DURHAM COUNTY COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

At a meeting of **the Scrutiny Sub-Committee for Corporate Management Issues** held at the County Hall, Durham on **Monday 21st November 2005** at **10.00 a.m**.

Present:

Councillor C Robson in the Chair

Members of Sub-Committee:

Councillors Carroll, Cordon, Henderson, Holroyd, Lethbridge and Tennant.

Other Members:

Councillors Chapman, Iveson and Meir.

A1   Minutes

The minutes of the meeting held on 30th August 2005 were confirmed as a correct record and signed by the Chairman.

A2   Declarations of Interest

There were no declarations of interest.

A3   Risk Management

The Sub-Committee considered a presentation by David Marshall, Risk Manager on how Risk Management is currently operating within the Authority (for copy of presentation see file of minutes.)

During the presentation the following issues were raised:

- Examples of identifying and managing a risk
- Key achievements and ongoing work
- The Comprehensive Performance Assessment
- CPA's requirements for Risk Management
- Longer term aims

Councillor Robson requested clarification as to how target setting is included within the insurance process.

The Sub-Committee was informed that the Risk Management staff and the Insurance advisors do link with each other and have identified controls both internal and external to ensure that the authority's insurance cover is cost effective and thereby reduce the premiums.   It was highlighted that if Risk Management is effective then the number of claims against the authority should reduce.

Councillor Cordon commented that there is a need to know the costs of Risk Management to the authority and how these costs compare with those in other similar Local Authorities.

Members were informed that the costs of Risk Management are currently compared between authorities to ensure that it is cost effective.

Councillor Lethbridge continued that in relation to Risk Management the factors which determine the outcome are often not always readily identified.

David Marshall responded that there are three types of risk to which the authority is open these are, financial, service and reputation. There are factors which determine outcomes which cannot be identified easily, however in terms of savings it is a more precise science. This gives an element of guidance as to whether projects are overspending, whether they give value for money and therefore whether the project is less likely to "fail".

Councillor Robson commented that there is a need to look at where the Authority was in 2005 and compare it with where the authority will be in 2006, there is a need for the facts and figures to show where the authority currently is and where it is heading.

The Sub-Committee was informed that it was understood that there had been a downward trend in the insurance costs to date, thereby showing the value of risk management.

Councillor Henderson asked whether the Pension Scheme had the benefit of Risk Management Control.

David Marshall informed members that there is a form of risk management currently used in relation to the pension scheme.

Councillor Henderson continued by asking how Risk Management was operating at a Service Level.

The Sub-Committee was informed that in each Service there is a Risk Manager who has the appropriate knowledge of the service, to identify the potential risk areas.

Councillor Henderson commented that if risk management is working perfectly then the authority should have no overspends.

In relation to Risk Assessment training for members, the Sub-Committee was informed that a plan is being developed.

The Head of Overview and Scrutiny asked whether the list of CPA requirements for Risk Management had been fulfilled.

David Marshall informed the Sub-Committee that a self-assessment had been carried out and that the authority is currently waiting for feedback from this process. He continued that there is a need for more training and guidance work with members.

Resolved:-
That the report be noted.

A4　　Performance Management

The Sub-Committee considered a report of the Head of Corporate Policy providing a half year performance update (2005/06) for Best Value Performance indicators relevant to the Corporate Aim, of ensuring effective corporate leadership (for copy of report see file of minutes).

Members were informed that of the eighteen performance indicators relevant to ensuring effective corporate leadership, 10 are on target (blue circle) 2 are better than their targets at this point (green star), 4 are worse than target (red triangle) and 2 do not have targets set.

In relation to those performance indicators that are off target they are:-

- BV 11b -% of top 5% of earners from black and ethnic minority groups.
- BV 15 – ill health retirements

Of particular note amongst those that are on target are:

- BV 8 – Invoices paid within 30 days
- BV 12 – Shifts lost to sickness
- BV 157 – E-Government

Councillor Holroyd commented that it is difficult to understand some performance indicators.

The Sub-Committee was informed that the Performance Plus System identifies whether the Authority is performing better or worse than the relevant indicator.

Councillor Cordon made reference to BV 12 (sickness) and asked whether this was a corporate figure.

It was confirmed that this was a corporate indicator and that individual departmental tolerance levels were set for services.

Resolved:-
That the report be noted.

A5   Scrutiny Budget Working Group – Progress Report

The Sub-Committee considered a report of the Head of Overview and Scrutiny explaining the progress made to date by the Scrutiny Budget Working Group in discussions with Chief Officers about Service Budgets (for copy of report see file of minutes). Members were informed that meetings had now taken place with seven Chief Officers with two further meetings scheduled.

Resolved:-
That the report be noted.

A6   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 it's jurisdiction) (for copy of report see file of minutes).

Resolved:-
That the report be noted.