

OVERVIEW AND SCRUTINY COMMISSION
17 JANUARY 2008
(7.30 - 10.00 pm)

Present: Councillors Edger (Chairman), Thompson (Vice-Chairman), Baily, Mrs Birch, Browne, Brunel-Walker, Finnie, McLean, Ms Whitbread, Worrall, Beadsley and Mrs Ryder

Mr I. Sharland (Parent Governor Representative)

Also Present: Councillor McCracken, Executive Member for Leisure, Corporate Services and Public Protection.

Apologies for absence were received from:

Councillors Mrs Beadsley and Leake
Mr G S Anderson (Church Representative)
Mr M G Gibbons (Church Representative)

In attendance: Richard Beaumont, Head of Performance & Scrutiny
Greg McIntosh, KPMG External Auditors
Alan Nash, Head of Finance
Victor Nicholls, Assistant Chief Executive
Priya Patel, Democratic Services Officer
Alison Sanders, Director of Corporate Services
Phil Sharman, District Auditor (Audit Commission)

48. Minutes and Matters Arising

RESOLVED that, subject to the following amendments, the minutes of the meeting of the Overview and Scrutiny Commission held on 22 November 2007 be agreed as a correct record and signed by the Chairman.

Minute 41 – final paragraph amend ‘Bracknell’ to Bracknell Forest

Minute 37 – second paragraph, first sentence, amend Assistant Chief Executive to Chief Executive.

49. Declarations of Interest and Party Whip

There were no declarations of interest or indications that Members would be participating whilst under the party whip.

50. External Audit Issues

The Chairman welcomed Greg McIntosh and Phil Sharman to the meeting. The Commission received two presentations, the first from the Council’s previous external auditors KPMG and the second from the Council’s incoming auditors appointed by the Audit Commission.

The representative from KPMG, Greg McIntosh reported that the Report to those charged with Governance before the Commission was slightly outdated as it was intended to be presented at the Commissions meeting in November 2007, but he had been unable to attend that meeting.

Mr McIntosh reported that there were no major issues of concern in the report, which demonstrated the high standards of financial accounting undertaken by the Council's officers. The report was essentially a tribute to the outstanding standards of financial accounting and reporting that had been undertaken. He informed Members that whilst the report in front of them showed an audit of the Council's accounts, Members would receive another report from KPMG that would give a fuller summary of the audit itself.

The Chairman thanked KPMG for all their work and input to the Council over the last 10 years and wished them well for the future. The Chairman also commended the work of the Council's finance officers in attaining this complimentary audit report.

The Chairman then invited Phil Sharman, District Auditor appointed by the Audit Commission, to address the Commission.

Mr Sharman reported that he would be taking over the external audit work that KPMG had been undertaking for the Council. He stated that he currently held responsibility for the external audit work of Bracknell Forest, Slough and Wokingham Borough Councils, Royal Berkshire Fire & Rescue Service and Berkshire East Primary Care Trust.

One of the fundamental principles of external audit was that auditors were appointed independently of the organisation. In the case of Bracknell Forest, the Audit Commission had appointed its own auditors. He informed Members that the audit fee had been pitched in line with the level of risk that they judged the Borough faced in 2007/08. This took account of the Council's Best Value Performance Plan, use of resources and the Council's Medium Term Financial Strategy. The Council was about to enter a £200m decision in the upcoming year and the risks associated with this had been taken into account.

He went on to say that each year the fee would differ for the Council based on the level of risk for that financial year. In 2006/07 Bracknell Forest had paid the third lowest fee in the Country, for 2007/08 this would increase significantly, from £215,000 to £273,500 due mainly to the increased risks faced by the Council. If the level of risk changed significantly during the year, the fee would be reviewed and adjusted accordingly, in consultation with the Council.

Mr Sharman stated that auditors had an important role to play in upholding the public interest and making sure that decisions were scrutinised sufficiently. They also played an important role in the stewardship of public resources and the corporate governance of public services, which was clearly also in the interests of the Council.

The Head of Finance reported that good practice encouraged the rotation of auditors every five years and therefore the Council was due to receive a change in its auditors.

A Member enquired why, given that Bracknell Forest received one of the lowest grant settlements in the Country, the audit fees had increased considerably, over the previous year. Mr Sharman stated that the Commission consulted widely on fees and this included consultation with the Government. The fees were pitched at a level proportionate to the duties of the organisation, the risks involved and the duties required of the auditor.

In response to Members' queries around why the Audit Commission had appointed its own auditors, Mr Sharman stated that the Audit Commission had a mixed market of supply. 70% of its audit work was carried out directly by the Audit Commission's auditors, whilst the remaining 30% was by firms contracted by the Audit Commission.

Members queried the auditor's planned work around health inequalities. Mr Sharman reported that he would be working with a range of organisations to assess health needs in Berkshire and would look at how effectively these needs were being met. This would involve a consideration of the effectiveness of the Council's function to scrutinise health issues. He would also be looking at the strengths and effectiveness of the various partnerships around health.

The Chairman thanked Mr Sharman for his thorough and informative presentation and for his responses to Members questions. The Chairman asked that Mr Sharman take back the Commission's concerns to the Audit Commission about the significantly increased fee and added that Members looked forward to working in partnership with him and his organisation in the future.

51. **Performance Monitoring Reports (PMRs)**

The Commission were presented with two reports that considered the latest trends, priorities and pressures in terms of the second quarter (July to September) of 2007/08, for the Chief Executive's Office and the Corporate Services Department, respectively.

Chief Executive's Office, Performance Monitoring Report

The Assistant Chief Executive reported that in terms of the Civic Hub, Stage D was soon to be approved.

He highlighted that whilst most objectives were on course for achievement, there had been four outcomes where delivery had not proceeded as planned:

- i) Internal Regeneration Strategy – work had been delayed, but a draft framework had been produced and would be considered at the next Executive Briefing.
- ii) Economic Development work – the Economic Partnership had not progressed due to a lack of resources, but this was now in progress.
- iii) Draft Older People's Strategy – this work had been delayed but was now back on track. A discussion paper was currently being circulated.
- iv) Restructure of Overview & Scrutiny to accommodate requirements of the Police and Justice Act. There had been a change in legislation which meant that this restructure would no longer be necessary.

In response to Members queries around the Local Area Agreement, the Assistant Chief Executive stated that the Council would need to choose up to 35 indicators. The number of indicators chosen did not have a bearing on the level of funding allocated.

Members asked if their strong concerns regarding the front elevations of the Civic Hub had been taken on board. The Assistant Chief Executive confirmed that Members' concerns had been taken on board and fed through to the design consultants. He undertook to arrange an additional evening briefing for Members around the Civic Hub.

The Assistant Chief Executive confirmed that the agreed layout of the Council Chamber had now been agreed as a flat floor with a dias. This had been Members' favoured option.

Corporate Services Department Performance Monitoring Report

The Director of Corporate Services provided a summary of the progress that the Department had made over the last quarter. She stated that consultation work on the Community Cohesion Strategy was now complete and that the results were being analysed. The Draft Race Equality Scheme had now been agreed in preparation for consultation. The Department had been heavily involved in the completion and costings of many of the work streams and business cases required for the new Civic Centre.

The Department had also continued to support the Town Centre Regeneration project, particularly in respect of Legal and Property Management.

The Director of Corporate Services highlighted that one of the problem areas for the Department had been risk management. It had proved difficult to recruit a Head of Risk Management and this had created serious implications for the Council's risk management work. She was pleased to report that an appointment had been made and there would be a Head of Risk Management in post by the end of January 2008.

She reported that lots of work had been carried out around assessment for transport, in particular Home to School Transport, to ensure that this work was carried out effectively. It was confirmed that actions supporting the Nottingham Declaration were recorded principally in the Environment and Leisure Department's PMR.

In terms of looking forward, the Director of Corporate Services outlined the following areas of work:

- Continuing work to support town centre regeneration
- Civic Centre planning
- Land disposals
- Safety assessments (Asbestos/Legionella)
- Balancing the budget 2008/09, programme to begin addressing the budget gap of £6.2m
- Joint arrangements to be reviewed by Bracknell Forest in consultation with other unitary authorities
- Banking contract tenders were currently being evaluated
- Corporate Risk Register
- New school buildings
- IT refresh and Strategy
- Restructuring
- Head of Audit & Risk Management to start 2008
- Development of Community Cohesion Strategy
- Bracknell Forest Homes
- Neighbourhood forums and action groups
- Merger of receptions, the Department would become responsible for all reception areas in council buildings across the town centre.
- Members allowances
- Review of polling districts
- Change of insurance brokers
- Developing the 3 year work programme for the Customer Contact Strategy.

The Chairman thanked the Assistant Chief Executive and Director of Corporate Services for their informative reports and looked forward to future reports.

52. **Corporate Performance Overview Report (CPOR)**

The Commission were presented with the Chief Executive's Corporate Performance Overview Report (CPOR) for the period July to September 2007/08. The Assistant Chief Executive reported that the CPOR looked across all the Council's services, paragraph 2.1 showed that 94% of actions towards Corporate Themes were on target.

He highlighted that the Audit Commission had rated Bracknell Forest as the 10th highest improver in the Country and that this boded well for the forthcoming Corporate Performance Assessment (CPA) gradings. He reported that the Council's Local Development Framework had been declared 'sound' by the Government's Inspector, after an examination in public. This was a significant milestone for the Council, as the first Council in the Thames Valley area and only the fifth in the South East to be declared as sound.

The Assistant Chief Executive reported that overall for the quarter, considerable work had gone into preparing for the CPA, Joint Area Review and related Children and Young People's Inspections. Despite this, the Council's key objectives had continued to be delivered.

During the quarter much work was done in preparing for the September Annual Review Meeting with the Commission for Social Care Inspection. The significant improvement in local adult social care services over the last twelve months was formally recognised in November with the publication of the 2007 star ratings. The Council was awarded two stars and in terms of performance ranked eighteenth in the Country. The foundations to push on towards three star status were in place.

Members asked for more information on CC01 (percentage of people who feel that people get on well in their local area) in future CPOR reports.

There had been a dip in terms of the Council's performance on road safety and this was being looked into. Performance in the area of road safety and road deaths and casualties was being addressed by a working group of the Environment & Leisure Overview & Scrutiny Panel, which had already been set up and had started work.

The Chairman thanked the Assistant Chief Executive for his report and stated that it would be interesting to see the next report arising from the CPA. He thanked all staff in adult social care for their work and commitment, which could be seen from the two star rating achieved by the Council. He felt this was excellent, given the Council's performance in this area two years ago.

53. Corporate Services Budget Consultation

The Commission were presented with a report that detailed Corporate Services draft budget proposals for 2008/09. The Chairman queried the increase in Landfill tax shown on page 49 of the report. The Head of Finance stated that this was as a result of an increased cost in disposal tonnage and was unavoidable.

Members asked if the commitment budget had been prepared without taking account of the housing stock transfer. The Head of Finance confirmed that stock transfer had correctly not been included.

Members queried design and print cost reductions and why they were only shown for one year. The Director of Corporate services reported that the design and print service was being used decreasingly by the Council and that its biggest customer was currently the Housing section. This may no longer be the case once the Housing

function was transferred. The potential of increasing external use of the service was now being explored more widely.

Members queried the progress around externalisation of the transport function. The Director of Corporate Services stated that she was hoping to move this forward in April/May 2008. An assessment of need had to be completed by Social Care Officers before this work could be progressed.

54. The Council's Budget Consultation

The Commission considered a report in respect of the Council's draft budget proposals for 2008/09. The Chairman asked that the respective Chairman of each Overview & Scrutiny (O&S) Panel present their area of the budget to the Commission.

The Chairman of the Lifelong Learning and Children's Services O&S Panel, reported that her Panel had considered the draft budget proposals extensively.

She highlighted a number of areas. There had been some major problems with heating at Portman Close and as a result funding was needed to remedy this. School exclusions had dropped significantly showing that the funding committed to this area had been well spent. Income from CD/DVD rental at libraries had fallen. Page 71 of the report showed major school funding for schools, the Council had pledged to ensure that every school in the Borough was a good school. Some of the funding in this area had come from external sources. One of the major areas of funding had been the complete refurbishment of a school kitchen.

The Chairman of the Environment & Leisure O&S Panel, reported that the increased costs around the waste Private Finance Initiative and Landfill tax had created the greatest areas of unavoidable additional costs.

Councillor Worrall queried how much funding remained in the tree works budget after the reduction of £25,000, officers agreed to provide Councillor Worrall with a response.

Members asked for clarification around whether Bracknell Forest bus passes used by pensioners could be used to travel nationally and were valid before 9.30am.

Councillor Brunel-Walker reported that the Licensing and Safety Committee would be considering taxi fees for the Borough in late January 2008.

The Head of Performance and Scrutiny drew Members attention to the Environment and Leisure fees and asked Members to note that a number of corrections would need to be made to the report before it was submitted to the Council. At present, some fees had been reduced to exclude VAT, whereas not all fees attracted VAT.

Councillor Browne Chairman of the Adult Social Care and Housing Panel stated his Panel had examined the budget proposals. Members queried whether fees charged to the Adult Social Care section were levied on an hourly or weekly basis and this would be clarified in the budget report to Council.

Members noted that the work being undertaken by the I.T section had been excellent over the past year, in particular the transfer of the server farm to Time Square.

The provision of additional resources in the budget to support the Overview and Scrutiny function was sought.

The Chairman concluded that Overview and Scrutiny had carried out the function of scrutiny of the 2008/09 budget proposals responsibly and thoroughly. He summarised the Commission's final comments as follows:

1. The budget proposals were consistent with the Council's Policies and Objectives.
2. The budget proposals were generally clear and understandable.
3. There were no budget proposals that were unacceptable.
4. The Executive should consider the comments made by the Commission on specific issues in the budget concerning, trees, VAT, concessionary fares, Adult Social Care fees and support for the Overview & Scrutiny function; and take action or advise appropriately.

55. Draft Report of the Medium Term Objectives Working Group

The Commission were presented with a draft report from the Medium Term Objectives Working Group. Councillor Thompson reported that a letter from the Working Group had been sent to both the Leader and the Chief Executive giving its preliminary appraisal of the MTO statement with particular reference to the Bracknell Forest Sustainable Community Plan. This letter was also considered by the Executive, who subsequently took on board almost all of the points raised in the letter, with satisfactory explanations for the remainder and were thanked by Councillor Thompson for doing so.

The Chairman thanked in particular Mr Sharland, the Parent Governor Representative on the Commission, for his contribution to the process.

The Commission approved the report for transmission to the Executive under cover of a letter to be signed by the Chairman.

56. Overview and Scrutiny Quarterly Progress Report

The Commission received an information report on the progress of the Overview and Scrutiny function that had been produced for and had been well received by the Corporate Management Team (CMT). The Chairman explained that he felt a report of this kind was significant and conveyed to the wider audience how Overview and Scrutiny operated across the Council. He had asked for it to be submitted to all Scrutiny Panels and the Commission from now on.

The Chairman expressed concern that the Overview & Scrutiny officer team was a very small team, with limited resources, and was now under some pressure from the Reviews now being undertaken. He stated the support O&S Working Groups received from this team in the past was and continued to be excellent.

57. Updates from Panel Chairmen

Lifelong Learning and Children's Services Overview & Scrutiny Panel

Mrs Birch reported that the Working Group reviewing English as an additional language was progressing its work and had begun to visit schools having met seven Brakenhale students to date. The Extended Services and Children's Centres Working Group was also successfully progressing its work in this area.

Adult Social Care and Housing Overview & Scrutiny Panel

Councillor Browne reported that this Panel had undertaken some linked work with extended schools and that this and other work was progressing well.

Health Overview & Scrutiny Panel

Councillor Browne reported that the Joint East Berkshire Health Overview & Scrutiny Committee would be working with South Buckinghamshire County Council to create a joint response to the NHS Right Care, Right Place statutory consultation.

Environment and Leisure Overview & Scrutiny Panel

Councillor Brunel-Walker thanked officers for their on-going presentations to date to the Panel's Working Groups. The Waste Review Working Group had received a very detailed and informative presentation on waste collection and disposal. The Commission Chairman commented that his information was that the Town and Parish Councils were pleased to have been invited to join the Panel's two working groups.

58. Executive Forward Plan

The Chairman referred to page 111 of the report, that related to the Local Area Agreement (LAA). He stated that the Commission had been invited to make a response to this area of work and suggested that a working group be appointed by the Commission to do this.

The Commission agreed that Councillors Beadsley, McLean and the Chairman be appointed to work on a response to the LAA/Community Strategy review consultation which had been requested by 10th February 2008. The Chairman informed Members that the Assistant Chief Executive had kindly offered some of his time to assist the Working Group.

CHAIRMAN