

Minutes

Audit and Scrutiny Committee Wednesday, 26th November, 2014

Attendance

Cllr Clark (Chair)	Cllr Kerlake
Cllr Barrett (Vice-Chair)	Cllr Dr Naylor
Cllr Chilvers	Cllr Sleep
Cllr Mrs Hones	

Substitute Present

Cllr Mynott (substituting for Cllr Mrs Squirrell)

Also Present

Cllr Aspinell
Cllr Cloke
Cllr Hirst

Officers Present

Ben Bix	Corporate and Democratic Services Manager
Claire Hayden	Governance and Member Support Officer
Jo-Anne Ireland	Acting Chief Executive
Rick Steels	Revenues and Benefits Manager
Steve Summers	Head of Customer Services
Tim Huggins	ICT Manger
Greg Rubins	BDO, Head of Internal Audit
Zoey Foakes	Governance and Member Support Officer
Debbie Hanson	Ernst & Young, External Audit
Liana Nicolson	BDO, Internal Audit
Phil Ruck	Contracts & Corporate Projects Manager
Lorraine Jones	Customer Contact Manager
Richard Hayes	BDO, Internal Audit

301. Apologies for Absence

Apologies were received from Cllr Mrs Squirrell, Councillor Mynott was in attendance as substitute.

302. Minutes of the previous meeting

The Minutes of the Audit and Scrutiny Committee meeting held on 28th October 2014 were approved and signed by the Chair as a correct record.

303. 2013/2014 Annual Audit Letter

The report before members presented the Annual Audit Letter for 2013/14 following the conclusion of the audit work undertaken by Ernst & Young.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Barrett to receive the recommendation in the report.

RESOLVED UNANIMOUSLY:

2.1 To receive the Annual Audit Letter 2013/14.

304. Internal Audit Progress Report

The report before members detailed the progress to date against the internal audit plan that was agreed at the Audit Committee in March 2014 (Min. 394).

The report also included an update on the progress of the implementation of the recommendations raised by the previous internal auditors.

Greg Rubins, Head of Internal Audit, informed the Committee that 4 reports would be presented to the next meeting of the Committee and that the Affordable Housing Audit would be deferred to next year. In its place an audit would commence on the Housing Repairs and Maintenance contract.

The report highlighted priority action points to be followed up at the next Committee meeting.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Barrett to receive the recommendation in the report.

RESOLVED UNANIMOUSLY:

2.1 To receive and note the contents of the report.

305. Fraud Statistics

The report provided Members with details of the work of the Fraud Investigation Team for the period September 2014 through to October 2014. The Committee heard that the number of completed investigations and the subsequent sanctions applied to offenders bore no relation to the number of investigations opened during the same period.

86 referrals of potential fraud had been reported between September 2014 and October 2014. With the exception of 1 potential housing tenancy fraud, 85 of the referrals were for suspected Housing Benefit (HB) and/or Local Council Tax Support (LCTS) fraud.

7 cases were successfully investigated during this period, all for benefit fraud. The Fraud Investigation Team applied sanctions to all 7 cases.

Members commended the work of the Fraud Investigation Team.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Barrett to receive the recommendation in the report.

RESOLVED UNANIMOUSLY:

2.1 Members note the contents of the report.

306. Strategic Risk Review

The Strategic Risk Register had been reviewed and was reported to the Committee for approval. The report before members updated the Committee on recent risk management activity undertaken by the Council.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Barrett to receive the recommendation in the report.

RESOLVED UNANIMOUSLY:

2.1 To agree the Strategic Risk Register and that the risk scores recorded for each risk accurately represented the current status of each risk.

307. Budget Scrutiny Role

The report before Members explained that effective scrutiny could add considerable value to how the Council made decisions on the allocation of resources. This had become increasingly important as the Council continued to set budgets against a background of tough economic conditions and severe funding cuts from Central Government. The medium term financial planning

process would need to address those continued financial challenges and develop a strategic approach to address funding gaps.

The Chair asked that two Members of the administration and two Members of the opposition form the Task and Finish Group for the main four areas of the budget.

Feedback would be reported to the next committee on 27 January 2015.

A motion was **MOVED** by Cllr Clark and **SECONDED** by Cllr Barrett to receive the recommendations in the report.

RESOLVED UNANIMOUSLY:

2.1 That a Task and Finish Group is created to deal with the 4 main areas of the Budget:

- (i) Proposed Savings**
- (ii) Proposed Budget Investment**
- (iii) Working Balance & Reserves**
- (iv) Council Tax**

2.2 That the Task and Finish Group report back to the Audit and Scrutiny Committee on 27 January 2015.

308. William Hunter Way Procurement Task and Finish Group

It was agreed at the Audit and Scrutiny committee meeting 28 October 2014, that a Task and Finish Group be established to review the documentation and communication between consultants; Leadership and Management (L&M) and the Council or any member of the Administration.

The Task and Finish Group was convened and established the following scope:

- To identify whether, through the actions of Members or Officers, the Council had been put at risk of legal action through its relationship with Leadership & Management.
- To investigate whether proper procurement procedures had been followed.
- To identify whether any actions had compromised the integrity of the council or members thereof, particularly if an appointment had been made, official or unofficial.
- To identify whether any actions had breached the constitution.

- To make appropriate recommendations to the appropriate Officers and/or Committees.

Non-voting visiting Member, Cllr Hirst felt that recommendation 2.4 should be removed as it had been resolved unanimously at the previous meeting of the Committee that:

A report be made from Audit and Scrutiny to the Council Meeting on 10 December 2014, including any recommendations arising from the review. (Min 220. Scrutiny Work Programme 2014/15)

After a discussion, a motion was **MOVED** by Cllr Kerlake and **SECONDED** by Cllr Clark to receive the recommendations in the report, subject to the removal of recommendation 2.4.

A vote was taken by a show of hands and was **RESOLVED**:

- 2.1 The report be received by the Audit and Scrutiny Committee.**
- 2.2 A unit on public procurement procedures is added to the Councillor training programme to improve understanding and give confidence in processes.**
- 2.3 The Monitoring Officer refers this report to the “Constitution Working Group” who should consider how 3rd parties can interact with both members and officers in the performance of their duties, so that any such contact or communication is not seen to favour the 3rd party or prejudice others who might wish to transact with the Council.**

309. ICT Resilience and Business Continuity - Update

At the Audit & Scrutiny Committee on the 28 October 2014 it was agreed as part of the Scrutiny Work Programme that a report on ICT Resilience and Business Continuity would be received by the Committee for consideration.

ICT Resilience was defined as the ability of the Council’s equipment, machines, or systems to absorb the impact of the failure of one or more components or a significant disturbance in its environment and to still continue to provide an acceptable level of service to users. This encompassed ‘Disaster Recovery’.

Business Continuity was defined as the capability of the Council to continue delivery of services at acceptable predefined levels following a disruptive incident.

ICT Resilience and Business Continuity should always be the subject of regular review and scrutiny, due in the main to the pace of change but was particularly relevant following on from the major incident in May 2014 where ICT service was lost for a number of days.

Cllr Sleep suggested that a visit to the IT recovery site for Members and further training for Members from the ICT Manager, would be beneficial.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Barrett to receive the recommendations in the report.

RESOLVED UNANIMOUSLY:

2.1 Members note the report with regard to the current and proposed arrangements for IT Resilience and Business Continuity.

2.2 That the ICT Manager organise a site visit for interested Members and provides further Member training on ICT Resilience and Business Continuity.

310. Customer Contact Centre

The Committee work programme had been amended to include a report on the Customer Contact Centre. The Customer Services Transformation Outline and Detailed Business Cases which had been agreed in 2013 were appended to the report.

The Detailed Business Case had identified that the Council was offering very traditional outdated opportunities for customers to access its services. The concept of the new Contact Centre was to move away from the traditional reception/telephone service offered by the Council to a new model that offered a wide range of modern and efficient access channels for customers.

The service would consist of three main strands as follows;

- A modern and customer friendly website with increasing options to transact on-line with the Council;
- An effective and efficient telephone service with direct access to trained advisors able to resolve most queries without the need to refer the customer on.
- The Contact Centre would also handle other contact channels such as post, emails, text messaging and social media.

In addition to the customer benefits identified above the Business Case proposed that savings of £250k were to be achieved through a number of methods as set out below;

- Lower transaction costs by encouraging customers to shift to less costly contact channels. e.g. Self-Service

- Increased economies of scale through generic front of house and telephony services, achieved by migrating enquiry handling and related staff roles into the Customer Service, and reducing overall staff numbers required.
- Streamlined processes for more efficient enquiry handling.

The Contact Centre was opened 23 April 2014 as part of a 'soft launch' with a target date for full implementation of 1 April 2015.

Following a review of the Detailed Business Case by Officers it had been established that the proposed savings in 2014/15 would not be achieved. This was due largely to the amount of training and reorganisation required to make the Contact Centre effective and the lack of a Customer Access Strategy and detailed action plan to identify how and when financial benefits would be realised.

With regard to the non-financial benefits set out in the Business Case for 2014/15 the Contact Centre had been implemented and the provision of a new customer services approach continued to progress.

The Customer Contact Centre was handling telephone enquiries and general email enquiries for Streetscene & Environment, Planning & Building Control, Licensing, Housing Estates, Housing Re-registration, Environmental Health and Electoral Services.

A report would be made to the Finance & Resources Committee on 14 January 2015 identifying possible future developments and savings that could be delivered over the medium term. This would include a Customer Access Strategy which would identify channel shift and the types of channels which should be promoted.

A motion was **MOVED** by Cllr Clark and **SECONDED** by Cllr Barrett to receive the recommendations in the report.

RESOLVED UNANIMOUSLY:

- 2.1 That Members note the report in relation to the progress of the Customer Contact Centre.**
- 2.2 That the Head of Customer Services report to the Finance and Resources Committee on the Customer Access Strategy includes analysis of different customer access channels, the demographics of the Borough, and customer feedback.**

Termination of Meeting

During the preceding item, in accordance with Rule 28 of Part 4.1. – Council Procedure Rules, the business of the meeting not having concluded by two hours after its start, Members voted to agree to continue with the meeting for a further 30 minutes.

311. Scrutiny Work Programme 2014/15

Non-voting visiting Member, Cllr Aspinell requested that the Committee consider the Assizes Trust as part of the scrutiny work programme although it was not directly under the control of the Council. The Acting Chief Executive explained that the Monitoring Officer already had a meeting arranged for 18 December 2014 where issues relating to the Assizes Trust would be reviewed and that a Scrutiny review would not be necessary unless that meeting required it.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Barrett to receive the recommendation in the report.

RESOLVED UNANIMOUSLY:

2.1 The Audit and Scrutiny Committee agree its scrutiny work programme 2014/15

312. Local Government Act 1972 - Exclusion of Press and Public

There was none.

313. Urgent Business

There was none.
