

CORPORATE SERVICES SCRUTINY COMMITTEE

23 March 2017

Present:-

Councillors J Brazil (Chairman), A Boyd, P Colthorpe (Vice-Chair), M Edmunds, G Gribble, R Hosking, R Julian, J Knight, R Rowe and R Westlake

Apologies:-

Councillors J Owen

* 38

Minutes

RESOLVED that the minutes of the meeting held on 24 January 2017 and the minutes of the Joint Budget Scrutiny meeting of 30 January 2017 be signed as a correct record.

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Items Requiring Urgent Attention

There was no item raised as a matter of urgency.

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Chairman's Announcements

The Chairman welcomed Sir Simon Day who was attending the meeting in his capacity as a Co-opted Member of the Council's Standards Committee to observe and monitor compliance with the Council's ethical governance framework.

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Public Participation

There were no oral representations from Members of the Public.

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Internal Audit Plan 2017/2018

The Committee considered the Report of the Head of the Devon Audit Partnership (CT/17/26), on the Internal Audit plan for 2017/2018 which outlined an indicative Corporate Services internal audit plan for 2017/18, covering a total of 549 audit days.

The report outlined that Audit had met with management to discuss risks and how audit resources could be used effectively to provide assurance against those risks. The draft plan formed part of a larger audit plan covering the whole Authority (which would be presented to Audit Committee on 28th March 2017).

Members noted that whilst responsibility for review, direction and approval of the internal audit plan lay with the Audit Committee, there was added value in working with Scrutiny in the provision of assurance to the authority.

The audit plan showed the proposed internal audit activity for the year and an outline scope of coverage, which included Material Systems, Corporate Services - (Excluding Anti-Fraud & NFI), Digital Transformation and Business Support, Grant Certification and Anti-Fraud and Corruption including NFI.

The Committee discussed and asked questions on the planned audit work into fraud and fraud prevention and the potential for fraudulent activity within the organisation, including the numbers of incidents and then for clarification of how the number of audit days required was calculated and whether the risk status impacted on this.

Members suggested that a mid-year audit report might be of use to the new Council to focus the Committees work programme and that the key themes often brought to members attention were on issues such as adult social care, roads and potholes and more recently education funding and pressure on schools.

It was **MOVED** by Councillor Brazil, **SECONDED** by Councillor Gribble; and

RESOLVED that the outline audit plan be noted and the comments made by members, as outlined above, be considered by the new Council.

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Risk Management

The Committee received the Report of the County Treasurer (CT/17/24) on the Corporate Risk Register, identifying the 25 risks on the corporate risk register, which were outlined in full at Appendix A to the report.

The report highlighted the changes that had been made since the Committee last reviewed the register, including any increased risks, those that had reduced, new additions to the register as well as those that had been removed.

The report further outlined there were currently 10 risks that had a current status of 'Very High' meaning they were both likely to happen and would have a significant impact if they did. Those risks were generally related to the People or Place service areas, and it was suggested might be better discussed at the relevant Scrutiny Committees.

The current Corporate Service Risk register contained 11 entries which Members could consider in more detail, with eight of those risks relating to various aspects of Human Resources.

Members had previously agreed to use the Risk Register to focus their work programme activities. Risk Management enabled the efficient use and allocation of resources, more informed, transparent and accountable decision-making and allowed the Council to focus on its most critical areas.

Members identified the following issues for discussion at the meeting.

- Appointment and Hiring of Consultants; and
- Failure to deliver priority services as a result of significantly reduced finances.

In terms of general discussion on the Risk Register, Members discussed and asked questions on the decision making process behind either adding risks to the register or removing them and also clarification of why particular risks appeared to have been removed (e.g school transport) as well as the various levels of risk monitoring throughout the organisation. In addition, for clarification on 'green' mitigating controls, when the risk was deemed high or very high (e.g HTM1 relating to failure to maintain C class roads).

The Head of Human Resources then responded, in respect of the appointment and hiring of consultants, as identified by the Committee prior to the meeting, advising the Committee that a previous audit had shown a failure by the Council to comply with policy in 5 out of 10 cases whilst appointing or hiring a Consultant . In response, there had been a number of mitigating measures implemented including a single policy across the organisation, an approval process requiring the consent of the Chief Executive and also an internal awareness and communications strategy.

Members asked for clarification on how Members might be engaged, particularly with commissioned services, the position with former staff members being engaged as consultants

and that the appointment of specialist legal advice / counsel did not form part of the policy, rather it was subject to a separate procurement framework.

The Chief Accountant (Corporate Services) then responded, in relation to the risk of 'failure to deliver priority services as a result of significantly reduced finances', to the Committee's concern that the risk had reduced from high to medium, despite the Council's continued budgetary pressures. He advised that the risk would likely fluctuate between various risk levels and also undertook to arrange for the amendment of future risk registers with an explanation of why risks had been removed from the corporate risk register.

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Scrutiny in a Commissioning Council Task Group update

The Committee received the report of the County Solicitor (CS/17/15) which provided an update on the actions and recommendation implementation of the Commissioning Scrutiny Task Group Report, which had been published in March 2016, and subsequently endorsed by Cabinet.

The Task Group had made four key recommendations directed at Council Officers, Cabinet and Scrutiny Members, which would help to strengthen scrutiny's role and impact around commissioning.

The report outlined that Councillor Parsons (Cabinet Member for Performance & Engagement) had been working with officers from the Council's Procurement, Legal and Democratic Services & Scrutiny teams to take forward the recommendations and that a number of practical ways forward had been established.

It further noted what actions had been taken against each of the four recommendations, namely

- R1 – to strengthen communication and collaboration between Cabinet Members and Heads of Service and Scrutiny Committees, in relation to commissioned services;
- R2 - For Scrutiny to engage with and contribute to the development of the re-commissioning of services, and the new commissioning of services, at the earliest possible stage;
- R3 - Ensure that the Council's 'joint venture partners' and external providers of large contracts, may be held to account and be subject to Scrutiny; and
- R4 - All Scrutiny Members to receive assurance and have the opportunity to scrutinise the performance of joint venture partners and large providers.

Members noted it would be for the Scrutiny Committees of the new Council to work with Cabinet Members and council officers to develop the work further and that also training on Commissioning / Commissioned Services would form part of the induction programme for the new Council.

Members asked for clarification on the legal position of Scrutiny for holding people to account, particularly representatives of and organisations who were responsible for services which impacted on residents of the County, for example providers of Broadband services.

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State Pension 'Triple Lock'

Members received a presentation on the available data on the economic impacts of the state pension triple lock.

The Committee had agreed to consider this issue under its work programme, following Councillor Greenslade's Notice of Motion - Pensions 'Triple Lock' (County Council Minute 75 of 8th December 2016), which had been referred to the Cabinet for consideration. The Cabinet had outlined that whilst State Pensions were the responsibility of Government and the ability of any Council to directly influence the impact of Pensions administration were limited, the County Council has previously considered and taken a view on the impact of changes upon

individuals or categories of pensioners residing in Devon. Whilst Cabinet would not direct a Scrutiny Committee to look at a particular issue, it **RESOLVED** that the Corporate Services Scrutiny Committee be invited to examine the matters outlined in the Notice of Motion and comment to this Cabinet thereon prior to any recommendation being made to the County Council in accordance with Standing Orders 6 and 8.

The presentation outlined the current and ongoing changes to the state pension, clarification of the 'triple lock' guarantee, the long term fiscal cost and sustainability issues, comparative figures on the growth of the state pension with work place earnings, the regional equivalised household income (after housing costs), the potential changes to the triple lock guarantee including political will and the publication of the statutory review in May 2017 and also the potential implications for Devon including its older than average population, the growth rate of that population and projections of the growth into the future.

The Committee raised and identified the following issues;

- That a copy of the presentation be made available to all members;
- The pressure on the existing working population especially with the current and projected demographics of the County;
- That the automatic enrolment for employers could assist, notwithstanding it not being compulsory for employees to register; and
- A concern that many people had little or no pension provision for older age.

It was **MOVED** by Councillor Gribble, **SECONDED** by Councillor Westlake; and

RESOLVED that, while acknowledging State Pensions were the responsibility of Government and the ability of any Council to directly influence the impact of Pensions administration was limited, the Cabinet and Council be urged to exercise its community leadership role and endorse the Notice of Motion and make representations to Government, through Devon MP's, to minimise the impact of changes upon individuals or categories of pensioners residing in Devon, given the demographics of and relatively low levels of earnings in the County, the potential impact upon the economy of the County, the pressure on the existing workforce and the projected costs of pensions for its residents.

[NB: All Members of the Council had been granted a dispensation to allow them to speak and vote in any debate on this matter by virtue of being in receipt of or affected by any changes to the state pension provision]

* **46** **Scrutiny Work Programme**

The Committee reviewed the Scrutiny Work Programme and determined those items of business to be included therein for its sphere of activity, having regard also to the Council/Cabinet Forward Plan, also noting that the new Council would determine its own work programme.

RESOLVED that the work programme, as outlined, be noted.

* **47** **Briefing Papers, Updates & Matters for Information**

There had been no items of correspondence received.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 2.00 pm and finished at 3.33 pm