



Audit and Scrutiny Committee

Minutes of the meeting held at County Hall, Colliton Park, Dorchester,
Dorset, DT1 1XJ on Tuesday, 22 March 2016

Present:

Trevor Jones (Chairman)
Andrew Cattaway, David Harris and Peter Wharf.

Members Attending:

Daryl Turner, as Chairman of the Environment and Economy Overview Committee

Officers Attending: John Alexander (Performance and Policy Manager), Rupert Bamberger (Audit Manager (South West Audit Partnership)), Sarah Baker (Group Finance Manager), Richard Bates (Chief Financial Officer), David Hill (Director of Planning (South West Audit Partnership)), Patrick Myers (Head of Corporate Development), Peter Scarlett (Estate and Assets Manager), Mark Taylor (Group Manager - Governance and Assurance) and Helen Whitby (Principal Democratic Services Officer).

(Notes: 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 Committee to be held on **Tuesday, 10 May 2016.**)

Apologies for Absence

34 Apologies for absence were received from Mike Byatt, Deborah Croney, Lesley Dedman and Hilary Cox.

Code of Conduct

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

Minutes of Previous Meeting

36a The minutes of the meeting held on 23 February 2016 were confirmed and signed.

Progress on Matters Raised at Previous Meetings

36b The Committee considered a report by the Chief Executive which updated members of progress made following discussions at previous meetings.

The following updates were provided:-

Minute 9 – Corporate Performance Monitoring Report

Information requested on the use of agency social work staff in Children’s Services had been delayed due to the recent Ofsted Inspection. An indication as to when this information would be available had been sought.

Minute 29 – Corporate Development and Evidence Informed Decision Making

- The most appropriate forum was being identified to highlight the work of the Research and Information Team.
- Information on the first year’s maintenance budget for the Environment and Economy Directorate was distributed at the meeting.
- The Head of Dorset Highways was currently compiling a plan to involve local members in offering himself or members of his team to visit Parish Council meetings to deliver a presentation on the Highways Service’s approach to identifying and carrying out maintenance schemes. This was expected to go out

within the next two weeks. Members asked to be informed of when this was done.

Two members highlighted the work of Roger Bell and Stephen Mephram (Community Highway Officers) who had been particularly helpful with regard to highways matters in their divisions and asked that this be conveyed to the Head of Service.

Minute 30 – Smarter Computing

It was noted that an item on Smarter Computing would be considered by the Staffing Committee later in the week and by the Staff Consultative Panel on 27 April 2016. Members were keen to hear feedback from staff about their experience of Smarter Computing and how the roll out was being progressed. They asked for an item to be added to the work programme.

With regard to members' use of ICT, it was noted that 35 out of 45 members were now able to access agendas and reports electronically. Some members were not satisfied that these arrangements were working well and some requested that agendas continue to be provided in paper form. It was explained that smarter computing was a pivotal part of the Council's increased flexible working arrangements and property disposal programme and that paper copies would not be provided after 1 April 2016 as this contributed to the Council's savings plans. Members who were not satisfied with the responses given were referred to the Head of Legal and Democratic Services.

Public Participation

37 Public Speaking

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

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

Petitions

There were no petitions received at the meeting in accordance with the County Council's Petition Scheme.

Work Programme

38 The Committee considered its Work Programme for 2016.

It was explained that with the new Committee structure coming into operation in April 2016 there would be a need to review the Committee's work programme and forward items to the appropriate committee for consideration.

With regard to when the item on decision making processes for any Combined Authority, Unitary or Devolution would be considered, it was noted that a report would be provided for the appropriate Committee(s) to scrutinise later in 2016.

It was noted that one of the current Overview Committees had reduced its work programme to make the transition to the new structure easier, but it was not known whether the others had taken similar steps. Members were concerned to review how the new arrangements were progressing and asked for a report to be provided for the new Audit and Governance Committee in the autumn, with the three Overview and Scrutiny Chairmen and lead officers being invited to the meeting.

Reference was made to the scrutiny of the Dorset Waste Partnership at the June 2016 meeting. Members noted that the Partnership was in the process of setting up its own scrutiny committee and the need to ensure that there was no duplication across the organisations was stressed.

Members were pleased to note that the Group Manager – Corporate Development was likely to be appointed as the Council's Scrutiny Officer and would therefore be co-ordinating scrutiny support for the new committees.

Cabinet Forward Plan

- 39 The Committee considered the draft Forward Plan for the Cabinet meeting being held On 13 April 2016.

Noted

Forward Together Update

- 40 The Committee considered a report by the Chief Executive on the progress of the Forward Together Programme across the Council, including Working with the Voluntary Sector, Payment to Purchase review, Co-Production, and Smarter Computing. This report had been considered by the Cabinet on 11 February 2016.

It was agreed that the "Working Together" document referred to in the report would be provided for consideration at the next meeting along with the strategic business case which would lead to procurement efficiencies. Members noted that under the new committee structure procurement processes would be scrutinised by the Audit and Governance Committee and that the Overview and Scrutiny Management Board would allocate any procurement performance issues to the appropriate Overview and Scrutiny Committee.

With regard to future working with the voluntary sector and Town and Parish Councils, the previous lack of success in this area was highlighted. Members suggested that information be obtained from other councils as to how they worked with the third sector. It was noted that a member seminar would be held later in the year and that representatives from Cornwall and Wiltshire Unitary Authorities would be invited to attend and that work with the Dorset Association of Town and Parish Council was underway to progress joint working.

It was suggested that consideration be given to changing the term "co-production" to provide greater understanding and clarity.

Members noted that the problems with the roll out of Smarter Computing in Children's Services had been overcome but some members reported that feedback received indicated that this might not be the case. They were keen to receive feedback from the Staff Consultative Panel on 27 April 2016 and would consider whether any further action was necessary at that time.

Noted

Corporate Performance Monitoring Report (Third Quarter) and Draft Refresh of the Corporate Plan 2016/17

- 41 The Committee considered a report by the Chief Executive on the monitoring of the Corporate Balanced Scorecard, including the Corporate Plan, for the third quarter of 2015-16, and the draft refresh of the County Council's corporate plan for 2016-17, including a revised outcomes framework.

Attention was drawn to headline issues relating to Children's Services. These had been considered by the Children's Services Overview Committee on 15 March 2016 and the relevant draft minutes were reported. The issues highlighted had also been considered as part of the recent Ofsted Inspection and the report on the outcomes would be considered at the first meeting of the Audit and Governance Committee. Members noted that the refreshed Corporate Plan now identified a clear focus on outcomes. This, in turn, would assist with targeted and focused scrutiny through performance monitoring. The revised framework would be in place following the

approval of the Corporate Plan in April 2016. One suggested amendment to the Corporate Plan was made to recognise the value of the Dorset environment to the quality of residents' lives.

Members discussed Child and Mental Health Services' assessments, the co-ordination between the Dorset Health Scrutiny Committee and the Health and Wellbeing Board, and the role the Overview and Scrutiny Management Board had in coordinating items and preventing duplication where there was overlap. Members highlighted the importance of the Overview and Scrutiny Management Board being aware of Children's Services issues, particularly if Ofsted also raised concerns. It was noted that the Chairmen of the Audit and Scrutiny Committee and the Children's Services Overview Committee were both members of the Board and would be able to ensure that these concerns were not overlooked.

Attention was drawn to the need for all members to understand the refreshed Corporate Plan as it was the basis for the work of the new Overview and Scrutiny Committees. Member training would be considered by the Overview and Scrutiny Management Board the following week and it was likely that each Committee would have training at their first meetings to highlight their responsibilities under the Corporate Plan.

In response to a question, officers confirmed that performance measures were currently being developed to ensure that they were fit for purpose and would have an impact. Work would be undertaken with the new Committees to ensure they were meaningful as it would be their responsibility to monitor progress.

One member referred to the increased number of children assessed as being subject to emotional abuse and being placed on the Child Protection Register. Officers would ask colleagues in Children's Services to provide more information. It was noted that the financial consequences of taking children into care were being highlighted to Children's Services staff.

Noted

Revenue Budget Monitoring 2015/16

42 The Committee considered a report by the Chief Financial Officer which provided budget monitoring information as at the end of January 2016 which showed a forecast overspend against service budgets for the Council of £4,442k and the forecast underspend of £57k for the Chief Executive's Department.

The Chairman referred to the Committee's previous concerns over a number of years about budget overspends in Directorates for demand led services with central budgets being used to balance these. He reminded members that even though steps had been taken to address these shortfalls during the last couple of years the current budget forecast showed that these had not been successful and he asked for an update on the current position.

The Chief Financial Officer referred to previous reports which had highlighted three particular areas of overspend – special educational needs (SEN) transport, adult social care and children's services. Successful steps had been taken to turn the SEN transport budget around and this now had an underspend. With regard to adult social care, it was estimated that the addition of the new social care precept would reduce the projected overspend to £1m which could be managed within year. However, the significant increase in the number of children taken into care remained a concern. The number was expected to peak at 500 and then reduce to 400 and steps had been taken to deal with the expected growth and reduction. However, if these figures were not realised there would be additional budget pressure and the shortfall which had been mitigated from £5/6M to £1M would be at risk. In summary, general balances

remained at £10M and the risk of an overspend in 2016/17 was less than for 2015/16 so the Council was better placed than at the same time the previous year. However, he had not seen the outcome from the recent Ofsted inspection and this might provide further areas of risk.

Members referred to assurances given in previous years when it transpired that budgets were not under control and remained concerned that the only options to deal with overspends when general balances were depleted were further service cuts or borrowing.

With regard to the responsibilities of the new Overview and Scrutiny Committees, the Chief Financial Officer agreed that it was important for them to have the necessary information to allow them to monitor the budget.

There was some discussion about how individual directorates dealt with their budgets but the Chief Financial Officer's main concern remained the number of children in care. This situation was being closely monitored so that any variation could be addressed quickly. Whilst the Council had a good record of delivering savings compared to other councils, he cautioned that other services would suffer if this overspend did not come under control.

With regard to the Chief Executive's Department, it was noted that the projected underspend of £57k had increased to £211k in February 2016. The main reasons for the increase were the pause in the delivery of training courses by HR, increased income and staff turnover.

Members had previously expressed an interest in identifying the Council's customers and sources of income so as to be able to assess any risk. The Chief Finance Officer agreed to provide a customer breakdown.

Resolved

That the Chief Financial Officer provide members with a breakdown of the Council's customers.

Quarterly Asset Management Report

43 The Committee considered a report by the Director for Environment and the Economy the strategic direction for the management of the County Council's assets, key targets and the main asset classes of Property, Highways, ICT, Fleet and Waste, covering approvals required and emerging issues. The report had been considered by the Cabinet on 16 March 2016.

Particular attention was drawn to the continuing work to reduce the Council's assets and reduce the annual maintenance budget; consultation with local members to further property disposals; the Living and Learning Community Offer; and, following the Youth Service review, business cases submitted by communities were being considered with a view to divesting youth club buildings by the end of September 2016.

Members raised questions in relation to the roll out of Smarter Computing in Children's Services and the problems with the Raise system which they were told had now been resolved. As this was an important system for Children's Services, members asked for an update on the situation to be provided.

One member asked what risks and costs were attached to the Council moving towards using a "cloud". Members noted that a business case was to be developed for an on-line subscription service as this might provide significant savings for the Council. However, data security would have to be ensured.

Noted

Internal Audit Quarterly Report

- 44 The Committee considered a report by the Chief Executive a report by the Chief Executive which summarised the work of the Internal Audit Service.

Members noted that no significant risks had been identified for the Council, that the action plan arising from the healthy organisation review was to be considered by the County Leadership Team and that a follow up review for the single partial assurance review had been undertaken and would be reported to the Standards and Governance Committee on 30 March 2016. Members were eager to ensure that the Committee were provided with the necessary reassurances that officers were clear about their direct responsibilities in making any necessary declarations.

Resolved

1. That the work undertaken by SWAP, the positive conclusion reached that risks are generally well managed and the systems of internal control are working effectively be noted.
2. That those audit assignments which have been given a "Partial" assurance opinion, but are not considered to present significant risks o the council's overall operations be noted.
3. That those audit assignments which have been allocated either a "Substantial" or "Reasonable" assurance opinion, where it has generally been concluded that controls are operating satisfactorily be noted.

Outside Bodies and Member Champions

- 45 The Committee received an update report from the Council's representative on the South West Audit Partnership's Board.

It was agreed that the Chairman would write to Councillor Croney to thank her for her report and to send her the Committee's best wishes for a speedy recovery for her husband.

Resolved

That the Chairman write to Councillor Croney to thank her for her report and send the Committee's best wishes for a speedy recovery for her husband.

Questions from County Councillors

- 46 No questions were asked by Councillors under Standing Order 20 (2).

Meeting Duration: 10.00 am - 12.15 pm