

THE MINUTES OF THE MEETING

OF THE AUDIT COMMITTEE

HELD ON THURSDAY 13 DECEMBER 2007

Present: Councillor G Pinkney (Chair)

Councillors B Bates, Mrs G Bleasdale,
R Davison, G Johnson and B Quinn

1 **THE MINUTES OF THE LAST MEETING** held on 15 November 2007, a copy of which had been circulated to each Member, were confirmed.

2 **AUDITORS REPORT ON THE BEST VALUE PERFORMANCE PLAN**

Consideration was given to the report of the Principal Corporate Development Officer which presented the Audit Commission's Report on the Council's 2007 Best Value Performance Plan, a copy of which had been circulated to each Member.

M Readman, Principal Corporate Development Officer advised that this years Best Value Performance Plan contained both the statutory performance information from the last year, together with targets for the next two years and a statement in relation to contracts.

The Audit Commission's Report had now been received and it concluded that the Council's Best Value Performance Plan for 2007 complied in all respects with the relevant legislation and statutory guidance.

A copy of the Report was attached at Appendix 1 for Members' consideration.

RESOLVED that the information given, be noted.

3 **QUARTERLY PERFORMANCE REPORT AGAINST BEST VALUE PERFORMANCE INDICATORS (BVPIs) AND THE LOCAL INDICATORS**

Consideration was given to the report of the Principal Corporate Development Officer which gave details of performance against BVPIs for the second quarter of 2007/8, a copy of which had been circulated to each Member.

M Readman, Principal Corporate Development Officer advised that there were 95 statutory BVPIs against which the Council was required to measure progress and a full performance table up to the end of September 2007 was attached to the report at Appendix 1. Of these, 21 were satisfaction indicators measured every three years and 16 were either reported annually, were cumulative or with no data this quarter leaving 58 on which the Council could currently track progress.

81% of these indicators were improving or static in top quartile position compared to 71% in the same period last year, showing a continued positive direction of improvement. The remaining 19% had declined in performance since the year ended 2006/7.

The overall picture therefore was very positive and the Council was in a stronger position than at the same point last year. In pinpointing areas which may require further attention there was a need to consider those indicators which had either declined from year end or which were significantly deviating from the mid year

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target. In order to focus on areas of particular concern these indicators had been assessed according to certain criteria, as detailed in the report.

Accordingly, the following indicators had been selected as needing further consideration at the mid year point:-

- BV12 average number of days lost to sickness absence
- BV126 domestic burglaries
- BV200b plan making: achievement of LDS milestones
- BV79bi housing benefit overpayments recovered
- BV199d fly tipping incidents/enforcement

It had been agreed that the Directors responsible for these would continue to closely monitor the indicators and agree any further actions deemed necessary at this stage to improve performance.

In response to Members queries in relation to these indicators M Readman advised that the performance of BV12 in relation to sickness absence was as a direct result of the high number of long term sick cases at present. Notwithstanding this, the Council was performing well in comparison with other districts and an improvement in performance should be evident in the next quarterly report. With regard to BV79bi - housing benefit overpayments recovered, she advised that the Council had excellent enforcement procedures in place to recover overpayment through fraudulent claims. A further examination of BV199d - fly tipping incidents/enforcement had shown that performance had improved by the end of November 2007 and the Council was now achieving level 1 (very effective).

The report also gave details of the 14 indicators which had previously achieved top quartile position and which the Council intended to maintain during the current year, and other than fly tipping all were currently on track to maintain this positioning. 13 BVPIs had been identified to move into the top quartile during 2007/8 and M Readman explained that after the first six months these were generally on track to meet expectations other than BV12 - average working days lost due to sickness and BV166a - rent collected, which needed attention.

Of the 9 areas identified for additional focus by means of a Performance Improvement Team, 7 were on target to hit the expected year end performance. The indicator relating to satisfaction with the overall benefits service was to be measured again and the planning indicator BV109c – other planning applications, was only slightly below the Council's target. The Performance Improvement Team was specifically focussing on this indicator to close the gap with the set and progress would be reported in the next performance report.

In relation to BV156 - DDA compliance, public buildings, she explained that the year end target of 42.25% had now been met. The remaining non-compliant buildings were day centres and survey work on condition and usage was being carried out prior to any DDA works being agreed.

Appendix 2 to the report gave details of the Council's local indicators and M Readman highlighted performance in relation to housing, community safety and searches.

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In response to a further question, M Readman confirmed that there was no statutory BVPI relating to planning enforcement, and would have to be introduced as a local indicator if required. However, for information she added that, as part of the Comprehensive Spending Review, the Government was to introduce a new national indicator set from 1 April 2008 which would replace all the existing BVPIs. The new indicators would be very much outcome focussed.

To conclude, it was considered that the half year figures for 2007/8 showed a continued picture of improvement in line with the targets set. The Council's services needed to maintain this trend throughout the rest of 2007/8. Members were pleased with the positive progress made in relation to both the statutory BVPIs and the local indicators.

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

4 STATEMENT ON INTERNAL CONTROL - FOLLOW UP

Consideration was given to the report of the Audit Manager which updated Members on progress made on the actions identified in the Council's Statement on Internal Control (SIC) for 2006/7, a copy of which had been circulated to each Member.

The Audit Manager advised that the Accounts and Audit Regulations 2003 introduced a requirement on local authorities to prepare a Statement on Internal Control to be included with the annual statement of accounts. The Audit Committee was responsible for obtaining and reviewing the various assurances through Audit reports.

The following internal control issues were identified for 2006/7 and the agreed action recorded:-

"that the actions required within East Durham Homes (EDH) Service Improvement Plan are effectively monitored to achieve a 2 star rating from the Housing Inspectorate".

In accordance with Internal Audit's procedures a follow up had recently been carried out where it was established that a report on the improvements made to achieve the 2 star rating had been presented and approved by EDH Corporate Committee on 6 December 2007, through an internal audit follow up on the SIC for EDH.

To conclude, he advised that the SIC was an important document for the Council to enable the Audit Committee to give assurances that there were proper governance arrangements and systems in place. The issues identified did show the weak areas that needed to be redressed during the year and actions had been implemented.

RESOLVED that the progress on the outstanding issue from the SIC, be agreed.