

BABERGH DISTRICT COUNCIL

FROM: Director of Corporate Services

REPORT NUMBER: **J207**

TO: OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE

DATE OF MEETING: 23 March 2010

ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY (STEWARDSHIP) COMMITTEE

1. PURPOSE OF REPORT

- 1.1 This paper provides a basis for the Committee's annual report to Council.
- 1.2 In accordance with the Constitution, the Committee must report annually to Council on its work during the last year and make recommendations for future work programmes and if appropriate, amended working methods.

2. RECOMMENDATION

- 2.1 That the Director of Corporate Services, in consultation with the Committee Chairman, complete the Committee's Annual Report for submission to the next meeting of Council based upon this report and the Committee's views.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

- 3.1 There have been no financial implications to date other than the costs of officer time and normal allowances for Members that are included in the budget.
- 3.2 Any development of the work of in-depth scrutiny, including items such as the payment of out of pocket expenses for expert and other witnesses, can be accommodated within existing budgets for 2010/11. The position for future years will be addressed through the Strategic Financial Planning Process, if that is necessary.

4. RISK MANAGEMENT

This report is an update on work completed during 2009/10, together with a draft programme for 2010/11. Risk management considerations for individual topics will be included in reports to the Committee as the year progresses.

5. KEY INFORMATION

5.1 WORK IN 2009/10

Appendix 1 outlines the Committee's main areas of work in 2009/10. The following is a brief summary of the Committee's main achievements during the year:

- The Committee has considered the Audit Commission's Annual Audit and Inspection Letter for 2007/08 and Organisational Assessment for 2008/09.

- The Committee recommended the adoption of a process and protocol for dealing with a Councillor Call for Action (CCfA).
- A considerable amount of work has been undertaken by the Strategic and Financial Planning (SFP) Task Group and the Overview and Scrutiny Committees to identify savings, efficiencies and additional income generation. A joint meeting of the two Overview and Scrutiny Committees was held to consider the key aspects of the proposed Medium-Term Financial Strategy and the two Committees then scrutinised the draft budget proposals for 2010/11.
- The 2008/09 CPA Improvement Plan has been monitored and final position noted.
- The Committee approved the 2008/09 Annual Governance Statement and appointed 2 Members to serve on the Member's Governance Group.
- The Committee has considered the External Auditor's Annual Governance Report for 2008/09 and Audit Fee for 2009/10. The 2008/09 Use of Resources Assessment was also considered and areas for improvement agreed for inclusion in the Corporate Improvement Plan. The Annual Audit Letter for 2008/09 and Audit Plan for 2009/10 were also considered. The grant claim certification for the year ended 31 March 2009 will be considered at this meeting.
- The Committee scrutinised the 2008/09 Financial Outturn and draft Statement of Accounts.
- The Committee has considered the 2008/09 end of year Finance and Performance Management report and quarterly reports for 2009/10.
- The Internal Audit annual report for 2008/09 was considered and the Interim report for 2009/10 was noted and endorsed. The Work Programme for 2010/11 was also considered. The Audit Plan for 2010/11 will be considered at this meeting. The Committee will also consider a report on the Ethical Framework and Managing the Risk of Fraud and Corruption at this meeting.
- The Committee considered the Council's Annual Report for 2008/09.
- The Committee monitored formal complaints for 2008/09.
- The Committee has considered quarterly reports on the management of significant business risks facing the Council.
- The Committee considered the progress made on implementing the Data Quality Action Plan.
- The Committee considered the procedures that the Council has adopted for dealing with petitions.
- The Committee noted the on-going work in relation to Business Continuity.
- The Committee noted information on the staffing establishment budget and costs since April 2007.

- The Committee considered the arrangements now in place for monitoring the Council's major projects.
- The Committee noted the approach being taken to meet the challenge of the new Equality Framework.
- The Committee monitored progress on achieving outcomes set out in the 2009/10 Delivery Plan.
- The Committee noted the details of Suffolk's Comprehensive Assessment and how relevant findings for Babergh will be dealt with.
- The Committee noted the proposed approach to dealing with changes to the 2009/10 accounts and agreed to attend a workshop regarding the future scrutiny of treasury management activities. The treasury management strategy for 2010/11 will be considered at this meeting.
- The recommended basket of key performance indicators for 2010/11 will be considered at this meeting.
- The report of the Constitution Review Task Group will be considered at this meeting.

5.2 WORK PLAN FOR 2010/11

Appendix 2 sets out a list of items of work that Members and Officers have identified for consideration by the Committee during 2010/11. It is recommended that Members should identify which, if not all, of the matters it considers should be addressed by the Committee in 2010/11 and importantly, what other areas it thinks should be considered for inclusion in the work programme. If any such areas are identified, an assessment sheet will need to be completed, a copy of which is attached at Appendix 3. In doing so, Members are asked to consider the principles of PICK analysis which have been approved by the Committee. A summary is attached at Appendix 4. Further guidance on the selection of issues for inclusion in the annual work programme can be found in the Overview and Scrutiny Handbook.

6. APPENDICES

Appendix 1 – Overview and Scrutiny (Stewardship) Committee:

Resume of Work in 2009/10

Appendix 2 – Overview and Scrutiny (Stewardship) Committee:

Proposed Work Plan for 2010/11

Appendix 3 – Planning Assessment Sheet

Appendix 4 – PICK Analysis

7. BACKGROUND PAPERS REFERRED TO

None.

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OVERVIEW AND SCRUTINY (STEWARDSHIP) COMMITTEE

RESUME OF WORK 2009/10

1.1 Financial Strategy and Draft Budget for 2010/11

At the joint meeting on 19 January 2010 Members scrutinised the report of the Strategic and Financial Planning (SFP) Task Group which had been considered by Strategy Committee on 14 January 2010. The report highlighted key aspects of the proposed Medium-Term Financial Strategy for the period 2011/12 to 2013/14 and outlined draft Budget proposals for 2010/11.

Members acknowledged the considerable efforts which the SFP Task Group had made to identify the savings, efficiencies and additional income generation as set out in the report, together with the Group's on-going work to produce further proposals to meet the remaining shortfall. As a result of its scrutiny, the Joint Meeting voted in favour of accepting the recommendations, including a proposal for a Council Tax increase of 3%.

1.2 Budget and Performance Monitoring

At its meeting on 23 June 2009 the Committee scrutinised the draft Statement of Accounts, the likely Financial Outturn compared to budget and treasury management performance for 2008/09. At the same meeting the Committee approved a proposed format for summarising the Council's annual budget and accounts.

At its meeting on 19 May 2009 the Committee considered the 2008/09 end of year Finance and Performance Management Monitoring report.

Quarterly Monitoring reports on Finance and Performance Management for 2009/10 have also been considered by the Committee at its meetings on 11 August and 17 November 2009 and 23 March 2010.

At its meeting on 22 September 2009 the Committee noted key information on the staffing establishment, budget and costs since April 2007.

At its meeting on 23 March 2010 the Committee will consider the recommended basket of key Performance Indicators for 2010/11.

1.3 Annual Audit and Inspection

At its meeting on 19 May 2009 the Committee considered the Annual Audit and Inspection Letter for 2007/08. Mr Geoff Bemrose from the Audit Commission was in attendance at the meeting to present the Annual Audit and Inspection Letter.

It was noted that this would be the final Audit and Inspection Letter received by the Council as a new performance assessment framework has been developed, the Comprehensive Area Assessment (CAA).

At its meeting on 26 January 2010 the Committee considered the external auditors (PKF) Annual Audit Letter for 2008/09 and Audit Plan for 2009/10. Representatives from PKF were in attendance at the meeting for this item.

At the same meeting the Committee noted the details of Suffolk's Comprehensive Area Assessment and how relevant findings for Babergh will be dealt with.

1.4 Organisational Assessment and Use of Resources

At its meetings on 17 November 2009 and 26 January 2010 the Committee considered reports regarding the Use of Resources Assessment and Organisational Assessment for 2008/09.

During the course of the discussions Members expressed concern with the views of the external auditors and their level 2 or 'adequate' 2008/09 Use of Resources Assessment score for Babergh.

At its meeting on 23 March 2010 the Committee will consider the external auditors report on grant claim certification for the year ended 31 March 2009.

1.5 External Auditors Annual Governance Report

At its meeting on 22 September 2009 the Committee considered the external auditors (PKF) Annual Governance report which included a review of the Council's 2008/09 Financial Statements and associated matters. Representatives from PKF were present for this item.

1.6 The Council's Annual Report

At its meeting on 22 September 2009 the Committee considered a report recommending an Annual Report to provide Babergh residents and businesses with a review of achievements and financial performance for the 2008/09 year.

1.7 Risk Management

Quarterly Monitoring reports on the management of significant business risks facing the Council and updating Members on further risk management actions to mitigate against these, including those relating to partnerships, have been considered by the Committee at its meetings on 19 May and 22 September 2009 and 26 January 2010.

1.8 Internal Audit and Fraud

At its meeting on 19 May 2009 the Committee considered a report on the work carried out by the Internal Audit team during 2008/09. The report provided the Head of Audit's opinion on the overall adequacy and effectiveness of the Council's internal control environment and a summary of audit work undertaken to formulate that opinion.

At its meeting on 17 November 2009 the Committee considered the Interim Internal Audit report for 2009/10 outlining the work undertaken by the Internal Audit and Fraud Team for the period 1 April to 30 September 2009.

At its meeting on 23 March 2010 the Committee will consider the Internal Audit Work Plan for 2010/11.

At its meeting on 23 March 2010 the Committee will consider a report on the Ethical Framework and Managing the Risk of Fraud and Corruption.

1.9 Annual Governance Statement 2008/09

At its meeting on 23 June 2009 the Committee approved the 2008/09 Annual Governance Statement and appointed 2 Members to review the progress made and the adequacy and effectiveness of Internal Audit, based on supporting evidence from officers.

1.10 Monitoring the Comprehensive Performance Assessment (CPA) Improvement Plan

At its meeting on 19 May 2009 the Committee received a report setting out the final status of the 2008/09 CPA Improvement Plan. It was noted that the 4-year Plan had been completed and Members expressed their thanks for the significant work undertaken by officers.

1.11 Monitoring of Complaints

At its meeting on 11 August 2009 the Committee received an annual report concerning all formal complaints about the Council in 2008/09, including those received by the Local Government Ombudsman.

1.12 Councillor Call for Action (CCfA)

At its meeting on 19 May 2009 the Committee considered a process and protocol for dealing with a Councillor Call for Action (CCfA) and recommended it for approval by full Council.

1.13 Data Quality

At its meeting on 23 June 2009 the Committee received a report detailing the progress made to date in implementing the Data Quality Action Plan for 2009/10. It was noted that the Action Plan will be incorporated into the External Improvement Plan and that future progress will be managed and monitored through that.

1.14 Procedures for dealing with Petitions

At its meeting on 11 August 2009 the Committee considered the procedures that the Council has adopted for dealing with petitions submitted by members of the public. It was noted that there were proposals in the Local Democracy, Economic Development and Construction Bill which, if enacted, would require the Council to publish a scheme for handling petitions. Under the circumstances it was proposed that no action be taken to amend the Council's procedures pending the enactment of the Bill.

1.15 Business Continuity

At its meeting on 11 August 2009 the Committee considered a report on the work undertaken in relation to Business Continuity since January 2009.

At the request of Members, the Director of Corporate Services undertook to report to the Information Technology Management Group, for information, the results of a questionnaire to be circulated to service managers on the impact that a loss of IT would have on their services and to invite an appropriate elected Member representative to participate in the proposed Table Top Exercises.

1.16 Monitoring the Management of Major Projects

At its meeting on 22 September 2009 the Committee noted the management arrangements now in place to ensure improved monitoring of major projects undertaken by the Council.

1.17 Babergh's Approach to Meeting the Challenge of the New Equality Framework

At its meeting on 17 November 2009 the Committee considered a report explaining the key features of the Local Government New Equality Framework and noted the approach being taken and progress achieved, to obtain the "Achieving" level.

1.18 Review of the 2009/10 Delivery Plan

At its meeting on 17 November 2009 the Committee monitored progress on achieving outcomes set out in the 2009/10 Delivery Plan.

1.19 The 2009/10 Accounts and Treasury Management

At its meeting on 26 January 2010 the Committee agreed that the Overview and Scrutiny (Stewardship) Committee be responsible for the future scrutiny of treasury management activities and that Members of the Committee attend a workshop and receive additional guidance to ensure they are well equipped to deal effectively with them as part of the Committee's Audit Committee role.

At its meeting on 23 March 2010 the Committee will consider the Treasury Management Strategy for 2010/11.

1.20 Review of Governance Arrangements

At its meeting on 23 March 2010 the Committee will consider the report of the Constitution Review Task Group.

BABERGH DISTRICT COUNCIL**FROM:** Director of Corporate Services**REPORT NUMBER:****TO:** OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE**DATE OF MEETING:****DRAFT WORK PLAN FOR 2010/11****DATE OF COMMITTEE – 18 MAY 2010**

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Business Continuity Forum Progress Report and Action Plan for 2010/11	To receive an update on the Business Continuity arrangements and to scrutinise the Action Plan for 2010/11	Decision	Andrew Hunkin
2009/10 Annual Internal Audit Report	To consider findings	Decision	John Snell
External Audit and Inspection Reports	To receive any reports	To be determined	Barry Hunter
Review of Significant Business and Operational Risks	To consider significant risks facing the Council	To be determined	Barry Hunter
Procurement Strategy	To review progress	Decision	Ryan Jones

DATE OF COMMITTEE – 21 JUNE 2010

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Finance and Performance Management 2009/10 – Quarterly Monitoring Report (Quarter 4)	To monitor key budget and performance variations	To be determined	Homira Javadi (finance) Jonathan Seed (performance)
Data Quality	To consider progress	Decision	Peter Quirk

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Annual Review of the 2009/10 Delivery Plan	To monitor progress on achieving outcomes set out in the 2009/10 Delivery Plan	Decision	Mike Hammond/ Jonathan Seed
Annual Governance Statement	To consider and review 2009/10 Statement	To be determined	John Snell
2009/10 Statement of Accounts	To consider the draft Statement of Accounts	Recommendation to Council	Homira Javadi
Significant Business Risks Refresh	To consider the latest risks facing the Council	Recommendation to Strategy	John Snell
External Audit and Inspection Reports	To receive any reports	To be determined	Barry Hunter

DATE OF COMMITTEE – 10 AUGUST 2010

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Finance and Performance Management 2010/11 – Quarterly Monitoring Report (Quarter 1)	To monitor key budget performance variations	To be determined	Homira Javadi (finance) Jonathan Seed (performance)
Annual Monitoring of Formal Complaints	To monitor and review all formal complaints	Decision	Andrew Hunkin
The Council's Annual Report for 2009/10	To consider draft Annual Report	Recommendation to Council	Andrew Hunkin/ Barry Hunter

DATE OF COMMITTEE – 21 SEPTEMBER 2010

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Review of Significant Business and Operational Risks	To consider significant risks facing the Council	To be determined	John Snell
External Audit Annual Governance Report	To consider findings	To be determined	Barry Hunter
Treasury Management	Mid-year Review	To be determined	Homira Javadi

DATE OF COMMITTEE – 16 NOVEMBER 2010

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Finance and Performance Management 2010/11 – Quarterly Monitoring Report (Quarter 2)	To monitor key budget performance variations	To be determined	Homira Javadi (finance) Jonathan Seed (performance)
Mid-Term Review of the 2010/11 Delivery Plan	To monitor progress on achieving outcomes set out in the 2010/11 Delivery Plan	Decision	Mike Hammond/ Jonathan Seed
Internal Audit Plan and Mid-Year Review	To consider current position	Decision	John Snell

DATE OF COMMITTEE – 7 DECEMBER 2010
JOINT MEETING WITH OVERVIEW AND SCRUTINY
(COMMUNITY SERVICES) COMMITTEE (IF REQUIRED)

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Report of the Strategic and Financial Planning Task Group	To consider the Group's recommendations	To be determined	Barry Hunter

NOTE – this meeting may be re-scheduled for January subject to the position on the SFP process

DATE OF COMMITTEE – 25 JANUARY 2011

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Review of Significant Business and Operational Risks	To consider significant risks facing the Council	To be determined	John Snell
Budget Scrutiny	To scrutinise draft budgets for 2011/12	Recommendation to Strategy	Barry Hunter
Treasury Management Strategy 2010/11	To scrutinise this	Recommendation to Strategy	Homira Javadi

DATE OF COMMITTEE – 22 MARCH 2011

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
O&S (S) Committee Annual Report	To consider draft Annual Report for 2010/11	Recommendation to Council	Steve Ellwood
Finance and Performance Management 2010/11 – Quarterly Monitoring Report (Quarter 3)	To monitor key budget performance variations	To be determined	Homira Javadi (finance) Jonathan Seed (performance)

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OVERVIEW AND SCRUTINY () COMMITTEE

PLANNING ASSESSMENT SHEET FOR REVIEWS

What is to be reviewed?	
Why?	
What benefits are expected?	
What needs to be examined and asked?	
Documents/evidence/research <i>What?</i> <i>Why?</i>	Questions to be asked
Site visits <i>Where?</i> <i>Why?</i>	Questions to be asked
Consultation <i>Who/what?</i> <i>Why?</i>	Questions to be asked
Witnesses <i>Who?</i> <i>Why?</i>	Questions to be asked
What resources will be needed for the review?	
Over what period should it be carried out?	Start Complete
Who will be the lead officer?	

PICK ANALYSIS

In developing its annual work programme, Overview and Scrutiny Committees should be clear about the reasons for selecting particular issues and what they are seeking to achieve.

The list of topics and issues for the work programme can be a very long one if not careful. Some councils use an idea called PICK to prioritise the types of issues to choose. PICK stands for:

- P Public Interest
- I Impact
- C Council Performance
- K Keep it Context

P for Public Interest

Councillors are the eyes and ears of the public, ensuring that the policies, practices and services delivered by both Babergh District Council and external organizations, are meeting local needs and to an acceptable standard. The concerns of local people should therefore influence the issues chosen for scrutiny.

I for Impact

Scrutiny is about making a difference to the social, economic and environmental well-being of the area. Not all issues of concern will have equal impact on the well-being of the community. This should be considered when deciding the work programme and priority be given to those issues that have more impact.

C for Council Performance

Scrutiny is about improving performance and ensuring the people of Babergh are served well. Councillors will need good quality information to identify areas of poor performance both within the Council and externally. There are no shortage of Performance Indicators available in the public service arena, both national and local, although the quality and relevance will vary. There is a need to select the most relevant performance indicators and to seek an interpretation of results.

K for Keep it in Context

To avoid duplication or wasted effort priorities should take account of what else is happening in the areas being considered. Is there a Best Value Review happening or planned? Is the service about to be inspected by an external body? Are there major legislative or policy initiatives already resulting in change? If these circumstances exist councillors may decide to link up with other processes (e.g. Best Value Review) or defer a decision until the outcomes are known or conclude that the other processes will address the issues.

PICK CHECKLIST

More “ticks” across all four categories indicates that the topic is more suitable for in depth review.

<p>Public Interest</p> <ul style="list-style-type: none"> <input type="checkbox"/> There is evidence of significant public interest in this topic <input type="checkbox"/> It is a “high profile” topic for specific local communities or communities of interest <input type="checkbox"/> This is an area where we received a lot of complaints and / or bad press <input type="checkbox"/> The review will need to include participatory events and opportunities for local people and / or organizations to have their say <input type="checkbox"/> Substantial survey or research work is required
<p>Impact</p> <ul style="list-style-type: none"> <input type="checkbox"/> This review will have a significant impact on the “well being” of Babergh <input type="checkbox"/> A local community or community of interest have much to gain or lose <input type="checkbox"/> Work is needed to develop the routes to influencing change (e.g. with partners) <input type="checkbox"/> This could make a big difference to the way services are delivered <input type="checkbox"/> This could make a big difference to the way resources are used
<p>Council Performance</p> <ul style="list-style-type: none"> <input type="checkbox"/> The Council and / or other organizations are not performing well in this area <input type="checkbox"/> We do not understand why our performance differs from others <input type="checkbox"/> We are performing well but spending too much money in this area <input type="checkbox"/> There are few local or national performance measures / targets for this service <input type="checkbox"/> This service is fundamental to the achievement of Council objective(s)
<p>Keep in Context</p> <ul style="list-style-type: none"> <input type="checkbox"/> This service will not be part of a BV Review or external inspection in the next 2 years <input type="checkbox"/> This service will be reviewed or inspected soon but Scrutiny can make a positive contribution by focusing on key areas of interest and making recommendations <input type="checkbox"/> This service has not been recently reviewed or inspected <input type="checkbox"/> There are no current major changes to service that reduce or pre-empt the value of review <input type="checkbox"/> Service changes are planned and Scrutiny can positively influence change