

BABERGH DISTRICT COUNCIL

FROM: Director of Corporate Services

REPORT NUMBER: L7

TO: COUNCIL

DATE OF MEETING: 19 May 2011

ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY (STEWARDSHIP) COMMITTEE

1. **PURPOSE OF REPORT**

- 1.2 In accordance with the Constitution, the Committee must report annually to Council on its work during the last year and make recommendations for future work programmes and if appropriate, amended working methods.

2. **RECOMMENDATION**

- 2.1 That the Overview and Scrutiny (Stewardship) Committee's Annual Report for 2010/11 be noted.
- 2.2 That the Overview and Scrutiny (Stewardship) Committee's Work Plan for 2011/12 be approved.

3. **FINANCIAL IMPLICATIONS**

- 3.1 There have been no financial implications to date other than the costs of officer time and normal allowances for Members that are included in the budget.
- 3.2 Any development of the work of in-depth scrutiny, including items such as the payment of out of pocket expenses for expert and other witnesses, can be accommodated within existing budgets for 2011/12.

4. **RISK MANAGEMENT**

- 4.1 This report is an update on work completed during 2010/11, together with a draft programme for 2011/12. Risk management considerations for individual topics will be included in reports to the Committee as the year progresses.

5. **CONSULTATIONS**

- 5.1 Officers and Members have been involved to identifying topics and issues to be considered during 2011/12.

6. **EQUALITY AND DIVERSITY IMPACT**

- 6.1 There are no equality and diversity implications with this report. That is to say, the contents of the report will have no impact on persons covered by the protected characteristics – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation. However, any engagement with citizens and other stakeholders will need to pay particular attention to equality and diversity implications.

7. **SHARED SERVICE/PARTNERSHIP IMPLICATIONS**

- 7.1 A Joint Scrutiny Committee has been established to keep the overall integration / merger implementation plan under review from a customer perspective..

8. **KEY INFORMATION**

8.1 **WORK IN 2010/11**

The following is a brief summary of the Committee's main achievements during the year:

- The Committee received the Audit Commission's Annual Audit Letter for 2009/10 and Annual Audit Plan for 2010/11. Members expressed concern at the proposed fee particularly when compared to neighbouring authorities and requested further information to explain why the proposed fees were so high and what could be done to reduce them. The Director of Finance was also requested to make strong representations to the Government regarding the fees imposed on local authorities.
- The committee considered and approved the Treasury Management Strategy for 2010/11 which included the investment strategy for surplus funds. With regards to the potential additional borrowing of £81m in relation to the proposed new Council Housing reforms, the committee recommended that further details be reported to Members in due course. The committee also approved a number of Prudential Indicators and Limits 2011/12 to 2013/14 set out in Appendix 3 of Paper K190 be approved.
- The committee played an active role in the strategic and financial planning process, helping the Strategic and Financial Planning Task Group identify savings, efficiencies and additional income generation. In addition a joint meeting of the two Overview and Scrutiny Committees was held and the draft budget proposals for 2011/12 were scrutinised.
- The Committee received a presentation on the Annual Governance Statement for 2009/10 from the external auditors. It was noted that this year's accounts show a marked improvement on last year and a very positive "direction of travel". The committee would monitor the issues highlighted to be actioned by appropriate officers.
- The Committee has considered the External Auditor's Annual Governance Report and Audit Fee. The grant claim certification for the year ended 31 March 2010 will be considered at this meeting.

- The Committee scrutinised the 2009/10 Financial Outturn and draft Statement of Accounts in advance of the Council approving them. The committee specifically agreed that the details of officer remuneration be included in the final version of the Statement of Accounts. The budget carry forward requests were approved and the committee asked that a report on the Pension Fund valuation be submitted to it when this is available.
- The Internal Audit annual reports for 2009/10 and 2010/11 were considered to ensure that the action plans were being carried out. The committee also developed the joint Audit Plan with Mid Suffolk District Council and agreed joint working arrangements.
- The committee reviewed all formal complaints made to the Council in 2009/10, including those referred to the Local Government Ombudsman looking for lessons to be applied in the future. The committee noted that the Ombudsman received twelve enquiries and complaints about the Council during 2009/10, which was down by four from the previous year, and none were found as maladministration. In addition the Council received 27 formal complaints - the lowest annual total over the past nine years.
- The Committee considered quarterly reports on financial and performance management which provided the committee with a comprehensive and strategic assessment of the Council's achievements across a range of areas including finance, risk and a number of elements of performance. The committee looked for and scrutinised variances against targets and asked for further work to be carried out on any significant performance variance issues.
- The Committee monitored and reviewed the significant business and operational risks facing the Council and approved revised Management Action Plans. These new Plans made scrutiny arrangements more simple and robust, and highlighted residual risk (i.e. the risk(s) remaining after controls/actions have been put in place to mitigate that risk).
- The Committee considered the progress made on implementing the Data Quality Action Plan.
- The Committee noted the on-going work in relation to Business Continuity Management.
- The Committee considered a report on the ethical framework and managing the risk of fraud and corruption.
- The Committee monitored progress on achieving outcomes set out in the 2009/10 Delivery Plan.
- The Committee noted the details of the Comprehensive Area Assessment and organisational assessment, and were updated on discussions with the Audit Commission through which officers had provided additional information to support a revision of this to level 3 or performing well.
- The Committee noted the proposed approach to dealing with changes to the 2009/10 accounts and agreed to set up a workshop regarding the future scrutiny of treasury management activities.

- The Committee recommended the introduction of a 'pool' system of substitutes.
- The Committee received an update on the delivery of Suffolk's Community Strategy and second Local Area Agreement.
- The committee scrutinized the progress being made by the Fairness and Equal Access Group (FEAG) in responding to the features and challenges of the new Equality Framework for Local Government. This included detailed questioning on the key outputs and outcomes to be delivered under each of the five themes of the Equality Framework.
- The Committee considered the outcome of the pension fund valuation for 31 March 2010 and the proposed level of contributions to the Pension Fund from the Council for the next 3 years.
- The Committee considered the annual report on the Procurement Strategy Action Plan. As part of this consideration, the committee recommended that the original financial target of £150,000 savings over the period of the Strategy i.e. 2008-2011 be extended to £300,000, and that a 'stretched' target of £100,000 be included for 2010/11.
- The Committee scrutinised the new IT system to ensure S106 monies are secured and spent. It also received a brief presentation showing how the 'IDOX' system for planning control works.

8.2 WORK PLAN FOR 2011/12

Appendix 1 sets out a list of items of work that Members and officers have identified for consideration by the committee during 2011/12.

9. APPENDICES

Appendix 1 – Overview and Scrutiny (Stewardship) Committee: Proposed Work Plan for 2011/12

10. BACKGROUND PAPERS REFERRED TO

None.

Authorship:

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BABERGH DISTRICT COUNCIL**FROM:** Director of Corporate Services**REPORT NUMBER:****TO:** OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE**DATE OF MEETING:****WORK PLAN FOR 2011/12****DATE OF COMMITTEE – 14 JUNE 2011**

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
RIPA	Quarterly Monitoring Report	Decision	Kathryn Saward
Annual Audit Report 2010/11	To consider findings	Decision	John Snell
Review of Significant Business Risks	To consider significant risks facing the Council	To be determined	John Snell
2010/11 Annual Governance Statement	To consider and review 2010/11 Statement	To be determined	Barry Hunter
Finance and Performance Management 2010/11 – Quarter 4 Monitoring	To monitor key budget and performance variations	To be determined	Jon Seed Sue Smith
2010/11 Statement of Accounts	To consider draft statement	Recommendation to Council	Barry Hunter
Managing the Risk of Fraud and Corruption	Annual report on the progress and actions taken	Decision	John Snell

DATE OF COMMITTEE – 12 JULY 2011

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Annual report on the Council's Procurement Strategy	To consider findings.	Decision	Ryan Jones

DATE OF COMMITTEE – 30 AUGUST 2011

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Complaints	Annual Monitoring Report	Decision	Peter Quirk
External Audit and Inspection Reports	To receive any reports	To be determined	Barry Hunter
Finance and Performance Management 2011/12 Quarter 1 Monitoring Report	To monitor key budget and performance variations	To be determined	Jon Seed Sue Smith

DATE OF COMMITTEE – 11 OCTOBER 2011

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
RIPA	Quarterly Monitoring Report	Decision	Kathryn Seward
Review of Significant Business Risks	To consider significant risks facing the Council	To be determined	John Snell
Treasury Management	Mid – Year Review	To be determined	Barry Hunter/ Sue Smith
External Auditors – Annual Governance Report	To consider findings	To be determined	Barry Hunter

DATE OF COMMITTEE – 29 NOVEMBER 2011

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Interim Internal Audit and Fraud Report 2011/12	To consider current position	Decision	John Snell
Finance and Performance Management 2011/12 Quarter 2 Monitoring Report	To monitor key budget and performance variation	To be determined	Jon Seed Sue Smith

DATE OF COMMITTEE – 6 DECEMBER 2011
JOINT MEETING WITH OVERVIEW AND SCRUTINY
(COMMUNITY SERVICES) COMMITTEE (IF REQUIRED)

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Report of the Strategic Financial Planning Task Group	To consider the Group's recommendations	To be determined	Barry Hunter

DATE OF COMMITTEE – 24 JANUARY 2012

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Treasury Management Strategy 2012/13	To scrutinise the TM Strategy, Investment Strategy and Prudential Indicators	Recommendation	Barry Hunter
RIPA	Quarterly Monitoring Report	Decision	Kathryn Seward
Review of Significant Business Risks	To consider significant risks facing the Council	To be determined	John Snell
Budget Scrutiny	To scrutinise draft budgets for 2012/13	Recommendation to Strategy	Barry Hunter

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
External Auditors – External Inspection and Audit Reports (Annual Audit Letter and Audit Plan)	To consider findings	To be determined	Barry Hunter

DATE OF COMMITTEE – 20 MARCH 2012

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Annual Report	To consider draft Annual Report	Recommendation to Council	Steve Ellwood
Integrated Internal Audit Work Programme for 2012/13 with MSDC	To consider proposed Internal Audit Plan for the next financial year	Decision	John Snell
Annual Ethical Framework and Managing the Risk of Fraud and Corruption 2011/12	To consider arrangements in place and proactive measures undertaken to prevent fraud and corruption	Decision	John Snell
Review of Significant Business Risks	To consider significant risks facing the Council	To be determined	John Snell
Finance and Performance Management 2011/12 – Quarter 3 report	To monitor key budget and performance variations	To be determined	Jon Seed Sue Smith
External Auditors Grant Claim report	To consider findings	To be determined	Barry Hunter

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