

DURHAM COUNTY COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

AT A MEETING of the **OVERVIEW AND SCRUTINY COMMITTEE** for Corporate Management Issues held at the County Hall, Durham on **MONDAY 28 FEBRUARY, 2005** at 10.00 a.m.

Present:

Councillor C Robson in the Chair

Members:

Councillors J Armstrong, Firby, T Forster, Stradling and Thompson

Other Members:

Councillors Barker, Dormer, E Hunter, Hogan, Myers, Priestley and Watson

Apologies for absence were received from:

Councillors Blenkinsopp, Mrs Fergus, Graham and Porter

A1 Minutes

The Minutes of the meeting held on 22 November, 2004 were confirmed as a correct record and signed by the Chairman.

A2 Risk Management – Presentation by Keith Thompson, Assistant County Treasurer and Burney Johnson, Head of Transport, Strategy and Design

The Sub-Committee considered a report together with a presentation by Keith Thompson, Assistant County Treasurer and Burney Johnson, Head of Transport, Strategy and Design concerning Risk Management (for copy of report and slides of presentation see file of minutes).

They explained that the Council had moved from an organisation which dealt with risk issues on an informal basis to the current arrangements whereby risk management was more formalised throughout the authority. It was noted that risk management arrangements were considered as part of the corporate governance of the authority which were taken into account in the

comprehensive performance assessment by the Audit Commission. The last assessment by the Audit Commission had resulted in a score of 3, (out of a maximum of 4) in relation to corporate management of the Council.

The definitions of risk and risk management were outlined together with the risk management implementation programme. Risk was dealt with in four stages – identification, risk assessment, risk treatment and risk monitoring. Each service had a risk register and some examples from those registers were produced. In relation to strategic risks, issues such as partnership arrangements and retention of staff had been identified. Another strategic risk was that of a charge of corporate manslaughter.

In relation to operational risks, failure to meet key stage 3 and 4 attainment targets, a failure to achieve efficiency and 'Gershon' savings and equal pay claims were some of the operational risks which had been identified. Keith explained how risk mapping ranked risk. He also demonstrated how the original gross risk could be minimised to a net risk to the benefit of the Council both operationally and financially.

Members were particularly keen to understand how risk management fitted together with the other corporate issues such as performance management and using resources most effectively. There was a strong feeling that effective risk management could deliver meaningful savings for the Council by anticipating and dealing with issues in a proactive way. The balance between issues such as health and safety for individual employees and risk management arrangements always needed to be borne in mind.

Keith and Burney were asked how the authority compared with others in relation to risk management. The role of Scrutiny in relation to this issue was largely monitoring. The fact that the Council had received an element of endorsement from the Audit Commission in the recent CPA assessment was helpful. In addition, benchmarking was being carried out with other authorities. Also, contact with the Association of Local Authority Risk Managers would provide an opportunity to seek assurances about the Council following best practice.

The role of Scrutiny was considered and it was suggested that, at this stage, a detailed proactive role was probably not required but there should be a constant monitoring process involving an annual report to this Sub-Committee taking into account comparison with other local authorities.

Resolved

That an annual report should be presented to the Sub-Committee about risk management arrangements compared with other authorities.

A3 Performance Management Report

The Sub-Committee considered a report of the Head of Corporate Policy concerning Performance Management (for copy see file of minutes).

Ann Campbell, Head of Corporate Policy, informed members of the following:-

- Performance indicators, progress against targets. Of particular note were:-
 - BV 8% of invoices for commercial goods and services which were paid by the Authority within 30 days.
 - BV 14% of employees retiring early (excluding ill-health retirements as a % of the total workforce).

With reference to BV174, racial incidents per 1,000 population in this quarter had seen a very significant rise in the number of racial incidents reported per 1,000 population from 13 in 2003/04 to 28.35 as at the end of December 2004. Indications are that people are becoming more aware of monitoring taking place and this has led to an increase in reporting.

With reference to the Local Public Service Agreement the Sub-Committee was informed that in relation to the 12 LPSA targets the Authority is likely to achieve 8. In relation to target 5 - To improve the educational attainment of children and young people in care, the Authority is trying to get the Government to review this performance indicator.

Councillor Armstrong commented on the importance of performance indicators as a useful tool in identifying whether the Authority is operating appropriately. He continued by asking whether a risk assessment had been carried out in relation to the achievement of the LPSA.

Ann Campbell responded that a risk assessment of the LPSA had not taken place, however, the performance management process had made the officers aware of low performance in line with the targets. She continued that the current system now requires an action plan at the start of the LPSA process to ensure that targets are met.

Resolved:

That the report be noted.

A4 Durham County Council Property Estate and Management Issues

The Sub-Committee considered a report of the Head of Corporate Estates concerning a brief overview of the estate, its value and the budget associated with investment and management (for copy see file of minutes).

Councillor Armstrong pointed out that in relation to the sales target of £5 million that sales of £14 million had been achieved. He asked whether the target should be higher.

Ken Pearson, Head of Corporate Estates, informed the Sub-Committee that the target for sales given to them by the County Treasurer was £3 million and that the Service had suggested the increase to £5 million. He continued by explaining that the Authority had received capital receipts from the sale of the Nevilles Cross site and the Avenue site at Newton Aycliffe which had increased the figure received significantly.

Councillor Armstrong asked whether reducing the property portfolio had resulted in a staffing reduction.

Ken Pearson responded that the main savings had been in the Farms Division of the Department. Most of the staff involved in this work were being redirected to Estates Division.

Resolved:

That the report be noted.

A5 Scrutiny Development Session

The Sub-Committee considered a report of the Head of Overview and Scrutiny concerning the Development Session which took place at the Durham Leadership Centre at Spennymoor on 11 January 2005 and the issues of relevance for the Committee (for copy see file of minutes).

Councillor Stradling highlighted that the Development Day had been of great value to Overview and Scrutiny members. He continued by saying that there is a need for continuity with the Overview and Scrutiny process following the forthcoming elections.

It was suggested that in order to ensure continuity in relation to the role of Overview and Scrutiny information should be prepared as part of the induction process.

The Head of Overview and Scrutiny confirmed that training induction was being planned for new members.

A6 Work Programme

The Sub-Committee considered a report of the Head of Overview and Scrutiny giving an update on the work programme for the Sub-Committee (for copy see file of minutes).

The Head of Overview and Scrutiny commented that the review of the budget process will commence at an early stage in the financial year.

Councillor Armstrong commented that the Budget planning process had been based on a 5% increase and he suggested that the figure should perhaps be set out at a lower level.

Resolved:

That the report be noted.

A7 Forward Plan

The Sub-Committee considered a report of the Head of Overview and Scrutiny with updated details of the sections of the Council's Forward Plan falling within its jurisdiction (for copy of report see file of minutes).

Resolved:

That the report be noted.

A8 Any Other Business

Budget Working Group.

Councillor Stradling commented that the Budget Working Group process this year had been successful, however, he felt that some of the questions asked by members had not been fully answered and there was a need to be more challenging.

Councillor Armstrong commented that the Overview and Scrutiny process is about self improvement and is improving year by year.

Resolved:

Members noted the issue raised.