

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

HELD ON THURSDAY 14 FEBRUARY 2008

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

Apology: Councillor E Bell

1. **THE MINUTES OF THE LAST MEETING** held on 17 January 2008, a copy of which had been circulated to each Member, were confirmed.

2. **ANNUAL GOVERNANCE STATEMENT**

Consideration was given to a briefing paper received from the Audit Commission in connection with the Annual Governance Statement, a copy of which had been circulated to each Member.

J. Dafter, Audit Manager and C. Eddowes, Principal Auditor from the Audit Commission were in attendance to brief Members, and the purpose of the briefing paper was to bring to the Committee's attention, changes to the control environment and the Statement of Internal Control.

C. Eddowes explained that the revised framework would, from this year, require the Council year to prepare an Annual Governance Statement. This subsumed the previous requirement to produce an annual Statement of Internal Control.

The Governance Statement expanded upon the current Statement of Internal Control and brought together all areas of the governance process. The Statement covered all significant corporate systems, processes and controls spanning the whole range of the Authority's activities, details of which were set out in the briefing paper.

The Auditor's role in reviewing the Governance Statement would be directed at checking the completeness of the disclosures made and that they were consistent with the information drawn from their work on the financial statements, use of resources assessments and other work.

Following discussion it was **RESOLVED** that the information contained within the Audit Commission briefing paper, be noted.

3. **QUARTERLY PERFORMANCE REPORT AGAINST BEST VALUE PERFORMANCE INDICATORS (BVPIs) AND THE LOCAL INDICATORS - THIRD QUARTER 2007/2008**

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

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M. Readman, Principal Corporate Development Officer advised that there were 95 statutory BVPI's against which the Council was required to measure progress and a full performance table up to the end of December 2007 was attached to the report as Appendix 1. Of these, 21 were satisfaction indicators measured every 3 years and 16 were either reported annually, were cumulative or with no data this quarter, leaving 58 indicators on which the Council could currently track progress.

72% of these indicators had improved since the year end 2006/7 or remained static in the top quartile, showing a positive picture of improvement, particularly with regard to the indicators relating to litter and detritus, planning and benefits. 15% of the trackable indicators had declined in performance since the year end 2006/7.

The overall picture in terms of both improvements since the year end and in relation to the quarterly targets the Council had set in order to meet the required levels by the year end looked very positive. The Council appeared to be in an even 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 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 in relation to the decline in performance after 9 months:-

- BV12 - the average number of days lost to sickness absence
- BV126 - domestic burglaries
- BV200b - plan making: achievement of LDS milestones
- BV199d - fly tipping incidents/enforcement
- BV218a - abandoned vehicles investigated within 24 hours

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

With regard to BV12 relating to sickness absence, M. Readman reported that since the report had been written, updated information showed that there had not been an increase in the number of employees affected by colds and flu in December 2007 and January 2008, but there had been an increase over the whole year. She added that there had also been an increase in the numbers of employees absent due to stress. Strict monitoring would continue across all service areas and would be subject to detailed discussion at Resources Scrutiny Committee. The figures were currently being examined to pinpoint areas where additional focus was required to improve performance. Notwithstanding this, performance compared favourably with other authorities, and the Council was one of the best performers in the County in terms of the number of days lost due to sickness absence.

The report also gave details of the 14 indicators which had previously achieved top quartile positioning and which the Council intended to maintain during the current year. Other than BV218b - abandoned vehicles removed within 24 hours and 199d - fly tipping performance, all were currently on track to maintain top quartile positioning.

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13 BVPIs had been identified to move into the top quartile during 2007/8 alongside indicators already achieving top quartile performance. After nine months the picture showed that these indicators were generally on track to meet expectations with the exception of BV218a - abandoned vehicles investigated within 24 hours, BV12 - average working days lost due to sickness and BV109c - other planning applications determined within 8 weeks.

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. In respect of the 2 indicators not on target, M Readman explained that a further benefits satisfaction survey would be carried out before the year end and performance would be measured again at this time. The other indicator concerning determination of other planning applications was only slightly below target. Current performance was 89.72% against a target of 92%. The Government target for this indicator was 80%.

She then proceeded to brief Members on the local indicators, details of which were shown in Appendix 2 to the report. M. Readman highlighted performance in relation to housing, community safety and searches.

To conclude, it was noted that the figures for the third quarter of 2007/8 showed a continued picture of improvement in line with the targets set. It was hoped that the Council's services would maintain this trend throughout the final quarter of this year to return a very positive set of results for 2007/8.

Members discussed performance in relation to BV212 - average time taken to re-let Council dwellings. A Member stated that whilst performance was improving in this area, he considered that 42 days to re-let a property was excessive, particularly in terms of loss of income. M Readman stated that there had been a real focus on this over the last year by EDH which had resulted in a reduction in turnaround times of 18 days. This was a positive achievement although the Company did appreciate that there was still a lot of work required to continue to reduce the length of time taken to re-let a void property. Members were concerned that long-term voids had to be included in this indicator which they felt did not provide a true reflection of performance. M Readman appreciated Members' concerns adding that EDH had developed a local indicator for long term voids, details of which could be provided for the Committee.

A Member made reference to the quartile positioning of certain indicators such as BV11a - percentage of top 5% of earners who were women and BV11b - percentage of top 5% of earners from ethnic minority communities, and asked how the Council was realistically able to influence performance in these areas. M. Readman confirmed that these areas were difficult to influence and the Council was currently examining practices and procedures across the whole authority to ensure that the Council continued to be a good equal opportunities employer. Equality Impact Assessments were being carried out which should highlight any areas where the Council may need to focus attention. She added that employee turnover at the Council was low which did have an impact on performance. A new national indicator set was to be introduced from 1 April 2008 which was very much outcome focussed and these indicators would not be included.

In response to a similar query concerning BV126 – domestic burglaries per 1000 households and % detected, she explained that this would form part of

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the new indicator set but would be reported through the Community Safety Partnership rather than the Council.

A Member raised individual queries in relation to East Durham Homes policies concerning homelessness and medical assessments. It was suggested that the Member direct her concerns to the Head of Housing Strategy.

Following discussion it was **RESOLVED** that the information contained within the report, be noted and performance information in relation to the EDH local indicator for long-term voids be submitted to the next meeting of the Committee for information.

JE/CB/COM/AUDIT/080200
20 February 2008