

Audit and Scrutiny Committee

Minutes of a meeting held at County Hall
Colliton Park, Dorchester on 19 March 2015.

Present:-

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

Robin Cook (Cabinet Member for Corporate Development) and Jill Hayes (Cabinet Member for Adult Social Care) attended under Standing Order 54(1).

Barrie Cooper (County Councillor for Blandford), Janet Dover (County Councillor for Colehill and Stapehill) and Beryl Ezzard (County Councillor for Wareham) attended for minutes 67 and 68.

Daryl Turner (County Councillor for Marshwood Vale) attended as an observer.

Officers:

Sam Fox-Adams (Head of Policy, Partnerships and Communications), Phil Rook (Group Finance Manager), Mark Taylor (Head of Internal Audit, Insurance and Risk Management) and Helen Whitby (Principal Democratic Services Officer).

Other officers attending as appropriate:-

John Alexander (Policy and Performance Manager), Harry Capron (Programme Director - Integrated Health and Social Care), Patrick Ellis (Assistant Chief Executive), Richard Pascoe (Head of ICT and Customer Services), Paul St Quintin (Commissioning Manager), Matthew Piles (Head of Economy) and Peter Scarlett (Estate and Assets Service 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 **9 April 2015**.)

Apology for Absence

47. An apology for absence was received from Rebecca Knox (Cabinet Member for Communities, Health and Wellbeing).

Code of Conduct

48.1 Mike Byatt declared a personal interest in minutes 67 and 68 as a trustee and director of a local charity which provided residential care and other services to those with learning disabilities (this was not a disclosable pecuniary interest).

48.2 David Harris declared a personal interest in minutes 71 and 72 as he had a relative who worked in the ICT Department (this was not a disclosable pecuniary interest).

Minutes

49. The minutes of the meeting held on 17 February 2015 were confirmed and signed.

Matters Arising

Minute 40 – Outcome of Joint Scrutiny Review Sub-Committee Workshop

50.1 The Chairman referred to a number of recent national reports which had highlighted a number of governance weaknesses in various local authorities. This, combined

with the recent Dorset Waste Partnership problems, had led to him to suggest that the Committee review the findings to see if there was any general guidance which could be recommended.

50.2 With regard to the scrutiny of the Dorset Waste Partnership, the Committee was reminded that its recommendation about joint scrutiny of the Partnership would be considered later the same day by the Dorset Leaders and Chief Executives. Members thought that urgent action should be taken to establish a mechanism for joint scrutiny of the Partnership, with a longer term aim of having a body to undertake Pan-Dorset scrutiny. As to whether introducing another body would add value to the process, some members had little confidence in the Joint Committee and questioned whether the current arrangements were working effectively. Other members thought that the Partnership's internal working arrangements had led to the Joint Committee being ineffective. There was agreement that some form of scrutiny arrangement was needed.

Minute 36 – Work Programmes of Overview Committees

50.4 The Lead Conservative Member reminded the Committee that the Independent Appraisal Working Group had been established to oversee the independent review of the Committee's current working arrangements. PriceWaterhouseCoopers (PWC) had now issued their draft report for the Working Group to consider. However, he had been disappointed to learn that before this could happen the draft report had been shared with a wider audience. He would arrange for other members of the Committee to be sent copy so that they could comment on it prior to the Working Group's next meeting on 1 April 2015. He would summarise any comments received for consideration at that time.

Resolved

51. That a review of recent national issues be undertaken so that the Committee could identify any general guidance which could be recommended.

Progress on Matters raised at Previous Meetings

52.1 The Committee considered a report by the Chief Executive which updated members of progress made following discussions at previous meetings.

52.2 With reference to the over-arching document setting out all of the Corporate Work Programme (minute 210), the Head of Policy, Partnerships and Communications provided copies of the finalised document. He explained that the document would be better populated in future and welcomed comments from members.

52.3 The Chairman reminded members that they had been provided with a list of corporate working groups as it was part of their scrutiny role to observe their effectiveness. Members were asked to complete the form by indicating their preferences and return it to the Principal Democratic Services Officer.

Noted

Public Participation

Public Speaking

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

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

Petitions

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

Work Programme

55.1 The Committee considered its work programme for 2015.

55.2 One member asked about the scrutiny of a local NHS trust. It was noted that such matters came under the remit of the Dorset Health Scrutiny Committee.

55.3 The Committee noted that scrutiny of the Pan-Dorset Local Authority Trading Company would be considered on 10 June 2015.

Noted

Cabinet Forward Plan

56. The Committee considered the Cabinet's draft Forward Plan for the meeting to be held on 8 April 2015.

Noted

Forward Together Update

57.1 The Committee considered a report by the Chief Executive which highlighted the activity that would be undertaken in the next few weeks on the County Hall Master Plan aspect of the Forward Together Programme. The report had been considered by the Cabinet on 18 March 2015.

57.2 With regard to Smarter Computing and Sharepoint, the Assistant Chief Executive reported that the project plan was being rebased. The Cabinet would receive a report on 8 April 2015 which would set out how the project would be delivered, the current status and completion dates. The Audit and Scrutiny Committee, staff and members would be updated thereafter. One member commented that improvements to ICT and Sharepoint had been reported over a year ago and there seemed to be continuous slippage rather than delivery. The Cabinet Member for Corporate Development reported that the seminar to update members on Sharepoint had been deferred from 23 April 2015 to a date in May.

57.3 One member drew attention to the fact that the majority of members had not received any update on the Forward Together Programme for some time. The Assistant Chief Executive explained that the Head of Business Development was to provide members with a monthly newsletter to update them on headline issues.

57.4 The Committee noted that a Members ICT Working Group was to meet for the first time on Monday, 23 March 2015 and would provide members with an opportunity to be more involved.

57.5 With regard to the red ratings for finance noted within the appendix, it was noted that the Cabinet would consider an update on 8 April 2015 and this would include completion dates. The Group Finance Manager assured members that the next report would include the financial impact.

Noted

Review of Community Transport

58.1 The Committee considered report by the Chief Executive which summarised the issues and outcomes from the review meeting held on 25 November 2014. Members

were provided with copies of an email from the Cabinet Member for Communities, Health and Wellbeing which set out her thoughts on the review and the report.

58.2 The Head of Economy explained that the Holistic Transport Review (the Review) would report its findings to the Environment Overview Committee and that members would receive updates within the monthly Forward Together newsletter to members. The Review was overseen by the Holistic Transport Board which comprised relevant Cabinet Members and Directors. He reminded the Committee that the Authority's current transport budget was £22m but this would reduce by £1.5m over the next two years and, as a result, the Transport Strategy was being reviewed, with any proposed changes being considered by the Board, the Environment Overview Committee and the Cabinet. He highlighted issues relating to Children's Services transport which needed to be addressed.

58.3 Some members were disappointed that the report did not include any action points but recognised that the Environment Overview Committee had responsibility for scrutinising the outcome of the Holistic Transport Review. Particular attention was drawn to the limited membership of the Board and the need for members generally to be aware of what was going on so that they could respond to questions from the public. Other members thought the report summarised the key findings well and that the Holistic Transport Review should take forward the recommendations. Members asked that any action plan include timelines and reference to the need for transport data held within Directorates to be shared with the Holistic Transport Review. It was agreed that the action plan would be scrutinised by the Committee on 15 September 2015.

58.4 Members agreed that Key Message 6 within the report should include reference to the evidence and best practice provided by Devon County Council at their November 2014 meeting; Key Message 6 (bullet point 1) should be amended by removing the words "or coordinate"; and Key Message 8 should include reference to Dorset's Health and Wellbeing Board which had a coordinating role across health services.

58.5 The Head of Economy reported that he had met with representatives from Dorset's Clinical Commissioning Group to see whether procurement could be aligned, he had created a Community Transport Officer replicating Devon County Council's working arrangements and had visited other local authorities to implement best practice. He referred to the need for future policy change and hoped to gain members' views on transport and future policy at a workshop yet to be organised.

58.6 Members expressed concern about the composition of the Holistic Transport Board and, in particular, that it did not have cross party representation. They suggested that it include a representative from the Audit and Scrutiny Committee and one member representing the Liberal Democrat and Labour Party. Andrew Cattaway was identified as the Committee's representative.

Resolved

59.1 That the ten key recommendations set out in section 2 of the report, as amended in minute 58.4 above, be confirmed.

59.2 That the key messages be monitored in an Action Plan, including timelines which will be reviewed by the Audit and Scrutiny Committee on 15 September 2015.

Recommended

60.1 That the Cabinet agree the amended key recommendations and that they be adopted and implemented by the Holistic Transport Review.

60.2 That membership of the Holistic Transport Board be increased as set out in minute 58.6 above.

Reason for Recommendation

61. To support the Holistic Transport Review and Cabinet in the successful implementation of community transport schemes, which was an important element of the Council's work.

Peer Review – Budget Over and Underspends

62.1 The Committee considered a report by the Chief Financial Officer which highlighted what had happened to budgets having an outturn overspend for 2011/12, actions taken and the current position. There were currently three areas where budgets were significantly overspent and which had been set up as individual Forward Together Projects in late 2014 to ensure visibility of the latest position on a monthly basis.

62.2 The Group Finance Manager presented the report drawing attention to the fact that the Cabinet had earmarked £5.25m from reserves over the next three years to eliminate these overspends. As the three areas were now work streams under the Forward Together Programme, they would be regularly reported to the Board and Heads of Service were to receive training so that they could take ownership and be accountable for their budgets. The Assistant Chief Executive added that it was important for budgets to reflect operational performance and for funding to be in the right place. The County Leadership Team, Heads of Service and the Cabinet were advocating underspends or keeping within the allocated budgets in 2015/16 in order to avoid impacting on general reserves.

Noted**Revenue Budget Monitoring 2014/15**

63.1 The Committee considered a report by the Chief Financial Officer which set out the forecast overspend against service budgets as at the end of January 2015.

63.2 The Group Finance Manager reported a projected overspend against service budgets of £5,208k. This would be offset by forecast underspends on other central budgets which gave a forecast overspend of £3.4m. He then referred to the £500K variance within the Chief Executive's Department, the risks attached to the Forward Together Programme and the need for £341k to be added to the base budget from external sources.

63.3 In response to a question about the ICT overspend, the Assistant Chief Executive explained that this had reduced from £200k in December to £60k in March. This was due to some staff within the ICT Department being funded by capital projects and their costs being recharged to their respective projects. Tighter forecasting was to be introduced for the next year, with Heads of Service being responsible for operational performance.

63.4 With regard to whether Heads of Service should attend the Committee to explain major budget variances, the Assistant Chief Executive explained that Heads of Service needed to sign up to having a balanced budget or underspend and, if budgets were not on track to deliver, then the Cabinet would probably investigate. The Programme Director - Integrated Health and Social Care explained that from his service perspective, the budget was demand led and had been difficult to manage, but he recognised that he was accountable and would be happy to explain issues and any actions taken to address them. The Group Finance Manager added that individual services were monitored within Adult and Community Services and particular focus was placed on high risk areas and demand led budgets.

63.5 It was suggested that the Chairman's briefing be used to identify any budget areas of concern so that the appropriate officer could attend and explain the issues involved.

Noted

Pan-Dorset Local Authority Trading Company (LATC) – Update

64.1 The Committee considered a report by the Director for Adult and Community Services which provided an update on progress on the implementation of the Pan-Dorset Local Authority Trading Company (LATC) and which highlighted the added benefits and risks associated with the Pan-Dorset LATC compared to the Dorset only company.

64.2 The Group Finance Manager reported that the governance structure was now in place but highlighted the cultural differences of the three local authorities involved. The three authorities were working in partnership on the Better Together programme and this provided a robust relationship. An independent review of the Risk Register had been undertaken to ensure robustness of arrangements and to ensure appropriate steps had been taken to mitigate risks. The Cabinet Member for Adult Social Care added that the Pan-Dorset approach gave the potential for greater savings to be achieved and although this involved some risk, there was greater risk attached to not having an LATC.

64.3 The Committee noted that the three local Authorities would sign up to a Memorandum of Understanding for the Pan-Dorset LATC, that it would have an independent Chairman with a casting vote and decisions taken by the LATC's Board would be binding on the three authorities. The post of Managing Director would be advertised shortly.

64.4 In response to questions, the Group Finance Manager confirmed that no additional risks had been identified during the independent review and the Programme Director - Integrated Health and Social Care confirmed that the business case had provided a prudent view of the additional benefits that could be realised through the LATC.

64.5 As far as scrutiny of the LATC was concerned, the Board would have five cross party members and the minutes would be reported to the Overview Committee and the Cabinet. An annual meeting was planned to give members an opportunity to meet with the LATC's management team.

64.5 Members were keen that mistakes experienced with governance arrangements with the Dorset Waste Partnership not be repeated. The Cabinet Member for Adult Social Care explained that the approach taken had been based on the worst case scenario, even though there were many benefits the LATC could take advantage of. It would be important to find a Managing Director and Financial Director so that opportunities could be realised but this would be overseen by the Executive Shareholder Group (ESG) which had representatives of the three authorities at both member and senior officer level. She had every confidence that the ESG would provide the necessary check and challenge. It was noted that the LATC would go live on 1 July 2015 and that, until other scrutiny arrangements were identified, the Audit and Scrutiny Committee would perform this function.

Noted**Corporate Plan 2015-18**

65.1 The Committee considered a report by the Chief Executive which set out the draft outcomes framework for the Corporate Plan, the draft vision for 2015-25 and the next steps for the Committee to comment upon.

65.2 The Head of Policy, Partnerships and Communications presented the three-year Corporate Plan which was accompanied by a ten year vision. He hoped that the Framework would provide communities with ways of becoming more involved and explained that an online version would be available which would provide additional relevant information. The Policy and Performance Manager added that the County Council needed to identify how partnership working could best achieve outcomes for communities and this would mean that

targets and measures would need to be identified to monitor progress. A foreword from the Leader would be included in the Corporate Plan which would clearly articulate its purpose and key strategic aims. A summary document would also be provided. It was important for the Corporate Plan to be dynamic and flexible and it and the corporate balanced scorecard would be available on line in future.

65.3 Members then commented on the Framework. They thought it should have a key message as its headline, with information about what this meant and how it would be delivered set out behind it. Members liked the format of the previous Corporate Plan and suggested that the current wording be converted to the previous format and that an indication of how people become involved be included. As far as next steps were concerned, members suggested that smart targets be included so that it was evident how these would be achieved and what success would look like.

65.4 One member asked for more information about social connectivity. It was explained that the Adult and Community Services Overview Committee had considered a report on the Nourish Project earlier in the week. This aimed to get isolated people using available technology. A copy of the report would be provided outside of the meeting.

Noted

Corporate Performance Monitoring Report (Third Quarter 2014-15)

66.1 The Committee considered a report by the Chief Executive which presented the results of the monitoring of the Corporate Balanced Scorecard, including the Corporate Plan for the third quarter of 2014-15. Of the 51 measures in the Corporate Plan and Corporate Balanced Scorecard, 26 were on target, 6 were 0-5% off target and 17 more than 5% off target which showed a slight deterioration in overall performance.

66.2 The Policy and Performance Manager highlighted key issues set out within the report where performance had dropped substantially and steps being taken to address them – the number of young people accessing mental health services, figures for those killed or seriously injured, the growing places fund and the County Council's redeployment rate.

66.3 Members asked that an update be included in the next quarterly update on actions taken and their outcomes. It was also requested that further reports include completions dates for actions identified.

66.4 With regard to supported living for people with learning disabilities, members noted that officers had been working in partnership on special needs as a priority. Reference was also made to a strategic housing review being undertaken across the County and which would be reported to the Dorset Growth Board and District Councils later in the year.

Noted

Phoenix House, Lessons Learned

(Mike Byatt declared a personal interest in minutes 67 and 68 as a trustee and director of a local charity which provided residential care and other services to those with learning disabilities. As the interest was not a disclosable pecuniary interest, he remained in the meeting and took part in the debate.)

67.1 The Committee considered a report by the Director for Adult and Community Services which set out the history of Phoenix House and the reasons for its closure as an in-house residential care home, lessons learned and how these would be shared across the County Council.

67.2 The Commissioning Manager presented the report in detail setting out how the decision to build Phoenix House had been taken, why the decision had been made to close it and lessons learned from the process. The Cabinet Member for Adult Social Care said that with hindsight Phoenix House should not have been built but since the decision to build it was taken there had been a sea change in that people with disabilities were now looked after with appropriate support in the community. She agreed that the business case had not been sufficiently robust, that service users had not been consulted about their needs and the decision taken had been in order to save money and not based on what was needed.

67.3 The County Council Member for Blandford thought that low occupancy and take up rates were linked to lack of promotion of the home and this led to it being over-staffed. If other providers could support people with more complex needs, he questioned why the County Council could not do this. He drew attention to the recommendation considered by the Adult and Community Services Overview Committee on 24 June 2013 that the first floor be converted to self contained flats, facilities for short breaks extended and the property sold to a housing provider and highlighted that the outcomes had never been reported to the Committee and neither had the reasons for this not progressing. The Cabinet Member for Adult Social Care explained that the sea change in the way that such institutions were viewed meant that Phoenix House was built in an old fashioned way, was dark and inappropriately furnished and service users decided it was not for them. Despite steps being taken to provide facilities for people with learning disabilities and for short breaks, it became evident that Phoenix House was inappropriate for these services to share and it was decided that the property was not viable.

67.4 The County Council Member for Colehill and Stapehill had visited Phoenix House and did not recognise it from the description given. In her view it had appropriate equipment, was well furnished and staffed. She asked whether the reference to “a lack of leadership” related to a lack of training or a case of not wanting Phoenix House to succeed. There was no satisfactory evidence provided to demonstrate that providers had been contacted about a possible sale of the building and the Adult and Community Services Overview Committee had not been updated on why the recommendation had not gone forward. She had been so concerned about the situation that she had asked the Audit and Scrutiny Committee to consider holding a call to account into the matter. In her view there were still unanswered questions and there were a significant number of people in the community who could have been looked after at Phoenix House and who would benefit from respite care there. People had valued the facility and felt let down when the decision to close was taken.

67.5 The County Council Member for Wareham reported that service users she knew at Phoenix House were happy and had looked forward to returning there and could not believe that after less than three years of operation it was closed. She was disappointed by the outcome, hoped that lessons would be learned and asked what would happen to people who needed respite care. The Cabinet Member for Adult Social Care explained that everyone who attended Phoenix House for respite care had been offered alternative placements and that it had not been closed until alternative arrangements had been made for its residents. The home could not look after the severely disabled or those with complex needs so its use was not viable.

67.6 Members discussed the report. They highlighted that the assumptions of the business case had been wrong and thought that it should have been independently reviewed for robustness. It was agreed that the Cabinet be asked to consider whether future capital projects above a certain level should be considered for external challenge to ensure robustness.

67.7 The Programme Director - Integrated Health and Social Care, who had been Acting Director after the time Phoenix House as built and had asked for a Peer Review on Learning Disabilities at the time and agreed that it was essential for business assumptions to be tested and evidence based. The Head of Internal Audit, Insurance and Risk Management sought assurance that any proposed additional external verification of business cases would only be undertaken in appropriate circumstances. He wanted to ensure that any such work would be undertaken on a proportionate basis, as many projects were robust and had delivered against the expected outcomes. The Chairman confirmed that this also accorded with his expectation.

Resolved

68. That the lessons learned from the closure of Phoenix House four years after it was commissioned be noted.

Recommended

69.1 That the Cabinet consider whether future capital projects above a certain threshold be considered for external challenge to ensure robustness.

69.2 That the report be forwarded to the Cabinet so that lessons learned can be applied to future decision making.

Reason for Recommendations

70. To consider the application of lessons learned from Phoenix House to decision making for other capital schemes.

Quarterly Asset Management Report

71.1 The Committee considered a report by the Director for Environment and the Economy which provided a quarterly update on progress against certain key targets and included sections on each of the main asset classes – property, highways, ICT, fleet and waste, approvals required and emerging issues. The report had been considered and approved by the Cabinet on 18 March 2015.

71.2 The Estate and Assets Service Manager drew attention to the Asset Management Plan, the authority's strategic property objectives for the next 3-5 years, the capital investment strategy and performance targets. With regard to whether any current capital schemes would benefit from external challenge, the Estate and Assets Service Manager suggested that it might be appropriate for the Bridport Hub. He then added that Optimism Bias might be drawn down to facilitate the clearing of the Damers Road First School site. The Committee noted that over-commitment on the Capital Programme was expected to be met through slippage and agreed to ask the Cabinet to consider external validation of the Bridport Hub capital scheme.

71.3 Members discussed individual aspects of the report. With regard to whether the Dinah's Hollow scheme was similar to the Phoenix House Scheme, it was noted that this was procured through a highways tendering contract with Optimism Bias being drawn down if the scheme overspent. In all cases of Optimism Bias draw down, either the Modernising Schools and/or the Asset Management Boards would be informed. It was also noted that a report on Dinah's Hollow was to be considered by the Cabinet in May 2015.

Recommended

72. That the Cabinet consider whether the Business Case for the Bridport Hub should be externally validated.

ICT Health Check Review Final Report

(David Harris declared a personal interest in minutes 71 and 72 as he had a relative who worked in the ICT Department. As the interest was not a disclosable pecuniary interest, he remained in the meeting and took part in the debate.)

73.1 The Committee considered a report by the Assistant Chief Executive which reported the key findings of a review of the County Council's ICT services by the South West Audit Partnership, including an action plan.

73.2 The Head of ICT and Customer Services explained that the SWAP report had been commissioned to provide assurance about ICT services supporting the Forward Together Programme. Areas for improvement related to the governance framework, members' ICT and performance management.

73.3 Members discussed the report. They commented that any survey should have either a four or six point scale so that responders could not make a "middle of the road" response. With the increasing partnership working across councils, they asked whether there had been agreement with other local authorities on ICT, whether there had been any joint procurement, and whether the County Council's ideas could be developed with partners. The Head of ICT and Customer Services explained that where possible the same technologies were used across district and borough councils but there had been no imperative for them to join with the County Council. There had been some success where there were common priorities.

73.4 In response to questions, the Committee noted that the Information Strategy Group was currently under review to strengthen business representation and members were welcome to attend; members would be provided with the terms of reference of the Members ICT Working Group which had been agreed by the Group Leaders and Chairman; this Group would drive member ICT training and support; and the Digital Dorset Strategy was to be redrafted and this would not be completed by April 2015.

73.5 With regard to the suggestion that members, especially those on the Audit and Scrutiny Committee would benefit from business case training, the Assistant Chief Executive agreed to refer this to the Head of Business Development. Members also referred to the language used within ICT and asked that it be made more easily understandable in future.

Resolved

74.1 That the findings of the ICT Health Check be noted.

74.2 That a report on the overall ICT programme including the Smarter Computing project be provided for a future meeting.

Outside Bodies

75. No reports had been received from members appointed to Outside Bodies, Joint Committees and Consultative Panels which related to the Chief Executive's Department.

Member Champions

76. No reports from Member Champions had been received.

Questions from County Councillors

77. No questions were asked by councillors under Standing Order 20(2).

