

MID SUFFOLK DISTRICT COUNCIL

From: Head of Corporate Organisation	Report Number: JSC/8/13
To: Joint Scrutiny Committee	Date of meeting: 4 June 2013

MSDC SCRUTINY COMMITTEE ANNUAL REPORT 2012/13

1. Purpose of Report

- 1.1 The attached Appendix is the Annual Report of the work of the MSDC Scrutiny Committee, during 2012/13.
- 1.2 Once approved, the Annual Report will be noted at Full Council in June, made accessible on the Council website, and distributed at low cost in similar manner to the previous year; electronically to parish councils, and with paper copies sent only to the seven district libraries and MSDC Reception.
- 1.3 The future focus and structure of the MSDC Scrutiny Committee from 2013/14 onwards will change in accordance with the constitutional governance changes that were agreed at Council in April 2013.

2. Recommendations to the MSDC Members of the Joint Scrutiny Committee

- 2.1 That the MSDC Scrutiny Annual Report 2012/13 be approved.
- 2.2 That the approved Annual Report be submitted for noting, to MSDC Council on 27 June 2013.
- 2.3 That the approved Annual Report be made accessible on the Council website and distributed predominantly electronically in a similar low cost manner to that for the previous year's report.

3. Financial Implications

- 3.1 No specific financial implications.

4. Risk Management

- 4.1 None.

5. Consultations

- 5.1 None.

6. Equality and Diversity Impact

6.1 There are no equality impacts associated with this report.

7. Shared Service / Partnership Implications

7.1 None.

8. Appendices

Title	Location
MSDC Scrutiny Annual Report 2012/13	Attached separately

9. Background Information

Title	Location
MSDC Scrutiny Committee papers 2012/13 http://apps.csduk.com/CMISWebPublic/CommitteeDetails.aspx?committeeID=268	Available online

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SCRUTINY



ANNUAL REPORT 2012/13

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This report is available online at: www.midsuffolk.gov.uk.
(Select 'Council and Democracy', then 'Overview and Scrutiny').

The Council would be very pleased to receive any comments or suggestions for future scrutiny reviews.

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Foreword from the Scrutiny Chair

As the Chair of Scrutiny Committee I reflect on a continuing time of transition for Mid Suffolk District Council, when closer integration with Babergh District Council has been taking place. Many services and activities are under review as the two Councils look to become more efficient within a changing funding regime. Significant legislative change continues to take place particularly in regards to powers for local councils and the associated central Government funding. This means that reviews and investigations undertaken by the Scrutiny Committee are done within a constantly changing arena notably where timeframes and priorities shift. It has been the aim to ensure that the Committee maintains the principles of good governance while contributing effectively to the work across the Council and district.

This annual report details the work the Committee has considered over the last year, from May 2012 to April 2013. The work comprises statutory obligations, regular reviews and issues raised by Members or the Committee. In June 2012, as Chair, I attended the Centre for Public Scrutiny annual seminar to further understand and share good practice of effective scrutiny with other local councils. While the time available for each topic is always limited, I hope that the Committee has been able to make a positive contribution to the operations of the Council, and the communities that it serves.

As the scrutiny function moves forward into a new role for 2013/14, I would like to thank Paul Banjo, Policy Officer, for his input and support and Gillian Hilder, Committee Officer, for ensuring meetings are well documented. I am grateful to Members of the Committee for their continuing input, to other Members for their participation, and to council officers for their responsive contributions. I particularly welcome the representations from external organisations and their active engagement in the scrutiny process and I hope that this continues into the future.



A handwritten signature in black ink, appearing to read 'R Eburne'.

Councillor Rachel Eburne
Chair of Scrutiny Committee

What is Scrutiny?

The Centre for Public Scrutiny sets out the basic principles for good public scrutiny. It says that effective scrutiny should provide 'critical friend' challenge to executive policy-makers and decision-makers, enable the voice and concerns of the public and communities, be carried out by 'independent minded governors' who lead and own the scrutiny role, and drive improvement in public services. The Scrutiny Committee cannot make decisions or policies itself but has the power of influence, and it makes informed recommendations, also monitors the outcomes of its work and follows up on outcomes where necessary. Effective scrutiny is an important part of the democratic process.

The structure and scope of the Mid Suffolk Scrutiny Committee from 2013/14 onwards will change. In April 2013 the Council proposed to adopt a new constitutional governance framework which incorporates a greater number of joint committees with Babergh District Council, including a larger Joint Scrutiny Committee, and a Joint Audit and Standards Committee, together with small, less-frequent, sovereign-Council-specific Scrutiny Committees and Audit Committees. Further details can be found in the papers that went to Full Council on 11 and 25 April 2013. These can be viewed online at <http://apps.csduk.com/CMISWebPublic/Meeting.aspx?meetingID=1630> and <http://apps.csduk.com/CMISWebPublic/Meeting.aspx?meetingID=1512>.



The Scrutiny Committee of 2012/13

The Scrutiny Committee consists of eight Members of the Council. All Councillors except Members of the Executive Committee may be Members of the Scrutiny Committee. However, no Member may be involved in scrutinising a decision in which he/she has been directly involved. The Chair and Vice-Chair of the Committee are nominated by the opposition (that being the Group with the highest number of Members not forming the Administration). The Scrutiny Committee is apolitical, and is not required to have the political balance that applies to the other statutory committees. Each Committee Member has a substitute if required.



Scrutiny Support

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Other Related Scrutiny in Suffolk

HEALTH SCRUTINY COMMITTEE

The Health Scrutiny Committee, hosted by Suffolk County Council (SCC) is responsible for scrutinising wellbeing and health services across the county and may review and scrutinise any matter relating to the planning, provision and operation of health services in Suffolk. The Health Scrutiny Committee has 12 members in total, with Councillor Mrs Gibson-Harries representing MSDC. Further details are available at: <http://www.suffolk.gov.uk/your-council/decision-making/committees/health-scrutiny-committee/>.

SUFFOLK FLOOD RISK MANAGEMENT JOINT SCRUTINY PANEL

In accordance with the statutory requirement of the Flood and Water Management Act 2010, a cross-Suffolk Joint Scrutiny Panel was set up in 2010 to scrutinise the management of flood risk in Suffolk. Councillor Roy Barker represented MSDC on this Panel during 2012/13.

BABERGH/MID SUFFOLK JOINT SCRUTINY COMMITTEE

MSDC and Babergh Council set up a Joint Scrutiny Committee (JSC) as part of the governance of the integration/merger process. This Committee is composed of five Members from each of the councils and is politically balanced over the two councils. MSDC representatives during 2012/13 were Councillors David Burn, Mrs Rachel Eburne, Ray Melvin, Mrs Sara Michell and Martin Redbond. The Terms of Reference for the JSC were broadened in 2012, and the future role and composition further clarified as part of the new constitutional governance framework that went to Full Council on 11 and 25 April 2013, details of which can be viewed online at <http://apps.csduk.com/CMISWebPublic/Meeting.aspx?meetingID=1630> and <http://apps.csduk.com/CMISWebPublic/Meeting.aspx?meetingID=1512>.

JOINT SUFFOLK POLICE AND CRIME PANEL

The Suffolk Police and Crime Panel (PCP) is a joint committee, hosted by Suffolk County Council (SCC) that was established in 2012 in accordance with the Police Reform and Social Responsibility Act 2011. The Panel meets approximately quarterly and is responsible for scrutinising and supporting the Suffolk Police and Crime Commissioner (PCC), who was elected last November. MSDC has nominated Councillor Mrs Diana Kearsley to sit on this Panel. Further details can be found on the SCC website at: <http://www.suffolk.gov.uk/your-community/working-in-partnership/police-and-crime-panel>.

The work of Scrutiny in 2012/13

This section describes some of the key scrutiny committee topics covered during the year, and the associated outcomes. They are grouped under broad themes, the main ones of which are Policy and Service Review, Financial Matters, External Scrutiny and the Audit Committee Function (Internal and External). A list of all the Scrutiny Committee topics covered during the past year, in chronological order, is summarised in Annex A.



Policy and Service Review

REVIEW OF MSDC TRAVEL POLICY AND USAGE

In July 2012 there was a review of internal travel policy and transport usage. The report to the Scrutiny Committee had collated information from various sources within the Council, reflective of the absence of any single point of overall oversight of the Council's travel costs and policy compliance. Over the past three years, overall staff mileage and costs had decreased, whilst Councillor usage and costs had increased. Over the past year pool car usage had decreased slightly but housing maintenance fleet mileage and costs had increased significantly.

Members raised various suggestions regarding, incentivising car sharing, better use of IT / teleconferencing, travel between Needham Market and Hadleigh HQs, Councillor input in the annual travel policy review, more 'smarter driver' training for fleet vehicles, and risk management of high fuel prices in future. There was a consultant review and an internal audit already underway regarding the housing maintenance fleet usage and costs.

The Scrutiny Committee resolved to request that all Heads of Service should remind staff and Councillors of the current travel policy and mechanisms for minimising travel expenditure and fuel consumption. With regard to the overall management, there was a recommendation to put in place a cross-service mechanism for managing the Council's total costs associated with staff and Member travel. This was subsequently not supported by the Executive Committee, as "Members were advised that the travel policy was already being reviewed and travel costs would also be looked at as part of the overall financial reviews taking place". The output of the review is awaited.

A HOLISTIC VIEW OF DEVELOPER CONTRIBUTIONS (SECTION 106)

In Mid Suffolk District Council, councillors want to ensure that developer contribution funds (Section 106), which can be quite significant, are being deployed to good community benefit in a timely way. Previously, in December 2011, the Scrutiny Committee had held a review of how the Council takes and uses S.106 contributions, and as a result of this scrutiny the spreadsheet that

officers used, that showed all the contributions, was made available to councillors. In 2012 councillors pressed further on this subject as there was very limited visibility of actual usage of the funds. In the current cash strapped environment there is an opportunity to help communities and citizens with more proactive, timely support, especially since the funds are already secured. In addition, the staff integration and re-organisation between Mid Suffolk and Babergh District Councils was an opportunity for a transformed approach.

In July 2012 the Scrutiny Committee requested an update report on S.106 Developer Contributions, wishing to see a total update on the status of usage of the funds in the district. It became apparent that there was no 'holistic' single point of ownership of this within the Council. The report covered the 'Open Space' funds but not those associated with County Council facilities such as education and highways. It was agreed that a full picture would be brought to a subsequent Scrutiny meeting, which was held in January 2013.

In the midst of council integration and re-organisation the Scrutiny Committee endeavoured to keep the inquiry as pragmatic and 'resource-lite' as possible. From the January 2013 meeting, and in liaison with senior officers, the Scrutiny Committee put forward some pragmatic recommendations, that a process be put in place for a Corporate Manager to be assigned responsibility for oversight of all S.106 expenditure, together with regular reporting, information to Ward councillors and parishes, and ensuring that no monies are forfeit. The Executive Committee fully supported these recommendations and then positively went further to assign the oversight responsibility also to a Member of the Executive Committee.

Enabling a 'holistic' view of S.106 funds will assist in enhancing the community leader role of the Ward councillors, as it will enable informed, proactive and supportive engagement with community groups about valid S.106 funded potential projects.

OUTSOURCED HOUSING PROVISION SERVICE

An agreement between MSDC and Norfolk Property Services (NPS) to undertake various construction related services including housing repair and improvement works had commenced in May 2001, and was subsequently extended to run until 31 March 2016. In September 2012 the Scrutiny Committee looked into the performance management arrangements and performance trends for the services outsourced by MSDC to NPS, and received inputs from MSDC officers, NPS senior management, and some tenants.

NPS outlined areas that were working well, and significant achievements such as the very large reduction in the number of homes that did not reach the Decent Homes Standard, and the increase in customer satisfaction scores. Some tenants highlighted concerns from their own experience that they felt were indicative of communication failings or issues with sub-contractors. Officers had produced just a short report, as the new Corporate Manager had been recently appointed, and Members felt that to review the outsourced housing provision service fully it was necessary to have a further more detailed officers' (client) report.

A more detailed review was held in January 2013, and the public was excluded from this commercially confidential discussion. The Committee noted that there is a cause for concern and need for a review, but felt that there was still insufficient comparative financial information to be able to say what the outcome should be. There was a resulting recommendation that the Executive Committee should receive a comprehensive financial and operational review of the NPS

contract to inform future provisions for meeting the capital programme and providing other professional services.

Subsequently at Executive Committee, and then Council, it was decided that much had changed since the contract was drawn up, and the integration of services was an opportune time to look at all the options available for future service provision to ensure best value for the Council. A twelve month notice of termination of the NPS contract (notice was served on 31 March 2013) would allow an options appraisal to be completed to allow an informed choice to be made.

THE OUTSOURCED LEISURE SERVICE

The outsourcing and partnership contract with Sports Leisure management (SLM), covering the leisure centres in Stowmarket and Stradbroke, was last looked at by the Scrutiny Committee over four years ago. A further review in January 2013 was once again held on-site at the Stowmarket Leisure Centre and focused on the strategic community impacts and the public perception and satisfaction with the service. The general manager outlined the good performance and customer satisfaction achieved over the past four years. The service has won national and regional awards, and was responsive to issues and concerns from users, including work on disabled changing facilities, which had been a significant concern in the past.

The partnership arrangement has worked very well with strategic capital investment from the Council and corresponding cost savings in the contract. A broad range of community activities and facilities are provided, catering for the whole age spectrum, and a wide range of categories of user, with continued strong emphasis on health and wellbeing, including GP referrals, and disabled users. Grant funding opportunities are being explored with the Clinical Commissioning Groups, the Suffolk Wellbeing Board, and the Director of Public Health, as the Primary Care Trust grant funding will no longer be available. There is also strong emphasis on energy efficiency and carbon reduction initiatives and investment.

It was recognised that more could be done to try and influence customer travel, cycling or sharing arrangements, and also to use community newsletters and councillor channels to increase awareness in the wider catchment area. Concerns about catering prices were also noted, although these are managed centrally in SLM.

DANGEROUS TREES

In February 2013 Members were updated on progress with implementing the recommendations of a Dangerous Trees Audit Report in October 2012, and addressing long-standing concerns raised by Scrutiny Committee Members in previous audits. Members were pleased to note that there is now good focus on a proactive programme of identifying and recording dangerous trees in the District. High risk areas had been surveyed, there is sufficient indemnity insurance in place, and there had not been any accidents. New software was being investigated over the next few months which would allow a better database for programmed maintenance of trees in Mid Suffolk and Babergh.

DISCHARGING THE EQUALITY DUTIES

In February 2013 Members considered a report which provided an update on the approach taken by the Council in discharging equality duties under the Equality Act 2010 (Specific Duties) Regulations 2011. Equality information was published on the Council website by the 31 January

2012 deadline. The focus now is on embedding equality and diversity in the new operational delivery teams and the programme of transformational reviews.



Financial Matters

PROCUREMENT AND COMMISSIONING IN MID SUFFOLK

In June 2012 Members noted the work being undertaken on the joint procurement action plan. There had been some delays in resourcing the work, but good progress had been made on toolkits and good practice guidance regarding commissioning and procurement. The management role that would take ongoing responsibility for this work was unfilled at the time, but filled later in the year.

FINANCIAL PLANNING PROCESS AND DRAFT BUDGET REVIEW

In September 2012 the Scrutiny Committee gained an understanding of the strategic and financial planning programme and Budget process for 2013/14, and in January 2013 it reviewed the draft annual budget for 2013/14. The draft budget was balanced for 2013/14 but would be very challenging beyond 2014. The total grant reduction over 4 years up to 2014/15 was approximately 44%, however this excluded the non-ringfenced New Homes Bonus (NHB) funds, of which a large amount was unallocated and available for strategic priorities. Significant changes in the budget structure reflected localisation of business rates, and the local council tax support scheme. Members noted that the complexity of the funding arrangements made it difficult to explain to residents, and it was said that there would be briefing notes produced to help councillors with this.

Members made a number of budget suggestions for Executive Committee to consider. These included, to increase the business support grant possibly by using some New Homes Bonus (NHB) funds, to invite bids for the proposed NHB community fund from community groups not just town & parish councils, to not take the freeze grant but instead to build the future tax base, and to divide up the proposed NHB community funding into individual councillor Locality Budgets. Executive Committee noted the suggestions but advised that there was no plan to introduce Locality Budgets for councillors.

TREASURY MANAGEMENT

Treasury Management is the day to day management of the Council's cash flow and investments. In 2010 MSDC nominated the Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

In September 2012 (later than originally planned) the Scrutiny Committee considered the Annual Report on Treasury Management for 2011/12, in November there was a mid-year report for 2012/13, and in January 2013 there was consideration of the forward strategy for 2013/14.

During 2011/12 the Council complied with the approved strategy and legislative and regulatory requirements. The Treasury Management Practices document now included important credit rating information. It was explained in the Annual Report that the 2011/12 Total capital expenditure of £66.1m included both the £57.2m Housing Revenue Account (HRA) self-financing debt and also a £2.8m slippage brought forward from the previous year. The low interest rate reflected the state of the market. A similar Treasury Management approach and strategy is adopted also for Babergh DC, and both Councils used the same Treasury Advisors.

In the first half of 2012/13 there was confirmation of a 0.2% reduction on the standard Public Works Loan Board (PWLB) borrowing rate and some increases in the maximum periods of the institutions on the investment counterparty list. Arrangements had been made to prevent any re-occurrence of a breach of the counterparty limit, even though no government penalties had been incurred, and Internal Audit had been requested to check for any future risks in this area, as breaching internal limits was not good practice. A Committee Member highlighted the importance of ethical investment and of informed investment selection to accord with the Council's priorities. Members also considered that further training would be beneficial and proposed to invite the advisors, Arlingclose, to the end of year report meeting to provide more detailed insight into treasury management processes.

The Treasury Management Strategy for 2013/14 was broadly similar to the previous year. Committee Members highlighted concerns about capital financing trends and affordability for future years beyond 2013/14. It was also noted that the HRA debt cap trend is a concern but that it will improve for later years within the 30 year HRA business plan.



External Scrutiny

WESTERN SUFFOLK COMMUNITY SAFETY PARTNERSHIP

This statutory report in September provided an annual update on the work of the Western Community Safety Partnership (WCSP), and also gave an overview of how the WCSP would be impacted by the election of the Police and Crime Commissioner (PCC) and the formation of the Police and Crime Panel (PCP). It was noted that there had been a significant drop in the figures for both substance misuse and maintaining a safer night time economy. In future it would be the PCC who would control funding grants to the CSPs. Members resolved to continue to support the work of the WCSP and encouraged consideration to be given to distributing the concise and easily understood report more widely, for example to parish councils.

TRANSPORT AND ACCESS IN RURAL MID SUFFOLK

This inquiry was a good example of undertaking external scrutiny, with a range of external stakeholders involved in a multi-faceted issue which no single organisation could address entirely on its own. The issue of rural access and transport in the district was an area of continuing concern, and various reports and research in recent years had highlighted persistent issues. For the scrutiny review it was important to ensure that there were aligned and focused contributions from the various participants, and the scope and objectives for the review were agreed by the Committee in November 2012. Then, in February 2013 the main scrutiny review took place, and in March the key recommendations were summarised.

Attention was focused on trends and changes, and for the scrutiny inquiry to complement and inform the work on the council's strategic priorities. In response to concerns raised about officers' workload, Members were assured that this was external scrutiny and would involve only one officer from Mid Suffolk, with the main input coming from the County Council and from Suffolk ACRE. The focus was on what were the recent improvements and successful interventions, what were persistent or worsening issues, and what alternative approaches could be considered, including technology options. Inputs were received, and there was participation in the meeting, from the County Council and from Voluntary Community and Social Enterprise sector organisations, in addition to internal MSDC planning policy material.

There were economic pressures that had impacted scheduled bus routes, and the Demand Responsive Transport (DRT) and Community Car Share schemes only went some way towards mitigating these. Legislative changes had imposed constraints for example on voluntary drivers, and there were issues with awareness and understanding of the various transport schemes available, and a perception of unreliability. There was increasing pressure for health service related transport. Technology was enabling helpful website and real time information mechanisms to be introduced.

There were potential opportunities for the Council to engage further around local community and parish leadership, awareness and capacity building, coordination and promotion of information, lobbying and influencing partner organisations and policymakers, and potential use of Section 106, Community Infrastructure Levy or community grant funding, aligned to the strategic priorities.

It was recommended to Executive Committee that the key issues and opportunities that had been identified should be considered as part of the Council's Transformational Enquiry Programme – potentially within a working group relating to the Council's strategic priorities. This recommendation was subsequently approved by the Executive Committee.



Audit Committee Function: Internal Audit

EMERGENCY PREPAREDNESS – ANNUAL PROGRESS REPORT

The report in June 2012 on emergency preparedness and business continuity looked back at the previous year. Recently there had been flooding issues in May 2012 that were separately being addressed. Several Members indicated that they had been unaware of the change in MSDC policy regarding sandbags, and that it had not been communicated to residents. Work was underway to ensure clearer guidance regarding what actions local authorities can take to address flood risk and particularly liaison with local communities. Members also requested that the list of key officers involved in emergency planning be updated, and noted that there were some increased risks associated with ICT disaster recovery.

With regard to the flooding concerns, there was a subsequent recommendation that Flood strategy should be on the agenda for a forthcoming Environment Policy Panel meeting, and it should cover lessons learned from the incident in May. There were some 22 lessons identified and these were actioned and the status updated to the Scrutiny Committee in July and September.

JOINT ANNUAL GOVERNANCE STATEMENT 2011/12

The Joint Annual Governance Statement (AGS) in June was in a new format, which focused on the 'three lines of defence' approach used by a number of other partner councils in Suffolk. Members suggested a number of amendments to the style, format and detailed content of the document including: stronger emphasis on the broad and varied roles of councillors, clearer distinction between the Chief Financial Officer and Section 151 Officer roles, clarification regarding which aspects of procurement were joint or specific to either Babergh or Mid Suffolk, further qualification on the outstanding issues regarding data migration work, and a stronger reference at the end of the document to the forthcoming governance review. Members also asked for some insight into why average sickness levels continue to drop and an explanation of the rationale for having a joint AGS for MSDC and BDC rather than one for each sovereign Council.

Given the changes required, the Scrutiny Committee, in discharging the role of Audit Committee, requested that the AGS be amended to reflect Members' comments, and it was then brought back for approval by Scrutiny Committee at the meeting in July. The Scrutiny Committee queried several aspects of the governance statement, but no further changes were proposed, and the amended AGS was duly approved.

AUDIT PLAN

The Internal Audit team reported in June 2012 on progress that had been made against the Internal Audit Plan for 2011/12. Members' attention was drawn to the £54,000 of income that had been generated from work for other councils. Not all the 2011/12 audits had been completed to plan, partly due to staff absences, however outstanding audits were being addressed within the next few months.

In December a joint Interim Internal Audit Report for 2012/13 was presented, outlining the work undertaken from April to September 2012. Progress had slipped and work had been reprioritised due to staff unavailability and also work on community engagement and the formation of the integrated teams. Members raised questions about several of the audits, which had generally showed controls to be effective, but were particularly concerned at the persistent audit failings

over several years with management of Dangerous Trees, on which a report back to the committee was requested (see the item earlier in this Report).

Looking forward, in March 2013 Members welcomed the revised and updated Internal Audit Charter and Strategy for 2013/14, which was aligned to the new Public Sector Internal Audit Standards. The Committee also approved the Joint Internal Audit Plan for 2013/14, which assumes a similar resource level to last year. In addition to some mandatory audits, there is focus on areas where there are potential opportunities or risks, such as grants and social media, but with flexibility built into the plan to allow for some adjustment later in the year.

SIGNIFICANT BUSINESS RISKS END OF YEAR REPORT

In June 2012 Members endorsed the contents of the Significant Business Risk register and actions being taken, and noted that in future there will be a single integrated register incorporating both Authority specific and shared risks. Members noted that there is ongoing risk regarding the legal claims for reimbursement of search fees.

COMPLAINTS AND COMPLIMENTS REPORT

In June Members also noted the contents of the comprehensive end of year report on complaints and compliments, and the associated Local Government Ombudsman's report, which had not raised any issues. There had been an overall slight increase in complaints, but less so than might have been anticipated due to the integration of staff and services. The most significant areas of complaint related to planning, housing and housing benefit. Members remarked on the persistent issue of complaints regarding communication and delays in responding, and enquired what was being done about this.

It was noted that there is a need to improve on the recording of compliments. Members reiterated what had been actioned last year regarding encouraging heads of service to record compliments in their service areas, as this can be vital for staff morale. It was suggested that a practice from previous years, of displaying complimentary letters in the reception area, could be reinstated. The committee recommended that in future there should be just an annual complaints and compliments report in June, with more focus on the lessons learned and action taken in response to the complaints.

REGULATION OF INVESTIGATORY POWERS ACT (RIPA)

Councils are required to undertake an annual review and scrutiny of their use of their RIPA function. MSDC usage of RIPA is very low, averaging just one a year, and generally associated with benefit fraud. A very satisfactory inspectors report had been received early in 2012. Given the low volumes, it was agreed that the quarterly report to Scrutiny on usage of RIPA would be as an Information Bulletin report (see the item further down in this document) rather than presented as a separate report. The only amendment required to the RIPA policy in June was to update the list of Authorising officers, however in February 2013 Members were notified of changes to legislation which required some further amendments to be made to the Council's RIPA Policy.

QUARTERLY PERFORMANCE MONITORING

In September 2012 the Committee reviewed a quarterly performance report that had previously been presented to the Executive Committee and formed part of the 'Performance Monitoring and Reporting Framework 2012/13'. The Committee agreed it needed to establish whether it could

add value in considering a report that was already being presented to the Executive Committee. It was suggested that Scrutiny Committee might wish to focus on specific areas, eg. those that were under performing, or at those performing very well with a view to this best practice being shared across services if appropriate. It was suggested that a report be brought in six months when more complete information, including trends, would be available for Scrutiny Committee Members to consider and to decide if it wished to receive any further reports.

In March 2013 The Scrutiny Committee noted the organisational performance for the past three quarters. Three areas of underperformance were highlighted as, complaints, housing benefit and council tax benefit. It was noted that the topics reported on were of varying size and significance, and that the performance measures would be reviewed later in the year once the new strategic priority outcomes have been approved. The handling of future performance reports would be impacted by the proposed changes to the Council's governance arrangements and as such no specific recommendations were made.

MANAGING THE RISK OF FRAUD & CORRUPTION

In June 2012 in attendance at the meeting was the Ipswich Borough Council based partnership manager responsible for the joint Benefits Counter Fraud team. This was welcomed by Members, who took the opportunity to raise a number of fraud-management questions. Assurance was given that there is a zero tolerance approach, and the recent drop in fraud referrals due to technical problems would not prevent cases being followed up thoroughly and reflected in the future statistics. The Committee also resolved that in future annually it should receive the Fraud Business Plan in March, and Fraud end of year report in June.

In March 2013 Members noted the 2013/14 business plan produced by the corporate counter fraud partnership, with the main focus being benefit fraud and housing tenancy fraud. The variety of cases meant it was difficult to establish comparative or annual trends. The Committee resolved that the Annual Report for the full year should include information on recovery rates.



Audit Committee Function: External Audit

FUTURE EXTERNAL AUDIT ARRANGEMENTS

In May 2012 the Audit Commission was consulting on the appointment of external auditors for the Council for the next five years following a regional tender. This would result in a 40% reduction in annual audit fees. Different auditors had been proposed for Mid Suffolk (Ernst & Young) and Babergh (PKF), but representations had been invited from councils to have the same auditor, where integration is being considered or implemented. The Scrutiny Committee endorsed the proposed response to the Audit Commission, to request a single auditor for both Councils, with a

preference that this be Ernst & Young. Ernst & Young were subsequently awarded the contract and took over the external audit work from the Audit Commission in October/November 2012.

EXTERNAL AUDIT PLANS FOR 2011/12 AND 2012/13

The change of external auditor from the Audit Commission to Ernst & Young resulted in the external audit planning cycle being brought forward. As such, the Scrutiny Committee, undertaking its Audit Committee function, looked at the external audit plans initially for 2011/12 and then later, for 2012/13, and similarly the certification of claims and returns for both 2010/11 and 2011/12.

In June 2012 the Audit Commission external auditors presented their plan for the 2011/12 audit, in which attention was drawn to the significant audit risks regarding joint management with Babergh, shared revenue service, HRA reform, and reduced funding. The external auditors assured Members that there would be a smooth transition to the new, outsourced audit arrangements later this year. Members also sought assurance from Council officers that they were addressing the issues raised in the external auditor's reports, and an update would be provided on this.

In March 2013 the Committee noted Ernst & Young's plan for the 2012/13 external audit. Significant risks had again been highlighted in relation to the transition to a single management team with Babergh, shared revenue service internal controls, and exit packages. Members welcomed the reduction in the audit fee which at £57k was 40% lower than was charged by the Audit Commission for the previous year.

ANNUAL CERTIFICATION REPORT

In June 2012 the Audit Commission external auditors presented their certification of claims and returns for 2010/11. Members requested more detail on the reasons for the increase in the certification fees compared with the previous year, and requested that additional information be provided to explain any variances greater than £500.

In March 2013 Ernst & Young presented the Annual Certification Report for 2011/12. Of the four claims certified by the Audit Commission / Ernst & Young for the 2011/12 financial year, one had required amending, with significant financial cost impact (£105k); extra internal checks would be done this year to avoid similar future oversights. The certification fees were relatively high due to various internal systems changes that had required additional testing to be undertaken.



Scrutiny Committee Work Planning and Development

SCRUTINY COMMITTEE ANNUAL REPORT 2011/12

Scrutiny Committee Members approved the draft Annual Report 2011/12 in May, remarking that it was very informative and readable, and noting a few minor amendments to incorporate into the final version, which was then approved in July. The final version was formatted with graphics, similar to previous years, and distributed mainly electronically, including to town & parish councils, with a limited number of paper copies on demand and for local libraries.

DRAFT SCRUTINY ANNUAL WORK PROGRAMME 2012/13

In May 2012 Scrutiny Committee approved its draft Annual Work Programme for 2012/13. This annual framework forms the basis of the monthly updated Scrutiny Forward Plan. Members asked about joint services, and the respective remits of the MSDC Scrutiny Committee, the Joint Scrutiny Committee, and the Policy Panels, and stressed the need to avoid any duplication, or omission, of important scrutiny topics. It was noted that some externally facilitated work will be starting in July, looking at addressing various governance and constitutional issues, and the decision making processes, in Mid Suffolk and Babergh councils. In July the Annual Work Programme 2012/13 was approved, with just one minor amendment to include the change of quarterly RIPA reporting.

GOVERNANCE CHANGES AND FUTURE MEETINGS

The MSDC Scrutiny Committee meeting that had been scheduled for 2 May 2013 was cancelled, due to the County Council elections being held that same day. Further meetings and the structure and work plan of the MSDC Scrutiny Committee would be dependent on the outcome of the constitutional change proposals which went to Full Council on 11 and 25 April 2013.



Information Bulletins

Information Bulletins were introduced early in 2011 following the Suffolk County Council divestment and budget cuts programme, to keep Mid Suffolk Members up to date with further developments. The regular Information Bulletin has proved to be a useful vehicle for updating Members on the progress of ongoing key issues, and giving opportunity for action to be recommended. The Annual Work Programme 2012/13 put some further structure around the Information Bulletins to enable quarterly or six-monthly information updates to be scheduled and planned ahead.

During the year there were Information Bulletin entries covering:

- Rural Transport
- Flood Risk Management and Lessons Identified

- Accommodation Strategy Call-In at BDC.
- Benefit Fraud Investigation Service
- Customer Service Provision
- Recommendations and Outcomes from Scrutiny
- Education and Schools
- Suffolk County Council Divestment and Budget Cuts
- Health and Wellbeing
- Local Strategic Partnership
- Fuel Poverty Review Time plan
- Stowmarket Rail Station Forecourt Improvements
- Quarterly Internal Report on the Use of RIPA
- External Auditor Annual Report Update
- Internal Audit Update

As these were not scrutiny reviews, Members were encouraged to follow up any questions on these information items directly with the named officers in the bulletin. However there was discussion in the December meeting of a long standing issue with regard to parish plans, which resulted in the Scrutiny Committee making a recommendation, which was subsequently unanimously endorsed by the Executive Committee, that a timeframe be established for preparation of written advice to Members and Parishes on how Parish Plans are going to be a material consideration in the planning process, and for arrangements to support preparation of Neighbourhood Plans.

Councillor Call for Action (CCfA)

The Local Government and Public Involvement in Health Act 2007 introduced new powers for Councillors to enable them to tackle local problems on behalf of their constituents. The 'Councillor Call for Action' (CCfA) process provides a clear route for the public to raise issues informally with their ward councillor. If a ward councillor is not able to resolve the matter directly, or through officer contacts, it can be considered ultimately by the Scrutiny Committee.

There was just one CCfA request received during 2012/13, on the subject of the National Cycle Route (NR51) where it crosses the Camping Lane in Stowmarket Central Ward. The CCfA was received in April 2013 and was being taken forward in line with the CCfA protocol (accessible on the Council's website) and also aligned with the proposed new constitutional governance and committee structure.

Call-In

This is the term used when a decision made by the Executive Committee, but not yet implemented, is referred to the Scrutiny Committee for consideration. The Committee can then look at the issue in more detail and question the decision-maker. Once the decision has been considered it will either be referred back to the Executive for reconsideration in the light of new evidence or confirmed for implementation. There were no call-ins received during 2012/13.

Petitions

In July 2010 the Council updated its Petitions Process in line with the forthcoming legislation, including the use of e-petitions. The potential role of the Scrutiny Committee in the Petitions Process was two-fold:

- A Petition to hold an Officer to Account. The Council has determined that such petitions must relate to the Chief Executive, Corporate Directors or a Head of Service of the Authority. Petitions to hold an officer to account would be reported to the next convenient meeting of Scrutiny Committee.
- Appeal to Scrutiny Committee. If the petition organiser is not satisfied with the outcome of the Council's consideration of his/her petition, he/she may appeal to Scrutiny Committee by notifying one of the Corporate Directors at the Council's offices of his/her intention to appeal within 10 working days of being notified of the authority's decision. The Committee will consider the appeal at the next available meeting after its receipt.

However, as was the case in the previous year, no petitions were referred to Scrutiny Committee in 2012/13.



Development and Training

Due to the ongoing staff integration and re-organisation, there was limited capacity to arrange further training and development for the Scrutiny Committee during the year. However, in June some helpful documentation was distributed to the Scrutiny Committee members:

- Relating specifically to the Audit Committee role, a comprehensive list of prompts for considerations, and key questions to be asked, whilst discharging the role of the Audit Committee. This was previously sent to Scrutiny Committee members in January 2012
- Relating more generally, regarding successful scrutiny, the Centre for Public Scrutiny (CfPS) had recently announced the 2012 awards for good scrutiny, and these case studies had been published in a document 'Successful Scrutiny 2012', which was emailed to the Committee members.

It was proposed to organise some further training associated with Treasury Management, including involvement of the Treasury advisers (Arlingclose) however this is yet to be arranged.



ANNEX A**SUMMARY LIST OF THE 2012/13 SCRUTINY COMMITTEE REVIEWS**

Month	Topic
24 May 2012	<ul style="list-style-type: none"> ● Quarterly update on use of RIPA ● Future External Audit Arrangements ● Draft Scrutiny Annual Report 2011/12 ● Draft Scrutiny Annual Work Programme 2012/13
28 June 2012	<ul style="list-style-type: none"> ● External Audit Plan – Mid Suffolk District Council 2011/12 ● Certification of Claims and Returns – Annual Report for Mid Suffolk District Council 2010/11 ● Joint Annual Governance Statement 2011/12 ● Emergency Preparedness – Annual Progress Report ● Value for Money Report - update on procurement and commissioning in Mid Suffolk ● Year end report against Audit Plan for 2011/12 ● Significant business risks end of year report ● Complaints And Compliments Report ● Information Bulletin: <ul style="list-style-type: none"> ○ Rural Transport. ○ Suffolk Flood Risk Management Joint Scrutiny Panel. ○ Accommodation Strategy Call-In at BDC. ○ Benefit Fraud Investigation Service - Briefing Note. ○ Update on perceived Customer Service Provision. ○ Recommendations and Outcomes from Scrutiny.
26 July 2012	<ul style="list-style-type: none"> ● Review of MSDC Travel Policy and Usage (including vehicle fleet) ● Update on S.106 Developer Contributions ● RIPA Annual Review ● Joint Annual Governance Statement 2011/12 ● Scrutiny Committee Final Annual Report 2011/12 ● Scrutiny Annual Work Programme 2012/13 ● Information Bulletin: <ul style="list-style-type: none"> ○ Education and Schools – 6 Monthly Update ○ Suffolk County Council Divestment and Budget Cuts ○ Health and Wellbeing ○ LSP ○ Flooding Debrief: Lessons Identified – Status Update ○ Fuel Poverty Review: Time plan Update
22 August 2012	Meeting cancelled – no Call Ins
26 September 2012	<ul style="list-style-type: none"> ● Scrutiny Review of the Outsourced Housing Provision Service – Review of Norfolk Property Services (NPS) ● Western Suffolk Community Safety Partnership: Annual Update ● Strategic and Financial Planning Process ● Annual Report on Treasury Management for 2011/12 ● Performance Monitoring Quarter One 2012/13 – Balanced Scorecard as at 30 June 2012

Month	Topic
	<ul style="list-style-type: none"> ● Information Bulletin: <ul style="list-style-type: none"> ○ Rural Transport ○ Stowmarket Rail Station Forecourt Improvements ○ Benefit Fraud Investigation Service – Further Update ○ Flooding: Lessons Identified – Status Update
1 November 2012	<ul style="list-style-type: none"> ● Mid Year Report on Treasury Management 2012/13 ● Scope and Objectives for Scrutiny of Rural Transport ● Information Bulletin including: <ul style="list-style-type: none"> ○ Health and Wellbeing ○ Quarterly Internal Report on the Use of RIPA
6 December 2012	<ul style="list-style-type: none"> ● Joint Interim Internal Audit Report 2012/13 ● Information Bulletin including: <ul style="list-style-type: none"> ○ External Auditor Annual Report Update ○ Recommendations and Outcomes from Scrutiny
3 January 2013	<ul style="list-style-type: none"> ● S106 Expenditure Report ● Information Bulletin including: <ul style="list-style-type: none"> ○ Education and Schools 6 Monthly Update ○ Health and Wellbeing ○ LSP ● Outsourced Housing Provision Service – Updated Review of NPS Performance against Contract [<i>Public exempt discussion</i>]
31 January 2013	<ul style="list-style-type: none"> ● Scrutiny Review of the Outsourced Leisure Service (SLM) ● 2013/14 Draft Budget Review ● Treasury Management Strategy 2013/14 ● Information Bulletin including: <ul style="list-style-type: none"> ○ Quarterly Internal Report on use of RIPA ○ Internal Audit Update
28 February 2013	<ul style="list-style-type: none"> ● Scrutiny Review of Transport and Access in Rural Mid Suffolk ● Dangerous Trees Audit - Update ● Update on Amendments to RIPA Policy ● Discharging the Equality Duties
28 March 2013	<ul style="list-style-type: none"> ● External Audit Plan – 2012/13 ● Annual Certification Report - 2011/2012 ● Managing the Risk of Fraud & Corruption – Annual Report for 2012/13 ● Audit Services’ Charter and Strategy - 2013/14 ● Joint Internal Audit Plan 2013/14 ● Performance Monitoring Quarter Three 2012/13 – Balanced Scorecard as at 30 December 2013 ● Transport and Access Review 28 February 2013 – Next Steps
2 May 2013	Meeting cancelled

