

Audit and Scrutiny Committee

Minutes of a meeting held at County Hall
Colliton Park, Dorchester on 20 March 2014.

Present:-

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

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

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:

Debbie Ward (Chief Executive), John Alexander (Policy and Performance Manager), Andy Frost (Strategic Manager - Drug Action & Community Safety Team), Peter Illsley (Head of Corporate Finance), Richard Pascoe (Head of ICT and Business Transformation) and Matthew Piles (Senior Policy and Performance Manager).

(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 on **8 April 2014**.)

Apology for Absence

46. An apology for absence was received from Andrew Cattaway.

Code of Conduct

47. There were no declarations by members of any discloseable pecuniary interests under the Code of Conduct.

Minutes

48. The minutes of the meeting held on 18 February 2014 were confirmed and signed.

Matters Arising

Minute 34 - LGA Peer Challenge

49.1 Members were reminded that a scrutiny workshop was to be held on 26 March 2014 at the Dorford Centre, Dorchester starting at 2.00pm. Ed Hammond from the Centre for Public Scrutiny would be leading the workshop and the programme and background papers would be issued shortly. Officers were asked to send members the outcomes of the internal review undertaken at the end of the previous year prior to the workshop.

49.2 One member expressed the view that unless there was a good reason, the Committee's current working practices should not be altered. The Chief Executive explained that Forward Together was forward looking and the Committee had an integral part to play in its success. The review would look at the current working arrangements and address any issues rather than any random changes being made. It was important for scrutiny to be effective particularly during a time of such organisational change.

Minute 27.6 - Local Authority Trading Company

49.3 An update on the development of a Local Authority Trading Company was distributed at the meeting.

Minute 27.11 – Governance Arrangements for Outside Bodies

49.4 With regard to transparency and accountability and the corporate style of minutes being changed, members were advised to refer the matter to their Group Leaders for discussion. Group Leaders could add an item to the agenda for their next meeting by contacting the Democratic Services Manager.

Minute 28.2 – Public Health

49.5 It was explained that the Public Health Overview Committee had agreed not to meet due to insufficient business. The County Council would consider the future working arrangements for Public Health at the meeting on 24 April 2014.

Minute 37 – Home to School Transport

49.6 The Home to School Transport leaflet had not been provided as agreed at the last meeting. The need for every member to have this information was emphasised and officers agreed to follow this matter up.

Minute 45.4 – Durlston Castle Catering Arrangements

49.7 The Chief Executive reported that this action was being progressed.

Progress on Matters raised at Previous Meetings

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

50.2 With regard to the Dorset Local Enterprise Partnership Plan, attention was drawn to the fact that the revised Plan would be submitted on 24 March 2014 which gave little opportunity for members to comment on it. The Chief Executive explained that the draft Plan had been submitted to Government but significant improvements had been required. There had not been time for the Plan to be considered by a formal Committee but she would circulate the County Council's response to members. The Dorset Local Enterprise Partnership Board was to meet on 24 March 2014 to consider the revised Plan in order to meet the Government's deadline for submission. It was agreed that the response would be circulated to members and any comments would be reported to the LEP meeting.

Resolved

51. That the County Council's response to the Dorset Local Enterprise Partnership Plan be circulated to members and any comments reported to the LEP meeting.

Public ParticipationPublic Speaking

52.1 There were no public questions received at the meeting in accordance with Standing Order 21(1).

52.2 There were no public statements received at the meeting in accordance with Standing Order 21(2).

Petitions

52.3 There were no petitions received in accordance with the County Council's petition scheme at this meeting.

Work Programme, Cabinet Forward Plans and Work Programmes of Overview Committees

53.1 The Committee considered its updated work programme, the Cabinet's Forward Plan for the meeting held on 9 April 2014, and the work programmes of the Adult and Community Services, Children's Services and Environment Overview Committees.

53.2 Attention was drawn to the scheduled Treasury Management training scheduled for 13 May 2014 and that, following a request from the Chairman, this would now take place after the meeting on 10 June 2014. The meeting scheduled for 13 May 2014 would be cancelled.

53.3 With regard to the Cabinet Forward Plan, the Chairman drew attention to recent requests for key decision items to be added to Cabinet agendas when they were not included on the Forward Plan. He asked that Directors and middle managers be reminded of the importance of the Forward Plan as it gave the public notice of important decisions to be taken and was a serious managerial control system. He stated that such requests would not be agreed unless there was compelling evidence regarding the urgency of the matter. The Cabinet Member for Corporate Resources confirmed that the Cabinet gave the Forward Plan significant weight and would make every effort to ensure this was not repeated. The Chief Executive added that she would reinforce the message with staff.

53.4 In response to a question about the Environment Overview Committee and the economy, the Chief Executive confirmed that the new Director's title would include the economy but that there were no plans to change the title of the Overview Committee. Any such change would require a formal process as it involved a change to the Constitution. The fact that the Environment Overview Committee's work programme did not include the economy was highlighted. The Chief Executive would address this through the Corporate Management Team.

Noted

Joint Scrutiny Review Sub-Committee

54. The Committee received the minutes of the meeting of the Joint Scrutiny Review Sub-Committee held on 27 February 2014.

Noted

Forward Together Transformation Programme - Update

55.1 The Committee considered a report by the Chief Executive which gave an update on progress with actions in place since the Forward Together programme started in the New Year.

55.2 The Chief Executive explained that the report provided information about the scope of projects identified as priorities under the Forward Together Transformation Programme and summarised progress made. The report did not detail all work being progressed but further details could be seen in relation to the Environment Directorate. Members agreed to view the detailed plans prior to their scrutiny workshop on 26 March 2014.

55.3 The Chairman referred to the Assets and Workstyle Programme and the fact that no update had been provided for "Property Rationalisation". He explained that the Committee had been sceptical about whether the plan to dispose of 25% of the Council's

properties was achievable within a five year period and had requested smart targets so that progress could be monitored. The Chief Executive explained that this was a challenging project which involved other public sector organisations and aimed to consolidate properties across the County. Members recognised this as an important issue for Forward Together and the need for it to be monitored. The Committee were due to scrutinise the Dorset Development Partnership in September 2014 but asked that some information regarding the Partnership and property rationalisation be included in the Asset Management update to be considered at its next meeting.

55.4 It was recognised that property rationalisation would have a significant impact on service delivery across the County and a question was asked as to how community engagement would be undertaken to ensure its success. Officers agreed to include information within the next Forward Together update.

55.5 Members acknowledged the significant change that Forward Together would require and asked how this could be measured. It was explained that good baseline information was available through benchmarking, staff surveys and the Citizens' Panel and this would be used to measure progress. The Chief Executive added that it would take time to achieve cultural change and for the public's perception of the County Council to change. An operational model was currently being drafted up and details would be available in the next six weeks. Members asked to see details when they were available.

55.6 It was noted that the Cabinet and the Audit and Scrutiny Committee would receive updates on Forward Together at every meeting. However, members asked that the report to the Committee should include one or two specific areas to look at in more detail. The Chief Executive agreed to this approach. The Cabinet Member for Corporate Resources added that as Forward Together involved significant changes, it was important for the programme to be visible and scrutinised properly.

55.7 The Chief Executive stated that engagement was critical at all levels, both outward and inward-looking. It was important that the public understood the amount of change needed to ensure the County Council could continue to deliver services within available resources. Engagement would not stop difficult or appropriate decisions being taken but would mean that the public, partners and other organisations would be aware of reasons for decisions being taken. Information on engagement would be included within the next update report.

Noted

LGA Peer Challenge – Communications, consultation and research, March 2014

56.1 The Committee considered a report by the Chief Executive on the recent Local Government Association (LGA) review of the County Council's communications, consultation and research functions.

56.2 The Chief Executive reported that a Peer Review of communications, consultation and research had recently been undertaken by the LGA. The process had identified the County Council's strengths and provided information about approaches taken by other local authorities. The report included the preliminary findings and the action plan to address these. A fuller report was due shortly and an action plan to address any recommendations would be provided for a future meeting. Meetings with Directors and Services Heads had been held to progress the initial recommendations and to identify how progress could be measured.

56.3 The importance of engagement with communities was emphasised, as was the vital role that communications and the local press would play in this. The report included

a recommendation that the Communications Team and the Dorset Echo build positive relationships but member involvement seemed to be lacking. The Chief Executive confirmed that members and other organisations were involved and that the Audit and Scrutiny Committee had a role to monitor the implementation of the Communications Strategy.

56.4 Members re-emphasised the need for member engagement as they had a central role to play in liaising between the County Council and communities. The Chief Executive confirmed that this was covered within the media protocol and this was being progressed although it was acknowledged that this was a significant change.

56.5 The Committee asked for a quarterly report on communications and to scrutinise the action plan when it was available.

Noted

Draft Corporate Plan 2014-15

57.1 The Committee considered a report by the Chief Executive on the draft Corporate Plan for 2014-15 which had been developed to meet the aspirations of Forward Together through a public orientated statement of the County Council's vision, ambitions and priorities; and an internal action plan for how this would be delivered, with performance measures linked to specific cost centres.

57.2 In response to a request from members, the Policy and Performance Manager distributed information which summarised the purpose of the Corporate Plan, next steps and how the balanced scorecard would look in future. The Plan was for a one year period to allow community engagement to be undertaken and for this to be reflected in the Plan in future years. The Plan now consisted of only two themes (enabling economic growth and health, wellbeing and safeguarding) and all activities and priorities focused on these. It provided a clearer and more focused approach, included fewer measures than the previous Plan and would reduce further. The final Plan would be considered by the Cabinet on 9 April and recommended to the County Council on 24 April 2014.

57.3 With reference to the forthcoming consultation with communities and whether the Plan would be adapted to reflect priorities identified through the consultation process, the Chief Executive stated that although consultation was important the Council had statutory duties to fulfil, and had to balance these against people's wishes and the need to obtain value for money.

57.4 Reference was made to the inclusion of enabling economic growth, the lack of detail as to how this would be achieved and the need to encourage more well-paid jobs and to retain young people within the area.

57.5 The important role members had in communication and engagement was recognised but they needed to have clear, understandable information to share with their communities, district and borough councils. So the Plan needed to be snappy, focused and easily understood. The key role the County Council played in the local economy as the employer of a significant number of people was recognised.

57.6 Members agreed that the draft plan was a good starting point but some thought it should be longer term and look further ahead, focussed, shorter and clearer, and should not contain obvious statements. Others thought it contained all the information but needed some work on formatting and presentation and it was suggested that officers consider plans from other local authorities.

57.7 The Committee would have the opportunity to see the finalised draft at its meeting on 8 April 2014. Any comments put forward then would be reported to the Cabinet the following day.

Noted

Corporate Performance Monitoring Report - Third Quarter 2013-14 (1 October-31 December 2013)

58.1 The Committee considered a report by the Chief Executive which presented the result of the monitoring of the County Council's budget and Corporate Plan for the third quarter of 2013-14. The report contained analyses of the Council's progress against its corporate aims and presented the Corporate Balanced Scorecard. Overall, performance indicators had an average "green" (on target) rating. The percentage of indicators meeting or exceeding their targets was 62% with 67% of actions either on course or complete.

58.2 The Policy and Performance Manager had been asked to provide headline messages from within the Corporate Performance Monitoring Report and these were distributed at the meeting. These included the forecast overspends in Adult and Community Services and Children's Services which had been a recurring pattern over a number of years; the increasing overspend in Environment due to the recent weather conditions; delayed transfers of care and self directed support; inappropriate stretched targets for road conditions; children subject to child protection plan within one year of last cessation; the impact of organisational change on business continuity and emergency planning arrangements; and Personal Development Review (PDR) completion rates.

58.3 The Committee was reminded that in the past there had been financial penalties attached to delayed discharges of care but it was not known whether this was still the case. As this was one of the key measures for the Better Together programme, an issue for both the NHS and the County Council and joint working arrangements, and in view of the current poor performance, members asked that the appropriate Head of Service be asked to attend the next meeting to provide an update on performance and to respond to members' questions.

58.4 Members welcomed the highlighting of areas of particular concern and it was agreed that this information be included in future performance reports.

58.5 With regard to VM5 (communicate with Dorset's communities on important local issues and projects), the importance of establishing what communities saw as important was acknowledged and for them to be engaged in any future service changes.

58.6 The Chairman reminded the Committee of previous concerns about safeguarding and steps taken to gain assurance that incidents such as Victoria Climbié and Baby P would not occur in Dorset. As the performance report contained information which suggested that agreed targets were currently not being met this was of concern to the Committee. The Policy and Performance Manager clarified that the explanation given for the variation was that the numbers of children involved were small but the level of risk this posed for the County Council was unclear. The Vice-Chairman reported that at the Children's Services Overview Committee on 18 March 2014 a saving of £250,000 was reported due to vacant social worker posts. Managers were responsible for ensuring that child protection reviews were undertaken and if there was an issue, then this should be addressed, particularly if it involved the protection of children.

58.7 In view of the concerns, the Committee asked that the Director for Children's Services and the Cabinet Member for Children's Safeguarding and Families attend the next meeting to discuss the potential risk to the authority.

58.8 With regard to the continuing low level of PDR completion rates, the Policy and Performance Manager reported a significant increase in the number of PDRs undertaken (61%). However, the streamlining of the DES procedure in an effort to increase completion rates had not been as successful as hoped. The Chairman and Cabinet Member for Corporate Resources confirmed that the Staffing Committee had been trying to get to grips with this issue over many years and although the situation was improving current performance was not good enough. It was suggested that sanctions be introduced for managers who failed to undertake PDRs. As the Staffing Committee would consider PDR performance on 25 March 2014, the Chairman agreed to raise these matters at that meeting and report back in due course.

58.9 Attention was also drawn to the low percentage of Team Brief being disseminated by managers to their teams. Members noted that the Corporate Management Team were looking to introduce measures to increase current performance. It was suggested that a mechanism be put in place to ensure this was undertaken, or to raise an alert so that action could be taken.

Noted

Revenue Budget Monitoring 2013/14, including Forward Together (Residual Meeting Future Challenges (MFC) update)

59.1 The Committee considered a report by the Director for Corporate Resources on the latest budget position as at 31 January 2014. This showed a forecast overspend against service budgets for the County Council of £4,462k compared to £5,665k at the end of November 2013. However, the overall position for the Council was a projected underspend of £817k across all budgets.

59.2 The Head of Corporate Finance explained that the Committee had responsibility for the Chief Executive's office and Corporate Resources financial monitoring and drew attention to the increase in the HR projected overspend from £44k to £118k at the year end which arose from a misunderstanding about the source of funding for two projects. The source of funding had been identified and the latest projection was £26k overspend.

59.3 With regard to the increasing overspend on Special Educational Needs/Children Out of School transport costs, the Head of Corporate Finance explained that the retendering of the scheme had not reduced costs significantly and that he would provide more up to date information for members outside of the meeting. A decision had been taken to show the costs separately so that a focus could be kept on it.

59.4 The Chairman referred to budgets for Adult and Community Services and Children's Services continually being overspent covered by savings from central services budgets over several years and that the recent Peer Review had considered this unsound practice. The Head of Corporate Finance explained that actions were being taken to address the recommendations arising from the Peer Review. However, the County Council for good reasons had deliberately not raised budgets to reflect overspends and Directors were taking steps to address them. The overspends were highlighted in the budget report considered by the Cabinet in February 2014. He acknowledged the need to ensure that the approach to overspends did take the Peer Review recommendations into account and reminded members that zero-based budgeting was a workstream of the Forward Together programme.

59.5 It was noted that the Committee would consider final year outturn information at its meeting on 10 June 2014. The Chairman asked for the report to include an

explanation of how the County Council was responding to the recommendations regarding budget management arising from the peer challenge.

59.6 One member commented that Directorates were accountable for budget spend and if overspends were addressed through reserves, they had no incentive to manage them.

59.7 With regard to who had the power to call on reserves in the case of overspends, it was explained that the Chief Financial Officer was responsible for the use of the contingency funds. Significant requests were submitted via the appropriate Overview Committee to the Cabinet for decision.

Noted

Non-Directly Employed Contract Workforce – Quarter 3 2013/14

60.1 The Committee considered a report by the Director for Corporate Resources which set out expenditure on the non-directly employed contract workforce during quarter 3 2013/14. The report was to be considered by the Staffing Committee on 25 March 2014.

60.2 The Head of Corporate Finance reported a steady level of use of agency and consultancy staff for the third quarter of 2013/14. The use of agency staff by the Dorset Waste Partnership was now being addressed and was currently at 2/3 of the peak level earlier in the year. The Committee noted that consideration was being given as to how future reports could be streamlined.

60.3 The Chairman reminded the Committee of the concerns that had led to the regular monitoring of agency staff and the use of consultants and that appropriate control systems were now in place. In response to a question, the Head of Corporate Finance explained the amount of work involved in preparing the report by various officers. The Committee would be consulted about proposals to streamline reporting when they were available.

Noted

Community Safety Plan

61.1 The Committee considered a report by the Director for Adult and Community Services which sought agreement as to how Dorset Community Safety Partnership's 2014-17 Community Safety Plan should be scrutinised. Scrutiny of the Community Safety Plan was currently part of the Audit and Scrutiny Committee's terms of reference.

61.2 The Strategic Manager - Drug Action & Community Safety Team reminded the Committee of its responsibility for scrutiny of the Community Safety Plan and that the last Plan had been scrutinised by the Joint Scrutiny Review Panel in 2011. The report sought clarification as to how the Plan for 2014-17 should be scrutinised.

61.3 The Vice-Chairman, as Chairman of the Joint Scrutiny Review Sub-Committee, highlighted the good work undertaken by the Community Safety Partnership and welcomed the opportunity to scrutinise the Plan prior to its adoption. However, as the next meeting of the Sub-Committee had been cancelled, this might not be possible on this occasion.

61.4 In view of the district and borough councils' responsibilities for community safety, it was agreed that the Joint Scrutiny Review Sub-Committee, with its district council representation, would be the most appropriate body to scrutinise the Plan.

Resolved

62. That the Community Safety Plan 2014-17 be scrutinised by the Joint Scrutiny Review Sub-Committee.

Outside Bodies

63. The Committee received updates from the Chairman of the Dorset County Council Fund (previously the Dorset County Community Fund) on a recent meeting and the County Council's Member Champion for Equality and Diversity on meetings of the Dorset Race Equality Committee.

Noted**Meeting Future Challenges – Closure and Lessons Learned Report**

64.1 The Committee considered a report by the Chief Executive which reflected on the success of Meeting Future Challenges (MFC) which was to conclude on 31 March 2014 with key legacy projects being assimilated into the Forward Together Programme. The report provided a summary of lessons learned and details of outstanding savings targets as at 28 February 2014.

64.2 The Head of ICT and Business Transformation presented the report drawing attention to the fact that MFC would conclude on 31 March 2014, key legacy projects would be incorporated into Forward Together, and outlined lessons learned and savings achieved. He attributed the achievements to strong leadership and clarity of purpose and summarised particular strengths and weaknesses of the programme.

64.3 The Chairman referred to the savings the MFC programme had achieved, without a significant effect on service delivery. Officers were congratulated on this success.

64.4 Members recognised that engagement and consultation played an important part of Forward Together and that any consultation should be meaningful and include members. The County Council had not been good at communicating in past but, future changes to service delivery and the impact these would have on service users and their families meant that communications were important.

64.5 The Head of ICT and Business Transformation explained that Forward Together involved a change of culture. It was important for all members to understand that the budget would need to be reduced by more than £40m over the next three years and this would necessitate the County Council undergoing significant transformational change in order to be able to provide services. This provided some risk for the authority.

64.6 The Chairman suggested that a member briefing be given on the achievements of MFC and key learning messages.

Noted**Questions from Members of the Council**

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

Meeting duration: 10.00am to 12.40pm