

# 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 27 February 2006** at **10.00 a.m.**

### **Present:**

**Councillor C Robson** in the Chair

### **Members of Sub-Committee:**

Councillors Armstrong, Henderson, Holroyd, Lethbridge, Nicholls, Pye and Tennant.

### **Other Members:**

Councillors Chapman, Gray, Iveson, Meir, Simmons and Vasey.

Apologies for absence were received from Councillors Bowman and Cordon.

### **A1 Minutes**

The minutes of the meeting held on 21 November 2005 were confirmed as a correct record and signed by the Chairman.

### **A2 Declarations of Interest**

There were no declarations of interest.

### **A3 Audit and Inspection letter 2005 – Representations from PriceWaterhousesCoopers and the Audit Commission**

The Sub-Committee considered a report from the Head of Overview and Scrutiny drawing attention to some issues relevant for Scrutiny in the attached Annual Audit and Inspection Letter (for copy of report and audit letter see file of minutes).

Sarah Diggle from the Audit Commission who are the Authority's appointed Auditors from April 2005 firstly commented on the County Council's 4 Star rating achieved under the CPA Harder Test and highlighted the fact that although the County Council were performing well in certain areas there was still room for further improvement. More focus was needed by the Authority in relation to value for money, recycling, access to buildings and sickness absence.

Paul Harrison from PriceWaterhouseCoopers the Authority's Auditors until 2004/05 emphasised the need for the Authority to improve in relation to value for money as this would limit its CPA score in future years.

The Committee asked whether there were any examples of good practice in other local authorities in relation to value for money.

Members were informed that the Audit Commission is in the process of preparing a compendium of good practice which will be available to local authorities in the near future.

Sarah Diggle continued that there is a need for the Authority to focus on underperformance in areas of recycling and sickness absence as they cost the authority money and have an impact on services.

Councillor Robson commented that Overview and Scrutiny had recently had discussions with each Chief Officer relating to Service Departmental budgets, as part of the Budget Working Group process. He asked whether there was any guidance which can be given as to how the process can be improved.

Paul Harrison suggested that there may be a need to look at the various financial systems used by the Authority and commented that Social Care and Health have a system which could be rolled out. In relation to value for money this can also be looked at as part of the Budget process.

Councillor Lethbridge asked whether the current scoring system takes into account the social environment in which the Authority operates.

The Sub-Committee was informed that the starting point in the existing scoring system takes into account the social environment in which the Authority operates. The Commission looks at what the local issues are affecting the Authority and how they direct resources. They look at the Council's priorities and how the Local Authority meets them.

Councillor Henderson commented that value for money is difficult to measure. He asked whether the authority was performing poorly in relation to economic regeneration.

Sarah Diggle responded that value for money is measured against key bands of enquiry. In relation to economic regeneration, the Authority was not necessarily getting worse but compared to other areas in the Country was performing below the national average. She continued that there are high levels of worklessness, with some areas in County Durham in the top 10% of deprived communities in the Country. In addition some of the housing stock is sub-standard and the number of young people homeless is above the national average.

**Resolved:**

That the recommendation be approved.

#### **A4 Property Issues**

The Sub-Committee considered a report of the Head of Corporate Estates providing an outline of the nature and costs of the estate (for copy of report see file of minutes).

The Sub-Committee was informed that there will need to be a realignment of property holdings in order to reflect the restructure of the Authority in relation to Children's and Adult Services.

For community buildings it was emphasised that many require attention in relation to condition, suitability and accessibility. The buildings are normally leased to relevant Community Associations on a peppercorn lease with the Authority responsible for structural and external maintenance and the Association responsible for internal repair and decoration. A notional amount of £100,000 p.a. has been allocated from the capitalised Maintenance Budget for Community Buildings.

It was emphasised that 'in roads' have been made into how Community Associations operate to ensure that they are used to their full potential. Members suggested that Overview and Scrutiny may want to undertake a project in relation to Community buildings.

**Resolved:**

1. That the recommendation be approved.
2. That a project be undertaken into Community Buildings, particularly from a value for money perspective.

#### **A5 The Performance Management Report**

The Sub-Committee considered a report of the Head of Corporate Policy together with a presentation providing the third quarter performance update (2005/06) and final quartile positions (2004/05) for Best Value Performance indicators relevant to our Corporate Aim, Ensuring Effective Corporate Leadership (for copy of report and slides of presentation see file of minutes).

During the presentation the following points were highlighted:

- **End of 3<sup>rd</sup> Quarter 2005/06 position**
- **Some Improvements**
  - Invoices paid within 30 days
  - Women in top 5% of earners
  - Local Authority buildings - disabled access
- **Potential case for concern**
  - Black/ethnic minorities in top 5% earners - fewer
  - Sickness absence - no improvement - unlikely to achieve target
  - Early retirements - bottom quartile 04/05 and no improvement 05/06
- **Final Quartile position 2004/05**
  - One indicator improved quartile position in 2004/05
  - BV11a women inter 5% of earners moved from 2<sup>nd</sup> to top quartile
- **Third quartile**
  - Invoices paid in 30 days has improved
  - Days/shifts lost to sickness
- **Bottom quartile**
  - Employees, retiring early
  - Employees with a disability
  - Black and Ethnic minority employees

Councillor Henderson asked whether the figures for sickness absence could be produced on a departmental basis to allow Members to focus attention on those departments where there is a problem.

**Resolved:**

That the report be noted.

## **A6 Corporate Risk Management**

The Sub-Committee considered a report of the Deputy Chief Executive (Policy and Improvement) on behalf of the Corporate Risk Management Group giving an insight into the work carried out by the Corporate Risk Manager and the Corporate Risk Management Group during the quarter period October-December 2005 (for copy of report see file of minutes).

Dave Marshall, Corporate Risk Manager, highlighted that Risk Management is taken on board at all levels within the Authority. In addition the Risk Management Plan is kept up-to-date with risk assessments now taking place on all key decisions.

**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 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).

In relation to the Budget Working Group it was suggested that Members may need to discuss how they want to conduct the process in the future.

**Resolved:**

That the report be noted.

**A9 Report of discussion with Cabinet Portfolio Holders**

The Sub-Committee considered a report of the Head of Overview and Scrutiny explaining the areas covered in a discussion between Members of the Corporate Management Issues Scrutiny Sub-Committee and the Cabinet Portfolio Holders responsible for corporate matters (for copy of report see file of minutes).

**Resolved:**

That the report be noted.