

Audit and Scrutiny Committee

Minutes of a meeting held at County Hall,
Colliton Park, Dorchester on 21 January 2016.

Present:-

Mike Byatt (Vice-Chairman – in the Chair)
Hilary Cox, Lesley Dedman, David Harris and Peter Wharf.

Jill Haynes (Cabinet Member for Adult Social Care) attended under Standing Order 54(1).

Councillor Michael Bevan, attended for minutes 11-13.

Councillor William Trite attended for minutes 11-13.

Officers:

Mark Taylor (Head of Assurance, Risk and Audit) and Helen Whitby (Principal Democratic Services Officer).

Other officers attending as appropriate:-

John Alexander (Policy and Performance Manager), Sarah Baker (Group Finance Manager), Catherine Driscoll (Director for Adult and Community Services), Jim McManus (Chief Accountant), Patrick Myers (Head of Corporate Development), Richard Pascoe (Head of ICT and Customer Services), Phil Rook (Finance Director, Tricuro) Peter Scarlett (Estate and Assets Service Manager) and Andy Smith (Group Finance 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 **23 February 2016**.)

Apology for Absence

1. Apologies for absence were received from Andrew Cattaway, Deborah Croney and Trevor Jones.

Code of Conduct

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

Minutes

3.1 The minutes of the meeting held on 15 December 2015 were confirmed and signed.

3.2 The meeting on 15 December 2015 had considered the Council's property rationalisation programme. Following the meeting an action plan to address the recommendations had been drafted and this had been email to members shortly before the meeting. The Action Plan is attached to the minutes as an Annexure.

3.3 It was noted that the new member reporting system being developed by Public Sector PLC was not yet available, but that the Council would be trialling the system from February 2016. Members stressed the importance of all members of the Council having access to asset disposal information and being included in the trial.

3.4 Attention was drawn to the fact that the Council's property rationalisation programme had an important part to play in income generation and the commercialisation agenda.

Resolved

4. That the action plan to address the recommendations included in the above minutes be approved and forwarded to the Cabinet with the recommendations.

Progress on Matters raised at Previous Meetings

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

Noted**Public Participation****Public Speaking**

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

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

Petitions

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

Work Programme

8.1 The Committee considered its work programme for 2015/2016.

8.2 One member suggested that the Committee might like to review the processes involved in the recent changes to the Youth Service and Passenger Transport Services at the appropriate time to ensure that the action taken had led to informed decisions.

8.3 Members noted that the Combined Authority submission would be presented to Government at the end of March 2016 and an additional meeting of the County Council was to be held on 10 March 2016 to debate the future of local government in Dorset.

Noted**Cabinet Forward Plan**

9. The Committee considered the Cabinet's draft Forward Plan for the meeting to be held on 2 February 2016, which was published on 4 January 2016.

Noted**Corporate Performance Monitoring Report – Second Quarter 2015-16**

10.1 The Committee considered a report by the Chief Executive on the monitoring of the Corporate Balanced Scorecard, including the Corporate Plan, for the second quarter of 2015/16.

10.2 Although performance had improved in a number of areas, areas where performance was giving concern and steps being taken to address them were highlighted.

10.3 Members discussed performance, particularly in Children's Services, and expressed the concern that although figures showed that children subject to emotional and/or domestic abuse were being identified, children might be missed. They suggested that national data be modelled on Dorset's population to see whether figures mirrored the national picture. Members were also concerned about the use of agency social work staff and asked for more detailed information as to whether this affected quality and performance.

10.4 Whilst members welcomed the introduction of Outcomes Based Accountability (OBA), the need for issues to be joined together in order to avoid counter-productive decisions being taken was highlighted. It was explained that OBA would address interdependencies and help the Council to make informed decisions. Members noted that training for all members on OBA was to be arranged.

10.5 Reference was made to the Council's current development of a Skills Strategy and a request made for the Committee to have sight of this when it was available.

10.6 One member asked for assurance that the new Corporate Plan would mirror proposed changes to the Council's Committee Structure and a more outcomes based approach. Officers confirmed that this was the case and it was noted that the draft Corporate Plan would be presented at the meeting on 22 March 2016, prior to it being considered by the Cabinet and the Council.

Resolved

11.1 That members be provided with more detailed information about the use of agency social work staff in Children's Services and whether this affected quality and performance.

11.2 That members have sight of the Skills Strategy when it was available.

Tricuro – Lessons Learnt Review

12.1 The Committee considered a report by the Director for Adult and Community Services which set out lessons learnt from the setting up of Tricuro, the pan-authority Local Authority Trading Company.

12.2 The Director for Adult and Community Services presented the report explaining in detail the lessons in respect of project management, partnership working and new delivery models and commercialisation. The Cabinet Member for Adult Social Care had also learned from the process, particularly in relation to the time needed to build relationships and trust, the difficulty and costs of recruiting senior staff to a new company, the need for the Council to be more aware of unit costs, that it should have greater flexibility to enable quicker decision making, that property valuation and rentals should be priced fairly and the need for consistency of approach across the three local authorities.

12.3 In response to a request from the Vice-Chairman, the Finance Director explained Tricuro's governance arrangements, recent appointments, its relationship with the three local authorities and the reporting mechanisms in place. He also reported that Tricuro's VAT registration had now been approved by HMRC.

12.4 Members discussed the report in detail with particular reference to back office support provided, the need for the Council and Tricuro to reduce costs, the contractual arrangements in place, savings provided so far, how services were commissioned and possible future developments, and opportunities for Tricuro to sell its services.

12.5 Councillor Michael Bevan, as Chairman of the Shared Lives Panel, highlighted his concerns about how Tricuro's intention to merge the Panel with one from Bournemouth had been handled, leaving members distressed, upset and unclear as to their future role. Following advice, he had sought clarification from Tricuro's Managing Director who had indicated that a review of the service was underway and a report was scheduled to be considered by Tricuro's Management Board on 16 March 2016. As a result of his experience, he highlighted the need for improved communication, that any changes should have been communicated to the Chairman in the first instance, and that the matter had been handled inappropriately. He had asked that Panel members be given assurances and this had not

been done and he had suggested that, rather than write to him, the Managing Director should write to the individual members following the decision on 16 March 2016 to thank them for their services. The Finance Manager added that a letter to Panel members had been sent out the previous day informing them of the review, thanking them for their involvement and apologising for any inconvenience caused.

12.6 Councillor William Trite, Chairman of the Adult and Community Services Overview Committee, asked that his Committee receive an update on Tricuro.

12.7 With regard to how the success of Tricuro could be conveyed to other members of the Council, members noted that they could attend Tricuro's Annual General Meeting which would be held in the summer and that the production of a quarterly newsletter was being considered.

12.8 The Committee acknowledged the importance of the lessons learned and were concerned that these not be repeated. They noted that the alternative service delivery checklist, approved last year, provided a tool to ensure that key arrangements for any new delivery models were in place. One member commented that some of the lessons learned highlighted the need for project management from an early stage.

Resolved

13.1 That the Committee recognised that the alternative service delivery model checklist, approved last year, provided good tool to assist in establishing appropriate arrangements.

13.2 That Councillor Bevan's submission be acknowledged, that it was unfortunate and regrettable, and that he had been given assurance that steps had been taken to deal with the issues and avoid any recurrence.

13.3 That it be noted that Tricuro's VAT proposals had been signed off by HMRC.

13.4 That the Council should focus on understanding costing and pricing in future.

Recommendation

14. That the Committee acknowledged the importance of lessons learned identified in the report and asked the Cabinet to note and share them to avoid any recurrence.

Reason for Recommendation

15. To allow members to perform their consultative role as outlined in the 22 October and 17 December 2014 Cabinet reports, and the 10 June 2015 Audit and Scrutiny Committee report.

Forward Together Updates

16.1 The Committee considered two reports by the Chief Executive on the progress of the Forward Together programme across the Council, including The Way We Work, Corporate Working Groups, working with the voluntary sector, payment to purchase review, co-production and achievements to date. These reports were considered by the Cabinet on 16 December 2015 and 13 January 2016.

16 December 2015

16.2 Members welcomed the reduction in the number of Corporate Working Groups and were assured that the new structure would not conflict with proposed changes to the Council's Committee structure or potential changes to local government arrangements in Dorset. Members also asked that any changes take into account the reshaping of the Dorset agenda.

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16.3 One member referred to the Cabinet's recent decision on the Youth Service and the offer for them to be helped to develop business cases to take over services and asked how this would be achieved. The Head of Corporate Develop explained that his team could provide support but Children's Services were the first point of contact. He would ensure that both teams were aware of the offer.

Noted**Review of Council Tax Single Person's Discount**

17.1 Further to consideration of a report by the Chief Financial Officer on 24 November 2015, the Committee considered a further report which set out the final results and financial benefits involved in the review of the Council Tax Single Person's Discount.

17.2 Members noted that the review had led to 2,125 cases of council tax discount being removed in 2015/16, which equated to a £952k annual benefit to local councils across Dorset. The Council's share of this was £678k. Reviews would be undertaken on a biannual basis in future. The Committee would receive an update when more detailed information was available and the Chief Accountant agreed to provide members with a revised schedule.

Noted**Revenue Budget Monitoring 2015/16, including Forward Together Update**

18.1 The Committee considered a report by the Chief Financial Officer which set out the budget monitoring information as at the end of November 2015 and the projected underspend for the Chief Executive's Department.

18.2 It was noted that the projected underspend for December 2015 was similar to the £87k underspend for the Chief Executive's Department at the end of November 2015. A total overspend of £5m was predicted for the Authority but this would be reduced to £3m by the forecast underspend on other central budgets.

18.3 Reference was made to the income generated by services provided to organisations like the Dorset Waste Partnership and the Dorset Fire Authority and a suggestion was made that information about the income generated be included in a future report.

18.4 The Committee enquired about actions being taken to address the base budget issue of £341k going forward.

Noted**Revenue Budget 2016/17**

19.1 The Committee considered a report by the Chief Financial Officer which summarised the key issues within the Provisional Local Government Finance Settlement and the impact on the Council's budget strategy and, in particular, the impact on the Chief Executive's Department.

19.2 Members noted that the report had been written prior to the Provisional Local Government Financial Settlement announcement and the savings proposed, totally £1.014m for 2016/17 did not include any of the additional savings of £7.7m that were now required.

Noted

Outside Bodies and Member Champions

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

Questions from County Councillors

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

Meeting duration: 10.00am to 12:10pm

Annexure
Property Rationalisation Programme – Action Plan

Introduction

The Committee reviewed the property rationalisation programme at a meeting on 15 December 2015 and concluded:

- That the programme was an excellent example of the Council, through innovation, actively challenging the “status quo”.
- That the programme sought to deliver both transformation and financial savings, in pursuit of improved outcomes for the residents and communities of Dorset.
- That the Committee recognised that the financial targets that have been agreed for the programme were necessary, challenging and ambitious.
- That a relentless focus on culture and behaviour and new ways of working across the Council was fundamental to its ultimate achievement.
- That whilst the importance and potential opportunities associated with joint and collaborative working was fully recognised, in order to deliver the challenging targets, the Council must not be distracted or diverted from its own clear principles and programme.
- That it was recognised that although speeding up the pace of the programme would be welcomed, the reality of achieving this would be very difficult due to the associated disposal processes and market factors.

The following recommendations were agreed and the management response is set out below in an action plan:-

Recommendation	Management Response	Officer Responsible	Timescale
That the importance of the ‘One Council’ programme required a clear understanding at all levels across the Council and, as such, its successful delivery was the responsibility of all managers and staff.	Past experience has demonstrated that the implementation of strategies ratified by the Cabinet and CLT can encounter resistance or simply inertia further down the organisation. Directors/Heads of Service therefore need to communicate the vision clearly to all staff and be willing to step in to clear any road blocks which may occur.	Service Directors	Ongoing
That increased member awareness and early engagement would help to ensure any local issues and opportunities are better understood and help inform decision-making.	It is acknowledged that local members have valuable knowledge and understanding of local needs. It is recognised that local members should be consulted at an early stage in respect of property proposals, in particular the roll out of Living and Learning Centres, and they will be involved during the community consultation exercise and kept informed in line with the principles of the member protocol.	Estate and Assets Service Manager/Strategic Estate Manager	Ongoing

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Recommendation	Management Response	Officer Responsible	Timescale
That members should be involved at the earliest stages of property identification for disposal.	<p>The Estate and Assets Service Manager will write to all members to explain the property rationalisation programme, outline the WWW property saving target and ask members to put forward suggestions as to how this target can be achieved, including possible assets in their division that might be suitable for disposal.</p> <p>Where an asset is identified for disposal, the local member will be consulted prior to the matter going to the Cabinet for ratification (in accordance with current policy).</p>	The Estate and Assets Service Manager	By end of March 2016.
That the quarterly reporting against the property rationalisation programme targets to the Cabinet and the Audit and Scrutiny Committee should continue, supported by the enhanced reporting mechanisms proposed by the Dorset Development Partnership.	The Quarterly Asset Management Report, which goes to the Cabinet and Audit and Scrutiny Committee, will be used to update members on progress towards the property rationalisation programme, including performance against a set of 10 KPIs, as set out in the Asset Management Plan.	The Estate and Assets Service Manager	Ongoing
That consideration should be given to the commissioning of professional support, available through the Dorset Development Partnership, to supplement the Council's resources to maintain the required momentum.	<p>Dorset Development Partnership currently works with the County Council to enhance the value of its assets prior to disposal. Whilst this has generally led to an uplift in the value of assets being disposed of, it has not speeded up the disposal process. A meeting has therefore been arranged to consider whether DDP can assist the County Council further in its delivery of the property rationalisation programme, specifically to speed up the reduction of running costs of the property estate.</p> <p>Any professional support provided through DDP would come at a cost to DCC and so careful consideration would need to be given to ensure that it was adding value. DCC currently has an effective project team with a comprehensive knowledge of the County Council's property estate, which is taking forward the strategic thinking on the future of the estate and engaging with the service users. This team must be permitted specify what specific resources it requires in order to accomplish its brief.</p>	The Director for Environment & Economy as chair of DDP Operations Board	By end of March 2016

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Recommendation	Management Response	Officer Responsible	Timescale
That the announcement by the Chancellor of the Exchequer in the Autumn Statement suggesting proposed changes to the use of Capital receipts to support revenue spending on transformation required close examination.	<p>The Autumn Statement specifies that: ‘to reform services and make them more efficient, local authorities will have new flexibilities to spend 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. The detail on how this will work will be set out by DCLG alongside the Local Government settlement in December 2015.’</p> <p>The County Council’s policy for dealing with capital receipts from the sale of its property assets is set down by the Chief Financial Officer, who will give careful scrutiny to the detail provided by the DCLG when it is clarified.</p>	Chief Financial Officer	TBA
That the Council should continue to actively explore any additional benefits that might be available through a wider association with the Dorset Development Partnership.	<p>A meeting has been arranged with Dorset Development Partnership specifically to consider this issue.</p> <p>Further dialogue will be maintained through the DDP Operations and Member Boards.</p>	The Director for Environment & Economy as chair of DDP Operations Board	Ongoing
That feedback from those members serving on the DDP Member Board would help to raise awareness and increase member engagement.	<p>The Member Reporting System (MRS) has been developed by PSP in order to keep officers and members informed of project progress; provide greater transparency and an early warning of potential delays to projects and an understanding of the overall LLP’s performance, thus enabling early engagement of officers in pro-active problem solving and members in strategic decision making in order to speed up the process; and to engage with members appropriately where delays to outcomes occur (including formal and informal methods) ensuring that delays to outcomes are minimised and managed appropriately.</p> <p>The MRS sheets can be forwarded to any member wishing for an update on progress of all, or any, project being undertaken by DDP. The Audit and Scrutiny Committee is invited to comment on whether they wish to review the MRS sheets and if so, how frequently.</p>	Estate and Assets Service Manager	Ongoing

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Recommendation	Management Response	Officer Responsible	Timescale
That the Cabinet consider reviewing the asset management register on at least an annual basis.	It is proposed that, subject to the Cabinet's agreement, a register of property assets owned by the County Council is brought to the Cabinet at least once a year, as an appendix of the Quarterly Asset Management Plan.	Estate and Assets Service Manager	By end of December 2016
That although Local Delivery Groups which supported the Joint Asset Management Board were working well in many local authority areas, the establishment of Groups in Weymouth and West Dorset had stalled. It was suggested that this be referred to those Council' Senior Leadership Teams.	This matter has been discussed with Stephen Hill, Strategic Director of the Dorset Councils Partnership serving: North Dorset District Council, West Dorset District Council and Weymouth & Portland Borough Council. He has agreed to look into the matter with a view to convening a LDG for the areas within his responsibility.	Strategic Estate Manager	Completed
The process of identifying properties still awaiting disposal should be reviewed to speed up the process.	A schedule of property assets that could be disposed of at pace has been drawn up and will be presented to the WWW Board on 25 th January. Subject to the comments of that board, the disposal of those assets will be prioritised. Further schedules will be taken to that board on a periodic basis.	Strategic Estate Manager	Initially by end of January 2016. Thereafter ongoing.