

## **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 Tuesday 29 August 2006 at 10.00 a.m.

Present:

**Councillor K Henderson** in the Chair

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

Councillors Barker, Bowman, Carroll, Holroyd, O'Donnell and Wade.

#### **Other Members:**

Councillors Gray, Martin, Meir, Simmons, Stradling and Williams.

#### **Cabinet Members:**

Councillors Myers, Pendlebury and Walker

Apologies for absence were received from Councillors Graham, Porter and Tennant.

#### **A1 Minutes**

The Minutes of the meeting held on 22 May 2006 were confirmed as a correct record and signed by the Chairman.

In relation to Minute A4 the use of 'virement', Councillor Henderson informed members that he had raised the issue of the use of 'virement' and a meeting of the Budget Issues Working Group will be looking at this issue on the 22 September 2006 and he suggested that members may wish to read page 54 of The Constitution of the Council which specifies the rules governing the use of virement.

## A2 **Declarations of Interest**

There were no declarations of interest.

## A3 **Corporate Risk Management**

### (a) **The work of Corporate Risk Management in relation to the quarter period April - June 2006**

The Sub-Committee considered a covering report of the Deputy Chief Executive (Policy and Improvement) on behalf of the Corporate Risk Management Group informing Members of the Risk Management update report that was presented to Cabinet on 22 August 2006 together with a copy of the original report considered by Cabinet (for copies of reports see file of Minutes).

Dave Marshall, Risk Manager informed the Sub-Committee that the purpose of the report is to give members an update on the work carried out by the Corporate Risk Manager and the Corporate Risk Management Group during the quarter period April – June 2006.

Members were referred to the 'Highest Risks in Each Service', the report summarised the top five Net risks for each service derived from the risk register of each service. These are based on an assessment by the service of the impact and likelihood of the risk occurring with existing controls in place.

In relation to the monitoring of risk, members requested clarification as to whether the current process is robust.

The Sub-Committee was informed that a whole range of devices and processes are used in monitoring risk management including the use of performance indicators. The Service Risk Managers and the Corporate Risk Manager, meet together as a Corporate Risk Management Group and the Group Monitor, the progress of Risk Management across the Council, advise on Corporate and Strategic Risk Issues, identify and monitor corporate cross-cutting risks and agree arrangements for reporting and awareness training. In addition the Risk Assessment Plan is reviewed on a six monthly basis allowing for the re-assessment of risks.

Councillor Henderson requested clarification as to whether a review of the previous years assessment is undertaken.

The Sub-Committee was informed that a trend history is maintained and is revisited and analysed on a regular basis.

Councillor Barker questioned as to whether we currently have 'good management' of the process.

Chris Tunstall, Deputy Chief Executive (Policy and Improvement) commented that the key risks have been identified in each service and should the risk occur, then the potential is identified and the proposed treatment would then be implemented to minimise its effects. In addition Risk Assessments are reviewed on a six monthly basis.

It was suggested that a meeting take place with the Chairman and Vice-Chairman of the Corporate Management Issues Scrutiny Sub-Committee to discuss the format of future reports to the Sub-Committee and the possibility of including information in relation to Strategic risks.

The Head of Overview and Scrutiny, Feisal Jassat, commented that Councillors Forster and Henderson have been identified as the lead Overview and Scrutiny Members for Risk Management and will be liaising with the Corporate Risk Manager on a regular basis which will allow them in shaping the format of future reports identifying the top 20 risks involvement at a strategic level.

**Resolved:**

That the report be noted.

(b) **Risk Assessment of Key Decisions**

The Sub-Committee considered a covering report of the Deputy Chief Executive (Policy and Improvement) on behalf of the Corporate Risk Management Group informing members of the report 'Risk Assessment of Key Decisions' presented to Cabinet on 3 August 2006 together with a copy of the original report considered by Cabinet (for copies of reports see file of Minutes).

The report to Cabinet recommends a process to improve the assessment and reporting of risks and opportunities surrounding key decisions made to Council.

It was highlighted that as well as good management practice and governance, the key lines of enquiry in use of resources under the Comprehensive Performance Assessment require that reports to support Strategic Policy decisions include a risk assessment.

Currently each Key Decision report includes an implications section which highlights the potential impact of the recommended decision but does not require a formal assessment of the risk involved. To ensure that the Corporate Management Team and Cabinet are fully informed of the major risks associated with the key decisions and as a positive

response to the key line of enquiry, the process needs to be improved to ensure formal risk assessments are undertaken.

**Resolved:**

That the report be noted.

**A4 Effective Corporate Leadership Quarter 1 Performance 2006/07**

The Sub-Committee considered a report of the Head of Corporate Policy providing a performance update for quarter one, 2006/07 for Best Value Performance Indicators (BVPIs) relevant to the Corporate Aim, Ensuring Effective Corporate Leadership (for copy of report see file of Minutes).

The Sub-Committee was informed that in relation to BV12 (days/shifts lost to sickness the rate is declining which had resulted in an improvement in performance).

With reference to BV11(b) (top 5% black/minority ethnic) and BV11(c) (top 5% with a disability) these have improved however these are indicators where a small change in numbers can have a big impact.

In addition improvements have also occurred in BV14 (early retirements) and BV15 (ill-health retirements).

Councillor Martin questioned that in relation to BV11(b) (top 5% black/minority ethnic) due to the low number of people in County Durham meeting this criteria, a red indicator showing the authority is in the bottom quartile does not indicate bad performance.

It was confirmed that the present system of compiling and producing these indicators does not take into account demographic factors.

**Resolved:**

That the report be noted.

**A5 Localism and the Policy Agenda for Local Government**

The Sub-Committee considered a report of the Deputy Chief Executive (Policy and Improvement) together with a presentation informing the Sub-Committee of the latest Government thinking about 'localism' and the emerging policy agenda for Local Government (for copy of report and slides of presentation see file of Minutes).

During the presentation the following issues were highlighted:

- What do we mean by 'localism'?
- Forthcoming White Paper
- Key areas for improvement

- Community/neighbourhood empowerment
- Improved local leadership
- Local Government as convener of public services
- Local Government Structures
- Others
- Issues for Sub-Committees

The presentation concluded by the Committee being asked as to how they would want to feed into the PricewaterhouseCoopers study.

It was suggested that a meeting be arranged with Executive and Non-Executive members to provide an opportunity to feed into this Study.

**Resolved:-**

That the report be noted and a meeting be arranged between Executive and Non-Executive Members to allow the opportunity to feed into the PricewaterhouseCoopers Study.