

**THE MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE**

HELD ON THURSDAY 14 JUNE 2007

Present:- Councillor G. Pinkney (Chair)
Councillors B. Bates, Mrs. G.
Bleasdale, R. Davison, G. Johnson,
K. McGonnell and B. Quinn

Apology: Councillor E. Bell

1. **THE MINUTES OF THE LAST MEETING** held on 26th April 2007, together with those of the **SPECIAL MEETING** held on 4 June 2007, copies of which had been circulated to each Member, were confirmed.

2. **STATEMENT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE**

Consideration was given to the report of the Audit Manager on the Statement on Internal Control, a copy of which had been circulated to each Member.

P. Clark, Senior Auditor explained that the Accounts and Audit Regulations 2003 had introduced a requirement on local authorities to publish a Statement on Internal Control and Corporate Governance with the Annual Statement of Accounts.

In order to produce this, the Council must have in place a framework that could give assurance that its systems of internal control were working effectively. The report set out how this should be developed and the implications for Internal Audit and the Audit Committee.

P. Clark explained that in order to have an assurance that the system of internal control was effective, the Council was required to conduct at least an annual review of the effectiveness of controls and to identify which were key in mitigating against significant risks to the achievement of the Council's agreed objectives. The Council needed to obtain an assurance that the controls were operative effectively and identify areas where improvement was required. Based on the output of this process, a Statement on Internal Control was prepared that summarised the position together with any action required and this was detailed in Appendix 1 to the report.

He pointed out that the reference made in the section in the Statement relating to the review of effectiveness should read that there were three and not four Scrutiny Committees.

RESOLVED that approval be granted to the production of the Statement on Internal Control for the District of Easington for 2006/2007.

3. **USE OF RESOURCES AUDITOR JUDGEMENTS 2006 - FEEDBACK**

Consideration was given to the report of the Director of Finance and Corporate Services on the Use of Resources Auditor Judgements 2006, a copy of which had been circulated to each Member.

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T Bell, Director of Finance and Corporate Services reported that the Annual Audit and Inspection Letter made reference to the Council's arrangements for Use of Resources which had been scored as 3 from 4 showing that it was working above minimum requirements and performing well in most areas.

The report acknowledged that the Council's financial management arrangements had been improved and strengthened when compared to the previous year and the Audit Commission had suggested key actions to further strengthen its position. In implementing these key actions, the Council had continued to develop partnership arrangements, had surveyed a wide range of stakeholders on whether or not to prepare an Annual Report and the Asset and Property Management Unit was currently being reviewed which should provide additional resources to tackle outstanding issues.

Attached to the report was the Use of Resources Feedback Report for 2006 which gave further details on the assessment, suggesting areas where the Council may be able to improve its position.

The themed scores were summarised in the report and Appendix 1 of the Feedback Report informed the Council of changes to the Key Lines of Enquiry which the Audit Commission used in the assessment. He was confident that the changes would not adversely affect the Council's position.

The report also gave details of how the Council was performing nationally and at a regional level T Bell explained that eight authorities from thirteen had improved their scores, with ten authorities including Easington assessed as working above minimum requirements and performing well, which was very positive for the region.

RESOLVED that the information contained within the report, be noted.

4. END OF YEAR PERFORMANCE REVIEW/BEST VALUE PERFORMANCE PLAN

Consideration was given to the report of the Principal Corporate Development Officer on the End of Year Performance Review/Best Value Performance Plan, a copy of which had been circulated to each Member.

The report provided an overview of the Council's performance during 2006/2007, reported on the progress of the Performance Improvement Teams, suggested mechanisms for making improvements in certain areas and sought approval to the publication of the Best Value Performance Plan.

M Readman, Principal Corporate Development Officer referred to the following minor amendments to the Best Value Performance Indicators (BVPIs) in Appendix 1:-

BVPI 79b - % recoverable overpayments recovered this year – targets should read 60% for 2007/8, 65% for 2008/9 and 70% for 2009/10

BVPI 86 – cost of waste collection per household – the result for Easington for 2006/7 should read £43.20.

She explained that as an excellent authority, one of the ways the Council was assessed by the Audit Commission in line with the current CPA methodology was by means of identifying improvement and service performance through the relevant indicator data set. It was important, therefore, to continue to make

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progress in those areas identified for improvement and to continue to measure how well the Council was doing in delivering its aims in terms of the targets it had set itself against the nine corporate objectives in the Corporate Plan.

The report therefore presented a high level summary of performance in the BVPI's, local performance indicators and the Corporate Plan.

She explained that during 2006/2007 the Council had been required to carry out user satisfactory surveys in Planning, Housing, Benefits Administration and General (which included street cleaning, refuse collection, open spaces, leisure facilities and tackling anti-social behaviour). These surveys were conducted nationally every 3 years and formed part of last years BVPI data set.

The results of the satisfaction surveys were summarised in the report, and the emerging issues and detailed information relating to each would be subject to a further more detailed report.

Overall, the satisfaction levels of residents had risen since 2003/2004 when the full surveys were last completed, however, the results showed a decline in Benefits and Planning. With regard to Benefits, particularly BVPI 80f -satisfaction with time taken for benefits decisions, she explained that this was a disappointing result as turnaround was now 29-30 days, a huge improvement from previous years performance. Benefits satisfaction was an area that had been identified for attention in 2007/2008 and progress reports would be submitted during the year.

Nationally, she advised that there had been a downturn in satisfaction rates overall, therefore Easington's performance was positive across the board. There had been significant increases in satisfaction in some areas, most notably, cleanliness, recycling and housing.

With regard to overall performance, a full table of BVPIs was included as appendix 1 showing the 99 indicators that the Council could track progress against including the 19 user satisfaction indicators.

The picture showed a continuing upward trend for 2006/2007 with a large number of indicators improving in performance, however, the number of BVPI's showing a decline had unfortunately increased. The Unit had considered the process of target setting and had reviewed the way targets were agreed to try and show a more realistic approach. In addition, Managers would agree quarterly target setting in order to more closely monitor performance and identify where problems occurred during the year. Future reporting on performance would capture the quarterly target approach.

It was very pleasing to note that during 2006/2007 the Council had moved into the top quartile in the following indicators:-

- BVPI 4 Complainants satisfied with the handling of their complaint
- BVPI 11c Top 5% of earners with a disability
- BVPI 14 Employees retiring early
- BVPI 90a Satisfaction with the waste collection service
- BVPI 218b Removal of abandoned vehicles
- BVPI 166 Enforcement best practice checklist for Environmental Health
- BVPI 203 Change in families placed in temporary accommodation under the homelessness legislation
- BVPI 91a and 91b Population served by a kerbside collection

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BVPI 219b Current character appraisals for conservation areas
BVPI 66a Rent collected

The quartile position in 2006/7 compared with those of the previous three years showed that the Council had almost doubled its number in the top quartile, average performance remained at the same level but the number in the bottom quartile had risen.

Last year's performance washup report highlighted a number of areas where service improvements were necessary and 8 areas of performance had been given particular attention during 2006/2007. A number of measures had been introduced in these areas to address poor performance. The report summarised the action taken and the resulting outcomes in each of the following BVPIs:-

BV156 Accessibility to public buildings to people with a disability
BV199 Proportion of relevant land/highway that was assessed as having combined deposits of litter and detritus.
BV82a and BV82b Percentage of total tonnage of household waste arising which had been recycled and sent for composting.
BV84 Number of kilograms of household waste collected per head.
BV86 Cost of waste collection per household
BV109 Planning application turnaround.

To summarise 6 of the 8 poor performance indicators had improved, 7 had achieved, and in most cases, significantly exceeded the targets set for them. 3 had moved from bottom quartile position and 1 was in top quartile position. These results showed that targeting specific performance indicators and focussing effort, paid dividends.

As an excellent authority, the Council aimed to have 52% of indicators in the top quartile by 2010. Management Team had agreed which of these would be driven forward and these were set out in Appendix 2, together with associated targets.

With regard to those that were in the bottom quartile, there were now 26 in total and the report gave details of each of these highlighting those which had dropped into the bottom quartile this year. M. Readman briefed Members on these and in response to a Member query concerning BVPI 212 - average time taken to re-let Council homes, she advised that East Durham Homes had set up Performance Improvement Teams to look at housing indicators which needed particular focus to drive improvement. Progress on this would be reported throughout the year. She added that this BVPI also included long-term void properties where decisions were awaited on whether they should be re-let. With regard to BVPI 184a and b relating to non-decent homes she advised that performance would remain in the bottom quartile unless investment was secured.

For 2007/2008 Management Team had recommended that the following eight areas of poor performance be identified for specific attention:-

BVPI 156 Buildings accessible to people with a disability;
BVPI 82a and b % of and total tonnage of household waste recycled
BVPI 84 Kgs of household waste collected;
BVPI 109a, b and c Turnaround time for planning applications (major, minor and other);

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BVPI 66b Council tenants with more than 7 weeks of rent arrears;
BVPI 66c Council tenants in arrears with notices seeking possession;
BVPI 212 Average re-let times for Council-owned homes;
Satisfaction indicator relating to the overall benefits service.

M. Readman then proceeded to outline performance in relation to local PI's which reflected the key areas of work for Easington, either where there were no applicable national BVPI's or where it was felt that local indicators gave more context to national indicators. Of the 19 indicators within the data set, five had improved. Appendix 3 provided a full set of these local indicators. It was worth noting successes in prosecutions for littering, numbers of burnt out vehicles and tackling sites containing graffiti, as detailed in the report. Unfortunately, with regard to the indicator relating to standard searches carried out in ten working days, performance had dropped from 84% to 76% and this was a particular concern due to the introduction of Home Improvement Packs later this year. This would continue to be monitored.

With regard to the Corporate Plan, she explained that the 2004/2005 Corporate and Performance Plan Priority Delivery Plan contained 144 targets, the majority of which had been achieved. Appendix 4 to the report provided a full list of the targets and performance. The areas where improvements still needed to be made were achieving a 2 star housing service, fully implementing the revised Community Engagement Strategy and improving access to buildings and these would be incorporated into the new Corporate Plan. Work on the Plan for 2007/10 was almost complete and would be submitted to Executive and full Council for approval.

In accordance with the Local Government Act 1999, the Council had a duty to prepare and publish an annual Best Value Performance Plan (BVPP). The content, timing and scope of the Plan was prescribed within a guidance document from the ODPM, although the requirements were reduced for good and excellent authorities. As the information required for the BVPP was contained within the report under consideration which must be published by 30 June 2007, it was recommended that it be used as the basis for the publication of this Year's Plan.

RESOLVED that

- (a) the information on the performance against the BVPIs, local indicators and Corporate Plan, be noted;
- (b) the 8 Indicators identified within the report be made the focus of Performance Improvement Teams and their progress be monitored and reported back to Management Team, Executive and the Audit Committee on a quarterly basis;
- (c) the report be used as the basis for the publication of the Best Value Performance Plan.