been agreed.

### 17 October 2013

207.2 The minutes of the meeting held on 17 October 2013 were confirmed and signed.

## **Matters Arising**

Minute 204 - Review of the "Weymouth Showcase" Scheme to Implement Real Time Passenger Information for Weymouth, Portland and Dorchester

208. The Chairman reminded members of the attendance of an Echo reporter at their last meeting and informed them of a complaint received about the treatment of the reporter by the Committee. The Chairman had written a letter of apology to the reporter and copies were distributed to members.

### **Progress on Matters raised at Previous Meetings**

209.1 The Committee considered a report by the Director for Corporate Resources which updated members of progress made following discussions at previous meetings.

209.2 Reference was made to the Highway Agency Review, of Parking Services, Weymouth and Portland which had been considered by the Cabinet on 2 October 2013. Members raised questions about the tight timeline involved, whether the employment of a consultant was necessary and whether these changes were in line with the current review of parking across the county. The Deputy Director for Environment explained that a Policy Development Panel had been established to review parking and that the first meeting had been delayed until the New Year at the request of the Leader to allow greater member involvement. Members noted that a consultant was to be employed to address the Weymouth and Portland issue and this work would take into account local and national perspectives with a view to identifying an appropriate model for future working.

209.3 With regard to the approval to tender and award for an ICT technical resourcing procurement arrangement considered by the Cabinet on 6 November 2013, a member referred to current closer working with district and borough councils on ICT provision and raised the concern that these actions might involve duplication. The Deputy Leader explained that ICT had a central role within the Transformation Programme and working together was a theme within it. The South West Audit Partnership were to undertake a Healthcheck of ICT and the terms of reference for this review were currently being drawn up. Members remained concerned about possible duplication of effort and asked for the Terms of Reference to include reference to the appropriate scrutiny body. It was anticipated that the review would start in December 2013 and the Terms of Reference would be provided for the Committee in January 2014. One member highlighted the perception that the County Council might be seen to be imposing a system on district and borough councils rather than working together in partnership with them and he asked that the Terms of Reference reflect this. However, it was recognised that the County Council would have to take a leading role at times in order to drive change. The Deputy Leader agreed to ask for these changes to be included in the Terms of Reference but highlighted the importance of progress not being adversely affected by other councils.

### **Noted**

### **Work Programme and Cabinet Forward Plan**

210.1 The Committee considered its updated work programme and received the County Council's Forward Plan for meetings to be held on 4 and 18 December 2013 which had been published on 19 November 2013.

210.2 The Chairman explained that the recent Peer Review had highlighted that the Committee had not taken sufficient account of the Forward Plan and scrutiny of it and, consequently, these items had been brought forward on the agenda. However, the Peer Review had not taken account of the pre-decision scrutiny roles of the overview committees which had allowed the Audit and Scrutiny Committee to concentrate on post-decision scrutiny.

210.3 Various opinions were expressed about scrutiny. One member thought all major decisions should be reviewed and asked the Committee to scrutinise the decision to

be made in December regarding changes to local bus services. The Chairman suggested that any scrutiny be undertaken following implementation.

210.4 Another member referred to changes to services in Bridport and asked about the interface between the Cabinet and the Audit and Scrutiny Committee and the impact of Cabinet decisions on the work of the Dorset Health Scrutiny Committee. Attention was drawn to the infrequency of meetings of the Dorset Health Scrutiny Committee which meant that any Cabinet decisions could not be scrutinised by them for some time, whereas the Audit and Scrutiny Committee met more frequently and was better placed to review Cabinet decisions and the Forward Plan. It was suggested that overview committees be reviewed to enable scrutiny to take place in a timely manner.

210.5 The Senior Policy and Performance Manager reported that he had met with representatives of the Local Government Association the previous week to provide them with a better understanding of the linkages between the Cabinet, the Forward Plan, overview and scrutiny committees and what support they could provide in reviewing the County Council's current arrangements. Members' views would be included in this work. A report on the outcome of discussions with the LGA would be provided for consideration at the Committee's meeting on 18 February 2014. One member suggested that a single matrix be produced to show what items would be discussed by which committees and when. This could also form part of the Forward Together mapping and officers were asked to circulate details by email after the further consultation with the LGA.

#### **Resolved**

211. That a report on the outcome of discussions with the LGA be provided for consideration at the Committee's meeting on 18 February 2014

#### **Transforming Services – The Baseline Property Portfolio**

212.1 The Committee considered a report by the Deputy Leader on progress to identify and dispose of surplus properties within the County Council's portfolio with a view to ensuring that it was affordable and sustainable. It also set out the details of a more radical approach which would see services provided from two or three properties in 13-15 locations around Dorset, which would release more money for services and service improvements.

212.2 The Deputy Leader presented the report in detail. He reminded the Committee that the original plan had been for the property portfolio to be reduced by 25% over ten years, but this had changed to five and, whilst progress had been made, this had not been as quick as anticipated and the target would not be achieved by 2014/15, the date set. However, a more radical approach was now being suggested which would see the County Council retaining only 25 % of the property portfolio with buildings becoming more flexible and jointly used by the wider public sector and partners in order to release money to invest in future service provision. It was recognised that asset disposal might impact on the work of Legal Services, that the installation of future ICT equipment was crucial and early investment might be needed to make savings in the longer term. These changes would be necessary to deliver the changes proposed under the Forward Together programme. The Cabinet had supported the suggested approach at their meeting on 6 November 2013 and a further report on a corporate landlord approach would be considered by them in March 2014.

212.3 The Chairman reminded the Committee that they had previously been sceptical about the 25% target for asset disposal being achieved. The new concept of potentially only retaining 25% of assets was even more challenging. The Deputy Leader explained that the need to reform services provided the stimulus for change. Specific targets or timescales had not been identified as yet.

212.4 One member, who was interested in many aspects of the proposed changes, asked whether the introduction of the Gillingham Hub had provided the County Council with information to inform the way forward. The Gillingham Hub was popular, well used and had been positively received by the community, Towns and Parish Councils and the local voluntary workforce. However, there had been issues with broadband capability and she offered to provide further information for the Deputy Director for Environment. With regard to the future release of assets, she asked whether the terms of reference of the Dorset Development Partnership should be reviewed in the light of the change of direction and the potential increased number of buildings for disposal. She also thought that any new arrangements should take account of current shared services provided at district and borough councils. In response to how the location for hubs would be decided, the Deputy Director explained that research, analysis and evidence was being used to identify needs and disadvantaged groups and the Cabinet had asked for data sets to be regularly updated, all of which would influence Hub locations.

212.5 Members discussed the proposed change of direction at length. They were all concerned that local members should be involved in the process and considered the knowledge held by local members to be a valuable resource which could be used by officers to inform future service provision and to provide links to communities. The Deputy Director explained that local members would be contacted when there were site specific proposals and before decisions were taken and consideration would also be given as to whether more than one local member was affected. Local member involvement was crucial and he cited proposed changes to services in Bridport as a good example of local members, stakeholders and the public being involved in the process before decisions were taken. Much of the analysis and evidence for the proposed approach had come from the Principal Town Reviews undertaken in partnership with the Joint Asset Management Board.

212.6 Attention was drawn to the fact that the County Council was driving partners towards co-location and shared services when it was not necessarily their priority to do so. The Deputy Director agreed that it would be a challenge for the County Council to progress this and map what was needed and when. Therefore for each project a different lead body or council had been identified. The Committee noted that progress would be monitored through the Transformation Board, with the future of individual assets being considered by the Asset Management Board. The Cabinet would receive quarterly reports within Asset Management Updates and these would continue to be reported to the Audit and Scrutiny Committee at the same time.

212.7 One member who supported the new approach suggested that the option of having three hubs be explored. He thought a more effective way of using resources was needed and supported early investment to save in the longer term as this would provide the necessary resources to improve services. The Deputy Director referred to the long term aim of reducing the property portfolio by 75% which was a radical change in direction and one which would require investment to release other assets, potentially from the capital receipts generated.

212.8 With reference to priority services identified in paragraph 3.3 of the report and the need for services to be provided in a different way in order to make savings, it was suggested that there was a need to identify which services would be a priority for which areas before plans could be made about how these could be delivered. The need for connectivity was also emphasised, particularly that District, Town, Parish and the County Councils needed to be using ICT and software that was compatible and which would run in parallel. If these elements worked well together this could provide the transformation required.

212.9 One member expressed the concern that co-location might delay achievement. The Deputy Director explained that there were two sub-sets within the Transformation Programme. One focused on mostly back office uses and the other focused on the customer interface and how this might change, work and look. The major concern was how services could be spread across the County to give best coverage and access for all.

212.10 Attention was drawn to the fact that some electoral divisions did not focus on a single hub because local groups identified important services for them and the buildings they were housed in were considered to be hubs. There were many different activities provided by different agencies in areas and it was therefore important for the local member to be engaged. A request for the impact of any service changes on those with complex needs to be taken into consideration was made. It was confirmed that an equality impact assessment would be undertaken for specific locations as each project was progressed.

212.11 With regard to scrutiny of the Transformation Project, it was explained that the Project would release money from buildings so that it could be used for services. The Project was ambitious and would be reported quarterly to the Cabinet. The previous 25 % target for asset disposal would now be achieved in six years rather than the original five years. The new direction of travel was ambitious, but was necessary. It was suggested that one person have complete authority over the transformation project to ensure its progress.

212.13 The Chairman asked that the Committee be informed of the management of the project and any targets set. The Deputy Director explained that the Cabinet would consider the quarterly asset management report in December which set out proposals. Consultation about the transformation of services in Bridport would follow with a decision being taken in April 2014.

### **Noted**

### **Public Health**

213.1 The Committee received a presentation by the Director of Public Health on the work of the Directorate.

213.2 The Director of Public Health reminded members that local authorities had become responsible for Public Health on 1 April 2013. In Dorset, the Public Health budget was jointly held for Bournemouth, Dorset and Poole to align with NHD Dorset Clinical Commissioning Group and this meant that commissioning could be more effective and efficient. The total ring-fenced budget was £26M. He drew attention to the local authority's responsibility for five mandatory programmes and to key areas of focus for 2013-15.

213.3 With regard to whether local needs and health inequalities influenced the work of Public Health and commissioning decisions, the Director explained that there was one Public Health Service for Bournemouth, Dorset and Poole. The programme was challenging as indicators needed to be evolved and there was a need to improve areas where screening was low in order to make a difference. Targeting resources had recently led to a 15% increase in the uptake of the MMR immunisation.

213.4 One member asked whether the inter-authority agreement was strong enough to ensure that rural Dorset was not over-shadowed by the needs of the urban area. The Director explained that Bournemouth and Poole could learn from rural Dorset's strengths in some areas. He also informed the Committee that the Governance Board comprised two members from each of the local authorities and that overview and scrutiny arrangements would ensure the agreement was applied fairly.

213.5 It was considered important for Public Health to feature in the work of District and Borough councils, to be evident at GP surgeries and for there to be engagement with local schools particularly in relation to drugs, alcohol and sexual health. The Director reported that he had attended a recent Leaders and Chief Executives' meeting to embed Public Health issues within the work of local councils. This was already the case with East Dorset and Christchurch councils where public health was included in the corporate plan. He explained that the Health and Wellbeing Board would have to address Public Health with GPs as it was a clear role for the NHS to promote public health. He agreed that work should be focused on schools, but recognised that access was more difficult. He drew attention to Public Health funding which had supported the Dorset Fire Authority's Healthwise programme at the Community Safety Centre in Weymouth. Schools were buying into this programme and it was anticipated that it would prove popular with academies too. He hoped to continue supporting this programme as preventative work was cost effective.

213.6 The Committee noted that Department of Health funding was currently ring-fenced and that there was a projected underspend at the end of the first year. Future services would be more targeted to address the population's needs.

### **Noted**

#### **LGA Peer Challenge – Action Plan**

214.1 The Committee considered a report by the Chief Executive which set out the action plan to implement the recommendations of the recent Peer Challenge.

214.2 The Senior Policy and Performance Manager reminded the Committee that the recent Peer Review had identified fifteen recommendations for the County Council to progress, one of these being that the County Council should be more member-led. Eighteen actions had been included in the action plan, which was continually being developed and progressed. He explained that work was being undertaken to develop a mind-map of Forward Together and members were invited to see view this work in progress which illustrated the complexity of the task ahead.

214.3 Reference was made to the Peer Review recommendation about the County Council becoming more member-led and the fact that members had been omitted from the Forward Together diagram. It was also emphasised that member engagement should involve all members, not just those on the Cabinet and that the diagram needed to be amended to reflect this, that arrows showing outflows be added where appropriate, and that it be reviewed for consistency in approach and for box size. The Senior Policy and Performance Manager confirmed that member involvement was central to the Forward Together programme and that the diagram at appendix 2 was already out of date. He gave a brief description of how this had developed and the intention to show links with Town, Parish and District Councils.

214.4 A member drew attention to the importance of data bases being used to inform decision-making, the management of communications, and the Corporate Plan, all of which needed to be included in the Forward Together programme. The omission of external partnerships and reference to economic growth and development, and housing was also highlighted. The Chairman expressed the concern that with 500 fewer staff, the County Council would have to limit what it was able to do in future and he reminded members that the recently adopted local member engagement protocol set out how communications would be handled. The Senior Policy and Performance Manager added that with less staff and funding, resources would have to be targeted and officers would have to be clear about the leadership role that members will have in taking the organisation forward. The Committee noted that a diagram to show the management structure was being developed and when completed would be shared with the Committee.

### **Noted**

#### **Meeting Future Challenges Progress Report**

215.1 The Committee considered a report by the Chief Executive on progress of the Meeting Future Challenges (MFC) programme which aimed to deliver savings of £43.2m over the period 2013-14 to 2015-16. Savings proposals totalling £16.5m for 2013-14 had been approved by the County Council on 14 February 2013 and assimilated into the MFC programme.

215.2 The Efficiency and Change Manager reported that the MFC programme would conclude at the end of the current financial year and be rebranded as the Forward Together Programme. Of the 140 savings initiatives being progressed, 111 had been completed. It was hoped that a total of £14M savings would be achieved out of the anticipated £16.5m. The remainder would be moved to the Forward Together Programme.

215.3 In response to whether shortfalls would be achieved over a longer period, it was hoped that the majority would be achieved. However, there was a degree of uncertainty with some of the initiatives, including Learning Disability services.

215.4 In view of the continuing need for savings, one member referred to the Director for Corporate Resources' agreement that all potential savings would be considered, no matter how small. He had seen no evidence of this to date but repeated the need for all ideas to be explored. He highlighted the Environment Challenge Group's agreement to a further reconfiguration of the Directorate and suggested a possible re-shaping of the whole organisation at some point in the future. The Efficiency and Change Manager confirmed that further savings were likely to be found either through efficiencies identified by Directorates which would be included in the Medium Term Financial Plan, or by further reviews of current practices to drive out waste.

215.7 The need for all actions to be taken forward under the Forward Together programme so as to achieve greater savings was emphasised.

### **Noted**

#### **“Weymouth Showcase” scheme to implement Real Time Passenger Information for Weymouth, Portland and Dorchester**

216.1 The Committee considered a joint report by the Director for Environment and the Audit Manager, South West Audit Partnership, which provided a summary of the action being taken to address issues arising from the implementation of the Real time Passenger Information (RTPI) system in Weymouth, Portland and Dorchester. The Committee had also considered this matter at meetings on 23 July, 17 September and 17 October 2013. Members were provided with a copy of a briefing note from the Chairman which set out key elements and the anticipated benefits from the project and questions for clarification.

216.2 The Director for Environment explained that the RTPI transponder equipment would be installed on the fourteen outstanding First Group buses by 2 December 2013; that air quality monitoring systems were in place; CCTV cameras to monitor traffic flows were working; bus stop infrastructure had been improved; solar powered information signs at some bus stops were completed; the enhanced network control room had been completed; and RTPI data should be displayed 120 minutes before bus arrival. Intelligent bus priority had been installed at some traffic signals but clarification of when this would be completed would be given outside the meeting.

216.3 The Chairman drew attention to problems with variable message signs guiding drivers to available parking spaces in Dorchester and that he had been told that further equipment was needed to address these. Members noted that the system in Weymouth had been completed as part of the Weymouth Showcase and was working well. Officers would investigate the reported problems with the Dorchester scheme following the meeting.

216.4 With regard to other companies, it was explained that 20 First Group routes, 4 South West Coaches routes and the County Council Park and Ride Scheme had the RTPI equipment fitted. Discussions about adding RTPI equipment to some Damory Coaches' routes were under way. With regard to whether the loophole in the contract with bus operators had been addressed, it was explained that a new agreement had been drafted and was being discussed with bus companies. If agreed, this would mean that the cost of any transfer of equipment between buses would be the responsibility of the bus companies.

216.5 The Chairman referred to the continuing number of timetabled buses he had witnessed and agreed to check displays with officers outside of the meeting.

216.6 Attention was drawn to the need for local members to be aware of any significant issues within their electoral divisions and for consideration to be given to issues which crossed boundaries. Keeping members informed would mean that they could work more effectively within their communities and regular briefing meetings were suggested as a means of achieving this.

216.7 One member referred to incorrect RTPI data showing for specific bus arrivals in his electoral division and officers agreed to follow this up outside of the meeting.

216.8 The Committee then considered the information they had received in order to make recommendations for future actions.

#### **Resolved**

217. That the action plan attached to the Director's report be noted.

#### **Recommended**

218. In the light of the £5M invested in the project, that the Cabinet be asked to agree:-

- (a) That in the case of specialist functions, for which the County Council had limited in-house capability, support be procured through existing term consultancy contracts or from companies as opposed to individuals.
- (b) That risk assessment levels be raised when products were developed as opposed to "off the shelf" products being procured.
- (c) That a robust and equitable bus operators agreement with financial or fleet improvement commitments should be required for any future scheme of this type.
- (d) That risk registers developed for projects are proactively used to inform decision-making and to ensure appropriate and timely escalation of key issues.
- (e) That assurance is sought that project governance and management arrangements of the County Council are robust.

#### **Reason for Recommendations**

219. The Action Plan was requested by the Audit and Scrutiny Committee at its meeting on 17 October 2013.



**ICT Resilience**

220.1 The Committee considered a report by the Director for Corporate Resources which provided an update on the actions identified following the September 2012 outage and the annual disaster recovery test in October 2013. The report also included an updated action plan arising from the outage in September 2012.

220.2 The Head of ICT and Customer Services presented the report drawing attention to the importance of being able to maintain or restore ICT in the event of an incident.

220.3 The disaster recovery testing had been held in October 2013 and had successfully tested systems and recovery to normal operations after switching operations to Hampshire. The Committee noted that their previous suggestion of a peer review had been progressed. Hampshire's Internal Auditors were to undertake this work and the scope of the review was to be discussed the following week. The Head of ICT and Customer Services agreed to ensure that the outcomes of this independent review work would be reported to the Committee in due course.

220.4 The Committee noted that the next interim test was to be held in March 2014 and the next full test would be held in Autumn 2014. Any problems identified would be reported to the Committee.

**Noted****Treasury Management and Prudential Code Review 2012/13 and Mid Year Update 2013/14**

221.1 The Committee considered a report by the Director for Corporate Resources which provided an update on the economic background, its impact on interest rates, progress against the annual investment strategy, an update on new borrowing, any debt rescheduling, compliance with the Prudential Code and an update on deposits held with Icelandic Banks.

221.2 The Finance Manager, Treasury and Investments, explained that this was the first report since the Committee had requested fewer but more informative treasury management reports. He presented the report in detail with specific reference to the fact lending could only be made to institutions with a credit rating of more than A- that were based in countries with a sovereign rating of AAA; that borrowing would only be done through AA+ rated institutions; capital expenditure for 2012/13; the budget and the projected spend for 2013/14; overall borrowing need and the fact that the borrowing for the 2012/13 and current year was lower than expected due to capital programme slippage; the borrowing and investment outturns for 2012/13 and the position as at 30 September 2013; treasury management performance and risk management. The Committee noted that 94% of deposits in Heritable had been repaid, which represented a further improvement on previous repayment expectations, which had resulted in £850k being returned to reserves. With regard to deposits in Landsbanki 52% had been repaid to date and 100% was expected to be recovered in the longer term.

221.3 In recognition of the amount of information contained in the report, members asked that a seminar on treasury management be arranged to increase their understanding of the subject.

**Noted****Citizens' Panel Survey 30**

222.1 The Committee considered a report by the Director for Environment on the Citizen Panel Survey 30. This survey was the fifth to be conducted since the merger with Dorset NHS and received 3,083 on line and posted responses which represented a 61% response rate.

222.2 The Senior Consultation and Research Officer presented the report. In response to questions it was explained that those affected by flooding had been issued with a separate questionnaire and that public consultation had been part of the process of developing the Flood Risk Strategy in partnership with Water Companies and the Environment Agency.

222.3 One member thought the more service-based survey provided invaluable information for both the County Council and district and borough councils and members asked that they be provided with the report by email so that the information it contained could be shared with other local councils.

222.4 The Senior Consultation and Research Officer explained that Survey responses would be used to inform future delivery of services. He informed members that the Cabinet had agreed to the Committee's previous request for a review of the aims and purpose of the Citizens' Panel.

**Noted**

**Joint Scrutiny Review Sub-Committee**

225.1 The Committee received the minutes of the meeting of the Joint Scrutiny Review Sub-Committee held on 30 September 2013.

225.2 The Vice-Chairman, as Chairman of the Sub-Committee, explained that a scoping exercise and scrutiny review was undertaken at each meeting.

**Noted**

**Questions**

226. No questions were asked by members under Standing Order 20(2).

Meeting duration: 10.00am to 1.45pm