

MINUTES OF A MEETING OF
 PERFORMANCE SCRUTINY
 COMMITTEE HELD IN THE
 WAYTEMORE ROOM, BISHOP'S
 STORTFORD ON TUESDAY, 24 MAY
 2005 AT 7.30 PM

PRESENT: Councillor Mrs D L E Hollebon (Chairman).
 Councillors P R Ballam, H G S Banks, S A Bull,
 Mrs S Newton, L R Pinnell, J O Ranger,
 J D Thornton, J P Warren.

ALSO IN ATTENDANCE:

Paul Dossett	- Robson Rhodes
Gary Hammersley	- Audit Commission

OFFICERS IN ATTENDANCE:

Miranda Steward	- Executive Director (Returning Officer)
Rachel Stopard	- Executive Director (Head of Paid Service)
Lorraine Blackburn	- Committee Secretary
Alaine Clarke	- Research and Information Officer
Simon Hawkins	- Performance Officer
Mary Orton	- Assistant Director (Policy and Performance)
Bernard Perry	- Assistant Director (Human Resources)
Ceridwen Pettit	- Head of Performance
Peter Searle	- Head of Internal Audit
Dave Tweedie	- Assistant Director (Financial Services)

38 APOLOGIES

Apologies for absence were submitted from Councillors A D Dodd, R Gilbert, D E Mayes and H Penson.

39 CHAIRMAN'S ANNOUNCEMENTS

The Chairman extended a welcome to new Members of the Performance Scrutiny Committee, who were attending their first meeting.

The Chairman, on behalf of Members, wished Councillor Mayes a speedy recovery.

The Chairman welcomed Gary Hammersley (Audit Commission) and Paul Dossett (Robson Rhodes, External Auditors) to the meeting.

The Chairman provided an update in relation to the working group set up to challenge the role of the Safety Advisory Team (SAT). Following further review, it was noted that a new Event Notification form had been redesigned which would be piloted for six months. A copy of this was available at the meeting. It was anticipated that the Group would report back to Performance Scrutiny Committee in December 2005.

RESOLVED ITEMS

ACTION

40 MINUTES

RESOLVED - that the Minutes of the meeting held on 5 April 2005 be confirmed as a correct record and signed by the Chairman.

ACTION41 BEST VALUE PERFORMANCE PLAN 2005

The Assistant Director (Policy and Performance) submitted a draft of the Best Value Performance Plan for 2005. An explanation of the appendices attached to the report was provided.

It was noted that the Local Government Act 1999 required all best value authorities to prepare an Annual Performance Plan which set out the Council's proposals for improvement for the coming year and to show targets for future performance.

Further Information would also be included in the Plan in relation to:

- The community and the Council's priorities
- Performance Management
- East Herts Council's priorities
- CPA, Best Value and External Inspection

The Plan would be published in an A4 booklet format and be given wide circulation, including on the Internet. National and Local Performance Indicators would also be produced on a wall chart showing past and anticipated future performance.

Given the complex nature of the document, including the possibility of needing to make amendments to the Plan at the eleventh hour, it was suggested that the Executive Director (Head of Paid Service), be authorised to make any additional changes to the text appended to the report, in order to satisfy Government and audit requirements. The Committee supported this proposal.

Comments were sought on the report, on a Section by Section basis:

ACTION

Section 1: Profile of East Herts

Assurances were sought that in relation to "People", the ethnicity of individuals were correctly interpreted.

Section 4: East Herts Council's Priorities

A Member referred to the decision to introduce CCTV cameras into Bishop's Stortford by March 2005. The Executive Director (Head of Paid Service) commented on the level of funding which had been agreed for CCTV installation by various sources. It was noted that installation by "March 2005" was a previous target. The amended target was March 2007.

Section 5: CPA, Best Value And External Inspection

The Plan was acknowledged for its fairness and honesty.

Section 6: Introduction To Performance Indicators

The Head of Performance commented that some Best Value Performance Indicators (BVPIs) and Local Performance Indicators (LPIs) were not available as outturn figures were still awaited.

The Committee supported the Plan as now submitted.

RESOLVED - that the Executive be requested to endorse (A) the Best Value Performance Plan now submitted; and

(B) the delegation of authority to the Executive Director (Head of Paid Service) to make any additional changes to the text appended to the report now submitted, in order to satisfy Government and audit requirements.

ED(HPS)

ACTION42 2005/06 AUDIT AND INSPECTION PLAN

It was noted that Robson Rhodes had been appointed as the Council's External Auditors for the period 2005/06. Robson Rhodes were one of the biggest audit suppliers with wide experience in the public sector, including working for two other Councils in Hertfordshire.

The Audit and Inspection Plan set out the work to be undertaken during the 2005/06 period and had been drawn up from a risk based approach to audit planning which reflected:

- the impact of the new Code of Audit Practice which would come into effect in April 2005;
- the Council's local risks and improvement priorities;
- current national risks relevant to local circumstances; and
- the impact of International Standards of Auditing in the UK and Ireland.

The company's two main responsibilities were to give an opinion on the accounts and to offer an opinion, as to whether the Council achieved value for money in the use of its resources with due regard to its priorities. This information would ultimately be fed into the Council's Comprehensive Performance Assessment (CPA) figures. Based on previous meetings with Officers and information received so far from the Council, the External Auditors were satisfied with the "good start" to the audit process.

A Member sought clarification on the complexities of using interest on deposits and the subsequent loss of revenue streams brought about by investment in large schemes. The Auditors explained that they were not concerned about the level of balances, only that there were sufficient for contingencies.

ACTION

On the issue of the pension fund contribution, Paul Dosset commented that the pension fund risk had been mitigated by the Council's contribution of £5m to the fund. This had the effect of fixing the Council's contributions for a longer period at a constant level of 22%. It was noted that some Councils were contributing much higher sums to aid recovery from pension "holidays".

Clarification was sought on the benchmarking carried out in relation to value for money assessments.

It was also noted that Robson Rhodes were audited by the Audit Commission and subjected to rigorous controls.

RESOLVED - that the Audit and Inspection Plan be adopted.

43 PERFORMANCE INDICATORS – QUARTERLY MONITORING (JANUARY – MARCH 2005)

The Assistant Director (Policy and Performance) submitted a report presenting the performance statistics for January to March 2005 in relation to the Council's national and local performance indicators.

It was noted that the green indicator symbols for targets LPI1 and LPI4 had been omitted from the appendices.

It was noted that out of the 27 indicators:

20 (74%)	-	were on or above target
1 (4%)	-	were 1-5% off target
6 (22%)	-	were 6% or more off target.

ACTION

Those which were off target by 6% or more were:

- BV 8 - % of invoices paid by the authority within 30 days
- BV 109a - % of major applications determined within 13 weeks
- BV183b - Average length of stay in hostel accommodation
- BV 12 - Number of working days lost due to sickness absence
- LPI 100 - % of people who leave the authority voluntarily

A Member commented on BV183b and the national target. It was commented that this needed further clarification (ie greater than or more than) to reflect under or over achievements.

Clarification was sought and provided in relation to LPI 100 - % of people who leave the authority voluntarily, (which was slightly higher this quarter); and BV12 – working days lost through sickness. Assurances were sought that processes were in place to provide managers with better information on staff absences.

On the issue of those indicators which revealed they had been “amended by PKF” in the appendix, the Assistant Director (Policy and Performance) explained the background to the amendments.

The Executive Director (Returning Officer) commented that breakdowns in relation to planning appeals were submitted as a regular item on Development Control agendas.

RESOLVED – that the report be noted.

ACTION44 STRATEGIC INTERNAL AUDIT PLAN 2005 TO 2008

The Head of Internal Audit submitted a report on a Strategic Internal Audit Plan covering the period 1 April 2005 to 31 March 2008.

It was noted that one of the recommendations made by the External Auditors, PKF, was the presentation of the Strategic Internal Audit Plan to Performance Scrutiny Committee in order to involve Members in the preparation and endorsement process. Additionally, PKF had recommended that the Council's risk management processes should inform internal audit planning.

The Head of Internal Audit commented that the audit process was now informed by risk management using information from various sources, including a Strategic Risk Workshop, Strategic and Service Planning and individual surgeries with Assistant Directors to establish risk events.

The delivery requirements of the audit plan in terms of the resources required were explained and it was noted that given current staffing resources, there would be a resource shortage of 108 days during 2005/06. Directors Board had considered the resources position and agreed that the full Internal Audit Plan should be resourced.

The Head of Internal Audit explained the structure of the Plan contained within Appendix F of the report now submitted.

Clarification was sought on the level of savings achieved by internal audit over the last seven years, what the savings were and how these savings had been achieved. The Head of Internal Audit commented that the Internal Audit team had secured savings of £2.2 million over the last seven years. By way of example, the Head of Internal Audit commented that some of these savings had been achieved by rigorous scrutiny of over-inflated contractor's

ACTION

final accounts, resolution of dispute issues surrounding the Large Scale Voluntary Transfer (LSVT) of housing stock, claims resolution arising from a joint initiative with Environmental Services and Central Services in respect of the "Tipping Away Claim" and recovery of monies following a Leisure fraud. Other efficiency savings were also noted.

RESOLVED – that the content of the Strategic Internal Audit Plan for the period 1 April 2005 to 31 March 2008, be noted.

45 OUTCOME OF AUDIT COMMISSION INSPECTION OF LEISURE AND RECREATION

The Executive Director (Returning Officer), submitted a report concerning the Audit Commission's assessment of the Council's Leisure and Recreation Services as a "fair one star service that has promising prospects for improvement". The Audit Commission felt that the service had improved, particularly in respect to the co-ordination and enabling aspects of the Council's work such as museums outreach and work with young people. A previous inspection in December, 2001 had assessed the service as a "fair" one star service with no prospects for improvements.

In view of the fact that East Herts had achieved "Good" authority status, partnership working was encouraged by the Audit Commission focusing on local priorities and areas which would benefit from inspection.

The Audit Commission's Inspection took place in February 2005 and looked at Leisure and Recreation in its broadest sense and focused on the outcome of services delivered to their community. A list of services inspected by the Audit Commission was set out in the report now submitted. Additionally, comments from a self assessment of the service areas as a result of a joint meeting of the Executive and Performance Scrutiny Committee in January 2005 were also fed into the inspection process. A précis of the self assessment was detailed in the report, together with

ACTION

other positive aspects of the Council's performance management framework.

Despite the good aspects about service provision detailed by the Audit Commission, concern was expressed by Members about the absence of a statement of philosophy and an overarching plan of service provision, from which actions could be developed. It was felt that the Action Plan did not make it clear what the Council was trying to achieve.

It was noted that the initial view of the Audit Commission in respect of the Council's provision of leisure services was during the time of a plan-wide cultural strategy. Guidance now received from the Audit Commission commented on how to integrate cultural development into the Plan and how to develop the Council's role as an "enabler" based on the fact the leisure provision was not viewed by Members as a priority in a corporate sense.

A Member commented that detailed actions for specific areas, e.g. the development of Castle Hall at Hertford, should involve Members via a Working Group.

The Executive Director (Returning Officer) commented that it was important, as a first step, to have an overarching improvement plan which would indicate the direction the Council would wish to travel. At this point in the process it was not appropriate to detail specific actions or activities. Further, before matters progressed to that stage, a view might need to be obtained on leisure provision from Policy Development Scrutiny Committee.

Assurances were given that Members and stakeholders would be involved regarding specific actions and activities. The Local Strategic Partnership (LSP) Board was referred to in terms of its wide cross section of expertise and contacts with the voluntary sector.

ACTION

Members acknowledged that leisure provision was not a priority that they wished to invest heavily, but emphasised that there was a real need to have a clear statement and clear preamble of the Council's overarching policy for the next four year period and that this should also be indicated to the LSP.

It was suggested that in the light of the comments, now submitted, the matter be reviewed again before the Executive considered the matter at their next meeting on 21 June 2005.

RESOLVED – that (A) the Executive be recommended to consider an amendment to the Improvement Plan, in the light of the comments now submitted, including the need to include a clear statement of the Council's overarching policy for the next four year period, bearing in mind the Council's role as an "enabler" of leisure provision; and

ED(RO)

(B) Performance Scrutiny Committee be provided with the opportunity to comment on the amended Improvement Plan before the report is considered at the next meeting of the Executive.

ED(RO)

46 FORWARD PLAN 2005-2006

The Assistant Director (Policy and Performance) submitted a report detailing the business to be determined by Performance Scrutiny Committee.

It was noted that the Internal Audit Activity 2004-05 report, which was to be included on the agenda for the meeting on 1 June 2005, had been deferred until October, 2005 when other audit reports would also be considered.

ACTION

The Head of Performance commented that names were being sought to set up a joint working group to review where efficiency savings might be achieved in relation to refuse and waste collection, street cleansing and grounds maintenance. The Chairman asked if Members would email the Head of Performance direct.

RESOLVED - that the report be noted.

The meeting closed at 9.20 pm.

Chairman
Date