

**THE MINUTES OF THE MEETING OF THE  
AUDIT SCRUTINY COMMITTEE  
HELD ON MONDAY, 18TH JULY, 2005**

Present: Councillor G. Pinkney (Chair)

Councillors E. Bell, Mrs. G. Bleasdale,  
A. Collinson, H. High, Mrs. M. Nugent,  
B. Quinn and P. Stradling

1. **THE MINUTES OF THE LAST MEETING** held on 27th June, 2005, a copy of which had been circulated to each Member, were confirmed.
2. **THE MINUTES OF THE MEETING OF THE EXECUTIVE** held on 5th July, 2005, a copy of which had been circulated to each Member, were submitted.

**AGREED** that the information contained within the Minutes, be noted.

3. **MATTERS ARISING FROM THE MINUTES**

- (i) **General Fund/Housing Revenue Account Outturn 2004/2005**  
(Minute No. 6 refers)

A Member made reference to the decision to use £1.5 million from the general reserves and asked if there was a mechanism for Members to input into how this would be utilised. The Director of Finance and Corporate Services advised that initiatives that were put forward would be considered on a priority basis and a Business Case would have to be produced for each. He confirmed that both Executive and Scrutiny Members would be part of this process. He added that whilst the HRA Reserve position was healthy, there was a need to be cautious and not commit all reserves at present for a number of reasons; the subsidy position was precarious, rental income continued to fall as Council houses were sold, and East Durham Homes was a risk as it had only been in existence for just over one year and needed to achieve 2 star status.

**RESOLVED** that the information given, be noted.

4. **PUBLIC QUESTION AND ANSWER SESSION**

There were no members of the public present.

5. **WORK PROGRAMME ISSUES**

- (i) **Statement on Internal Control**

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.

He reported that the Accounts and Audit Regulations 2003 had introduced a new requirement on local authorities to publish a Statement on Internal Control 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

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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 Scrutiny Committee.

The Audit Manager advised that the Chartered Institute of Public Finance and Accountancy had produced a draft guidance note on internal control and risk management aimed at supporting local authorities to achieve compliance with the new requirements. The report provided a summary of this guidance, the steps involved in developing a Statement on Internal Control and a copy of the Council's Statement for Members' information and consideration.

**RESOLVED** that approval be granted to the production of the Statement on Internal Control for the District of Easington for 2004/2005, as set out in Appendix 2 to the report.

### **(ii) End of Year Performance Review**

Consideration was given to the report of the Assistant Chief Executive on the end of year performance review, a copy of which had been circulated to each Member.

The report gave an overview of the Council's performance during 2004/2005 and suggested mechanisms for accelerating the pace of service improvement.

M. Readman, Principal Corporate Development Officer, took Members through the report in detail. She advised that for 2004/2005 there were 91 statutory Best Value Performance Indicators against which the Council was required to measure progress.

The report set out the Council's overall level of performance against the targets the Council had set itself for 2004/2005 and how it compared to other authorities. Based on the Council's own Best Value Performance Indicators it could be concluded that service performance was not improving at a sufficient pace and the overall picture could be described as one of consolidation rather than further improvement. Performance had shown a good level of improvement in some key areas but some areas had slipped back and there was continued decline in some key areas such as decent homes and waste. Where attention had been focused there had been improvement and this needed to be continued.

She then proceeded to brief Members on those areas that had improved over 2004/2005 together with the low performing areas where the Council might wish to focus improvement because of their significant impact on citizens. These included the percentage of Council buildings open to the public, the proportion of land with litter and detritus, and the percentage of household waste recycled and collected per head. Success stories included the percentage improvement in energy consumption of Council buildings and the percentage of household waste composted.

With regard to the 2004/2005 Corporate and Performance Plan there were 144 targets which needed to be hit if the Council was to demonstrate the planned level of progress towards the corporate priorities. All the actions planned for 2005/2006 and 2006/2007 were currently on target but the Council needed to be rigorous in testing this as there was sometimes a tendency to feel that work was on target just because the deadline was some time off. It was recommended that when the Council reviewed its priorities

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later in 2005, the number of high level targets be reduced in the Corporate Plan and all operational targets were in the appropriate Service Plans instead.

In relation to progress on the Corporate Performance Assessment (CPA) Improvement Plan, several elements had been delivered however a number of actions were still outstanding at the year end and these were summarised in the report for Members information. Several of the actions were duplicated in the Corporate Priority Delivery Plan and it was recommended that in future a specific CPA Improvement Plan be dispensed with and key CPA improvement actions be reflected in a simplified performance reporting approach.

In response to Members' questions M Readman advised that it was proposed to set up Performance Improvement Teams to tackle the worst 11 Performance Indicators. This had already proven to be successful in the Benefits Section.

It was also acknowledged that there was a lack of regular performance reporting. In the past this had been undertaken at the year end and it was felt that in future there should be a requirement to report on a regular basis.

To conclude she advised that the Council had delivered a significant proportion of the work planned during 2004/2005 despite it being a difficult year in terms of staffing changes at senior level and the uncertainty around local government reorganisation. There was a need to improve focus on service improvement for the benefit of citizens, particularly as the Audit Commission would be "raising the bar" on service performance for future CPA.

The Council currently had 260 different measures and targets and it seemed unlikely that having such a great number presented across three separate appendices in a performance report was likely to focus on the areas where the Council really needed to improve. In terms of focusing attention on improving specific areas of service performance, Management Team had considered the performance data in this report and suggested areas for particular attention which were listed in the report for Members' information.

**RESOLVED** that:-

- (a) the year end performance of the Council as represented through Best Value Performance Indicators, performance against the Corporate Plan priorities and performance against the CPA Improvement Plan, be noted;
- (b) the Committee agree to the 11 areas of performance suggested for particular attention during 2005/2006 as detailed in 9.2 in the report;
- (c) the development of a further report to outline changes to the Performance Management Framework, be supported.

(iii) **Councillor Protocol**

Consideration was given to the Protocol for dealing with Councillor enquiries, a copy of which had been circulated to each Member.

The Head of Housing Strategy was in attendance to respond to any Members' queries on the Protocol.

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Members discussed the Protocol and reiterated their concerns expressed at the last meeting of the Committee in relation to the way their complaints and queries were dealt with when they contacted East Durham Homes (EDH). I. Morris advised that he would take up any individual concerns Members had with EDH.

Following discussion it was **RESOLVED** that the information given, be noted.

### **6. COMMUNICATION AND PUBLICITY**

There were no items to report.

JE/PH com/audit/050801  
16th August, 2005