

## BABERGH DISTRICT COUNCIL

<b>From: Head of Corporate Organisation</b>	<b>Report Number: M179</b>
<b>To: Overview and Scrutiny (Stewardship) Committee</b>	<b>Date of Meeting: 19 March 2013</b>

### **ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY (STEWARDSHIP) COMMITTEE**

#### **1. Purpose of Report**

- 1.1 This paper provides a basis for the Committee's Annual Report to Council.
- 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 Head of Corporate Organisation, in consultation with the Committee Chairman, complete the Committee's Annual Report for submission to the next meeting of Council based upon this report and the Committee's views.

The Committee is able to resolve this matter.

#### **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 2013/14. The position for future years will be addressed through the Strategic Financial Planning Process, if that is necessary.

#### **4. Risk Management**

- 4.1 This report is an update on work completed during 2012/13. Risk management considerations for individual topics will be included in reports to the Committee as the year progresses.

#### **5. Consultations**

- 5.1 Members have been invited to identify any topics for consideration during 2013/14.

#### **6. Equality Analysis**

- 6.1 There are no equality implications with this report. Equality analysis considerations for individual topics will be included in reports to the Committee as the year progresses.

## 7. Shared Service/Partnership Implications

- 7.1 A Joint Scrutiny Committee has been established to keep the overall implementation plan under review. Shared Service/Partnership implications for individual topics will be included in reports to the Committee as the year progresses.

## 8. Key Information

### 8.1 Work in 2012/13

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

#### a) Budget, Risk and Performance Monitoring

- A year end monitoring report was received for 2011/12 providing the Committee with an exception-based strategic assessment of the Council's achievements across a range of areas including Finance, Risk Management and various aspects of Performance linked to the Delivery Plan. The following were among the issues discussed:-
  - Homelessness
  - Trade Waste
  - Hamilton Road, Sudbury
  - Treasury Management and credit rating changes
- Performance Monitoring Reports have been considered for the first and second quarters of 2012/13 identifying key achievements and areas where further improvement is required. The following were among the issues discussed:-
  - Speed of Integration process
  - SRP Indicators
  - Time taken to determine planning applications
- A Budget Monitoring report for the second quarter of 2012/13 has been considered highlighting key variations that are possible, anticipated or likely on the current year's Revenue Budgets and Capital Programmes. The following were among the issues discussed:-
  - Space Utilisation
  - Building Control

A further report will be considered at the March meeting.

- The Committee considered a report detailing key progress/movement of Babergh's Significant Business Risks and those shared with Mid Suffolk for the period up to 12 December 2012. Members expressed concern regarding the time taken to process Housing Benefit applications since the implementation of the Shared Revenues Partnership (SRP), however it was noted that the risk identified in the report was regarding the implementation only. It was agreed that a different risk on SRP's performance should be included on the risk register.

b) External Audit

- The Committee has approved the External Audit Plan for 2011/12 and agreed a response to the Audit Commission's consultation on the appointment of the external auditor for the next 5 year period.
- The Annual Governance Report for 2011/12 has also been considered.
- The External Auditor's (PKF) Planning Letter 2012/13 and the Grant Claim Certification Report for the year ended 31 March 2012 will be considered at the March meeting. Representatives from PKF will be present for these items to answer questions from Members.

c) Internal Audit

- The Internal Audit Annual Report for 2011/12 was considered which outlined the Audit Manager's opinion on the Council's internal controls and related matters.
- The Joint Interim Internal Audit Report for 2012/13 was also considered informing the Committee of work undertaken by Internal Audit for the period 1 April to 30 September 2012. During consideration of this matter the Committee requested an end of year report detailing the anti-fraud and corruption arrangements in place and any fraudulent activity within Babergh during 2012/13.
- The Joint Audit Services Charter and Strategy 2013/14 and the Joint Internal Audit Plan 2013/14 will be submitted to the March meeting. The report on Managing the Risk of Fraud and Corruption will also be considered at this meeting.

d) Treasury Management

- The Committee considered the Annual Treasury Management Report for 2011/12, providing the Committee with a comprehensive assessment of Treasury Management activities for the year.
- A Mid Year Report on Treasury Management for 2012/13 has been considered, providing the Committee with an assessment of Treasury Management activity and performance on Prudential Indicators for the first half of 2012/13.
- The Draft Treasury Management Strategy for 2013/14 has been considered, setting out the Annual Investment Strategy for managing surplus funds and the borrowing strategy in accordance with the CIPFA Treasury Management Code of Practice in the Public Services (2011 edition).

e) The Committee considered the Joint Annual Governance Statement for 2011/12. It was noted that the Overview and Scrutiny (Stewardship) Committee from Babergh and the Scrutiny Committee from Mid Suffolk have the responsibility for being satisfied that the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it. Members raised the following comments and suggestions in relation to amendments to the Joint Annual Governance Statement:-

- The wording around the role of the Chief Executive to be amended to better reflect responsibility arrangements; and

- Similarly, the wording around the role of elected members to be amended to better reflect responsibilities.
- f) The Committee scrutinised a report from the Strategic and Financial Planning (SFP) Task Group on the Financial Outlook and 2013/14 Draft Budget. The Committee's views on the key issues were reported to Strategy Committee and other suggestions for savings included:
- Office space utilisation
  - ICT capital costs related to working with Mid Suffolk
  - Section 151 Officers – whether the need for two still existed.
  - Pension Fund – contributions should not increase.
  - New Homes Bonus – essential this money is put to good use
  - Car Parking – a variety of comments including consider making all car parks paying including staff.
  - Kingfisher Leisure Centre maintenance costs.
  - Fundamental review of community grants needed.
- g) The Committee scrutinised the 2011/12 Statement of Accounts.
- h) The Committee considered a presentation on the HRA Business Plan providing Members with:
- An overview of the Housing Revenue Account arrangements under the new self-financing system
  - The role our tenants play in deciding the services we deliver
  - Key elements of HRA Business Planning
  - Objectives for the next 12 months.

The following were among the issues discussed:-

- Potential increases in Right to Buy sales
  - Amount of money reserved for improving/maintaining housing stock
  - Possibility of appointing a Member Champion to this area.
- i) The Committee has considered a call-in relating to a Strategy Committee decision to retain both HQ's (Hadleigh and Needham Market) in the medium term (3-5 years).

In accordance with the call-in procedures, the Chairman of the Strategy Committee attended the meeting to answer Members' questions along with the Interim Director of Transformation and the Lead Officer of the Accommodation Working Group.

The Committee concurred with the process by which the Strategy Committee had reached its decision, however, given that considerable amounts of information gathering, strategic planning and partnership negotiations were still to be completed, the Committee felt that the 3-5 year term should be considered as an expectation rather than an instruction.

- j) The Committee considered an annual report monitoring formal complaints referred to the Local Government Ombudsman during 2011/12 and updating Members on the alignment of the internal process for handling complaints to Babergh and Mid Suffolk District Councils.

- k) The Committee considered a report detailing changes to legislation which have required amendment to the Council's policy relating to The Regulation of Investigatory Powers Act 2000 (RIPA) and which have been approved under delegated powers.

It was noted that there have been no applications for use of powers under RIPA since the last monitoring report in January 2012.

- l) Reports on Procurement and the Governance Review will be submitted to the March meeting.

## 8.2 Work Plan for 2013/14

Under normal circumstances this report would include an appendix setting out a list of items of work that Members and Officers have identified for consideration by the Committee for the following year. However the outcome of the Governance Review will be reported to the additional Council meeting to be held on 9 April to enable the new structure to be implemented with effect from the Annual Council meeting on 23 April 2013.

Members are requested to identify areas it thinks should be considered for inclusion in the work programme subject to the outcome of the review. Once the new governance structure and terms of reference of each Committee are known that item can then be placed on the appropriate agenda for the relevant Committee.

If any such areas are identified, an assessment sheet will need to be completed, a copy of which is attached at Appendix 1. In doing so, Members are asked to consider the principles of PICK analysis which have been approved by the Committee. A summary is attached at Appendix 2. Further guidance on the selection of issues for inclusion in the annual work programme can be found in the Overview and Scrutiny Handbook.

## 9. Appendices

Title	Location
Appendix 1 – Planning Assessment Sheet	Attached
Appendix 2 – PICK Analysis	Attached

## 10. Background Documents

None.

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## OVERVIEW AND SCRUTINY ( ) COMMITTEE

## PLANNING ASSESSMENT SHEET FOR REVIEWS

<b>What is to be reviewed?</b>	
<b>Why?</b>	
<b>What benefits are expected?</b>	
<b>What needs to be examined and asked?</b>	
<b>Documents/evidence/research</b> <i>What?</i> <i>Why?</i>	<b>Questions to be asked</b>
<b>Site visits</b> <i>Where?</i> <i>Why?</i>	<b>Questions to be asked</b>
<b>Consultation</b> <i>Who/what?</i> <i>Why?</i>	<b>Questions to be asked</b>
<b>Witnesses</b> <i>Who?</i> <i>Why?</i>	<b>Questions to be asked</b>
<b>What resources will be needed for the review?</b>	
<b>Over what period should it be carried out?</b>	Start Complete
<b>Who will be the lead officer?</b>	

### PICK ANALYSIS

In developing its annual work programme, Overview and Scrutiny Committees should be clear about the reasons for selecting particular issues and what they are seeking to achieve.

The list of topics and issues for the work programme can be a very long one if not careful. Some councils use an idea called PICK to prioritise the types of issues to choose. PICK stands for:

- P Public Interest
- I Impact
- C Council Performance
- K Keep it Context

#### **P for Public Interest**

Councillors are the eyes and ears of the public, ensuring that the policies, practices and services delivered by both Babergh District Council and external organizations, are meeting local needs and to an acceptable standard. The concerns of local people should therefore influence the issues chosen for scrutiny.

#### **I for Impact**

Scrutiny is about making a difference to the social, economic and environmental well-being of the area. Not all issues of concern will have equal impact on the well-being of the community. This should be considered when deciding the work programme and priority be given to those issues that have more impact.

#### **C for Council Performance**

Scrutiny is about improving performance and ensuring the people of Babergh are served well. Councillors will need good quality information to identify areas of poor performance both within the Council and externally. There are no shortage of Performance Indicators available in the public service arena, both national and local, although the quality and relevance will vary. There is a need to select the most relevant performance indicators and to seek an interpretation of results.

#### **K for Keep it in Context**

To avoid duplication or wasted effort priorities should take account of what else is happening in the areas being considered. Is there a Best Value Review happening or planned? Is the service about to be inspected by an external body? Are there major legislative or policy initiatives already resulting in change? If these circumstances exist councillors may decide to link up with other processes (e.g. Best Value Review) or defer a decision until the outcomes are known or conclude that the other processes will address the issues.

### PICK CHECKLIST

More “ticks” across all four categories indicates that the topic is more suitable for in depth review.

<p><b>Public Interest</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> There is evidence of significant public interest in this topic</li> <li><input type="checkbox"/> It is a “high profile” topic for specific local communities or communities of interest</li> <li><input type="checkbox"/> This is an area where we received a lot of complaints and / or bad press</li> <li><input type="checkbox"/> The review will need to include participatory events and opportunities for local people and / or organizations to have their say</li> <li><input type="checkbox"/> Substantial survey or research work is required</li> </ul>
<p><b>Impact</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> This review will have a significant impact on the “well being” of Babergh</li> <li><input type="checkbox"/> A local community or community of interest have much to gain or lose</li> <li><input type="checkbox"/> Work is needed to develop the routes to influencing change (e.g. with partners)</li> <li><input type="checkbox"/> This could make a big difference to the way services are delivered</li> <li><input type="checkbox"/> This could make a big difference to the way resources are used</li> </ul>
<p><b>Council Performance</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The Council and / or other organizations are not performing well in this area</li> <li><input type="checkbox"/> We do not understand why our performance differs from others</li> <li><input type="checkbox"/> We are performing well but spending too much money in this area</li> <li><input type="checkbox"/> There are few local or national performance measures / targets for this service</li> <li><input type="checkbox"/> This service is fundamental to the achievement of Council objective(s)</li> </ul>
<p><b>Keep in Context</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> This service will not be part of a BV Review or external inspection in the next 2 years</li> <li><input type="checkbox"/> This service will be reviewed or inspected soon but Scrutiny can make a positive contribution by focusing on key areas of interest and making recommendations</li> <li><input type="checkbox"/> This service has not been recently reviewed or inspected</li> <li><input type="checkbox"/> There are no current major changes to service that reduce or pre-empt the value of review</li> <li><input type="checkbox"/> Service changes are planned and Scrutiny can positively influence change</li> </ul>