

**THE MINUTES OF THE MEETING OF THE
AUDIT SCRUTINY COMMITTEE
HELD ON MONDAY 12TH SEPTEMBER, 2005**

Present: Councillor G. Pinkney (Chair)

Councillors A. Collinson, R. Davison, H. High,
M. Nicholls, B. Quinn and P. Stradling

Also present: Councillor D. Myers - Executive Member for E-government and
Scrutiny Liaison

S. Sidhu - IDeA

1. **THE MINUTES OF THE LAST MEETING** held on 18th July, 2005, a copy of which had been circulated to each Member, were confirmed.
2. **THE MINUTES OF THE MEETING OF THE EXECUTIVE** held on 30th August, 2005, a copy of which had been circulated to each Member, were submitted.

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

3. **MATTERS ARISING FROM THE MINUTES**

- (i) **General Fund/Housing Revenue - 2005/2006 Monitoring Statement (Minute No. 4 refers)**

A Member made reference to the levels of reserves which the Director of Finance and Corporate Services had reported was expected to reach around £3.2 million. The Member accepted that there was a need to be cautious and not commit all reserves at present, but requested an assurance that a Plan was in place to ensure that £1.5 million was fully utilised.

RESOLVED that the Director of Finance and Corporate Services be invited to the next meeting to discuss the matter.

4. **PUBLIC QUESTION AND ANSWER SESSION**

There were no members of the public present.

5. **WORK PROGRAMME ISSUES**

- (i) **Internal Audit Progress Report 2005/2006**

Consideration was given to the report of the Audit Manager which gave details of progress made in completing the 2005/2006 Audit Plan, a copy of which had been circulated to each Member.

Appendix 1 to the report summarised the planned audit work completed by Internal Audit in the following areas:-

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Chair's Charity Account
Council House Sales
Assisted Car Purchasing/Car Leasing
Care and Repair

The objectives of each audit were shown, together with the conclusions and recommended actions agreed by the Auditees. Appendix 2 to the report showed a list of all the planned audit work currently in progress.

In response to a question relating to mechanisms in place to ensure that actions agreed had been implemented by the Auditee, the Audit Manager advised that a follow up was carried out three months after each audit.

RESOLVED that the information given, be noted.

(ii) Care and Repair Service - Owner Occupier/Landlord Contributions

Consideration was given to the report of the Audit Manager, which gave details of an audit carried out on the payment of owner occupiers/landlords contributions for the Housing Group Repair Grant Schemes, a copy of which had been circulated to each Member.

The Audit Manager provided Members with a background to the role of the Care and Repair Agency and the different grants available. Group Repair Grants were part of the renewal area process for improvements to be made to a block or terrace of houses that had a common disrepair.

The report provided full details of the investigation. It was found that there had been a failure to ensure that adequate agreement/consent forms had been in place at the commencement of the works which had allowed the owner occupiers/landlords not to fully contribute payment to their share of the work carried out for Group Repair Schemes which had meant that the Council:-

- (i) had difficulty in pursuing legal action and following up payment for the outstanding debts;
- (ii) had enabled some owner occupiers/landlords to pay off their debts over a longer than expected time with a small cost to the Council;
- (iii) had not obtained full contribution from the owner occupiers/landlords for the additional works identified by the contractor.

Owner occupiers/landlords contribution agreement/consent forms for Dawdon Phase 3 had been signed but had not been approved by the Council's Legal Section, however, the form had subsequently been approved.

It was recommended that the procedures to ensure that the arrangements for owner occupiers/landlords to pay any contributions towards payments of grants for housing repairs should be strengthened.

Members discussed the investigation in detail and in response to Members' questions the Head of Housing Strategy confirmed that the audit did represent the total of works completed. In order to establish exactly what had happened and how to progress he had discussed the matter at length with residents, his own staff and East Durham Homes. He considered that the situation had arisen as a result of the working arrangements between the Care and Repair

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Agency, the District of Easington and the contract administrator and steps had been taken to ensure that the situation did not happen again. In addition, as a result of the audit it was proposed to review the Private Sector Renewal Policy and scrutiny would be involved in this process.

A Member asked if an initial contribution could be made prior to the works being carried out. The Audit Manager replied that this had been considered but had been decided against, however agreement to pay contribution forms must now be signed by the owner occupiers/landlords before any works commenced.

A further Member expressed his concern that there was no evidence that reference had been made to the Council's Procurement Strategy.

Members felt that the situation should be closely monitored and asked for an update in three months.

Following much discussion it was **RESOLVED** that the procedures to ensure that the arrangements for owner occupiers/ landlords to pay any contributions towards payments of grants for housing repairs be strengthened by:-

- ensuring that agreement to pay contribution forms were signed by the owners/landlords before any work commenced;
- ensuring that any future agreement forms had been approved by the Council's Legal Section;
- ensuring that the agreement included a payment for any additional work that had been agreed between the contractor and the owner/landlord;
- the owner/landlord sign a declaration that they would make provision to pay the contributions in full to the Council.

FURTHER RESOLVED that an update be provided to Audit Scrutiny Committee in three months time.

(iii) **Quarterly Performance Report Against Best Value Performance Indicators (BVPIs)**

Consideration was to the report of the Assistant Chief Executive which gave details of the Council's performance against BVPIs for the first quarter of 2005/2006, a copy of which had been circulated to each Member.

This report was the first routine quarterly performance report of 2005/2006 and provided the latest information in relation to the Council's overall performance in terms of BVPIs and also gave details of the current position in relation to the 11 areas earmarked for specific attention during the year.

For 2005/2006 the Principal Corporate Development Officer explained that there were 97 statutory BVPIs against which the Council was required to measure progress. Of these 46 were either new indicators with no comparative data, were satisfaction indicators only measured every three years, were only measured annually or there was currently no data available to measure them. This left 51 indicators on which the Council could currently track progress on a quarterly basis. A full performance table up to the end of June 2005 was included at Appendix 1 to the report.

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The Officer advised that it was pleasing to report that the Council had improved its performance for 22 out of the 51 indicators. Of the 15 indicators where performance had dropped, 2 already had specific action plans in place which aimed to achieve the required degree of improvement by the year end, 2 related to the decent homes standard and the remaining indicators had made only marginal reductions in performance. Overall the picture from the first quarter was encouraging.

In relation to the 11 areas identified for particular focus an updated picture in relation to these performance indicators was provided at Appendix 2 to the report. Of the 11 indicators, 9 had shown improvement with a number either close to or reaching the targets set for the year end.

The Principal Corporate Development Officer highlighted a number of issues arising from the report. She emphasised the need to closely monitor performance in relation to the average time to re-let Council dwellings. The kilogram per head of household waste collected was on the increase but was still below the bottom quartile positioning. On a positive note, the indicator relating to the speed of processing new benefits claims was progressing towards the top quartile position and the average time to process change of circumstances had already exceeded its target. The target in relation to litter and detritus had already been achieved and there had been a vast improvement in performance in the BVPIs relating to planning.

Members were pleased to note that a robust monitoring system for BVPIs was now in place.

RESOLVED that:-

- (a) the quarterly performance of the Council as represented through the BVPIs, be noted;
- (b) progress in relation to the 11 areas of performance as detailed in Appendix 2 to the report, be noted.

6. COMMUNICATION AND PUBLICITY

There were no items to report.

JE/PH com/audit/050901
21 September 2005