

BABERGH DISTRICT COUNCIL

FROM: Acting Head of Legal and
Administrative Services

REPORT NUMBER **E301**

TO: **OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE**

DATE OF MEETING 21 March 2006

**ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY (STEWARDSHIP)
COMMITTEE**

1. **SUMMARY**

This paper provides a basis for the Committee's annual report to Council.

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 Acting Head of Legal and Administrative 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 asked to make a recommendation to Council on 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 2006/07. The position for future years will be addressed through the Service and Financial Planning Process, if that is necessary.

4. **KEY INFORMATION**

4.1 **WORK IN 2005/06**

Appendix 1 outlines the Committee's main areas of work in 2005/06. The majority of items included in the Committee's original work plan have been progressed by the Committee and the following is a brief summary of its other main achievements:

- A considerable amount of work was undertaken by the Service and Financial Planning Member Group and the Overview and Scrutiny Committees to ensure that draft budgets reflect the Council priorities and approved policies. A joint meeting of the two Overview and Scrutiny Committees was held to consider the Budget Framework.

- The Committee was instrumental in achieving an audit fee increase for 2005/06 of 4.6%, one of the lowest percentage increases for Suffolk authorities, and taking the issue up nationally with the Audit Commission.
- The Committee has taken on responsibility for risk management and internal control, and a small Statement of Internal Control Group has been formed.
- Capital and Revenue Budgets have been regularly monitored.
- The draft Corporate Plan for 2006/07 has been scrutinized.
- A number of policy documents have been scrutinized, including a Public Consultation Strategy and a Youth Strategy Action Plan.
- Reviews have been conducted into the General Officer Delegation and the Constitution. The Council's approach to overview and scrutiny is being reviewed.
- Performance Management has been strengthened and performance indicators have been monitored throughout the year, with close consideration of certain key areas such as Benefits and Land Charges.
- The Committee has regularly scrutinised the use of the E-Government grant to ensure that no grant is lost.
- Progress on procurement strategy has been monitored.

4.2 WORK PLAN FOR 2006/07

4.2.1 Appendix 2 sets out a list of items of work that Members and Officers have identified for consideration by the Committee during 2006/07. It is recommended that the Committee should identify which, if not all, of the matters it considers should be addressed by the Committee in 2006/07 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. (The Committee may wish to consider additional topics within the context of the Council's Priorities that fall within its terms of reference).

4.2.2 At the Committee's meeting on 31 January 2006, it was agreed that Dr M R Miller and Mrs S Carpendale would complete a Planning Assessment Sheet, setting out how a review of the Council's call-in procedures might be carried out (Min. No. 68 refers). The completed sheet is attached as Appendix 3 for consideration by the Committee.

5. APPENDICES :

- (a) Appendix 1 – Overview and Scrutiny (Stewardship) Committee: Resume of Work in 2005/06
- (b) Appendix 2 – Overview and Scrutiny (Stewardship) Committee: Proposed Work Plan for 2006/07
- (c) Appendix 3 – Planning Assessment Sheet.

6. BACKGROUND PAPERS REFERRED TO

None.

CONTACT: Steve Ellwood
Linda Pattle

DIRECT LINE: 01473 825876

OVERVIEW AND SCRUTINY (STEWARDSHIP) COMMITTEE

RESUME OF WORK 2005/06

1. FINANCIAL MATTERS

1.1 Service and Financial Planning and Draft Budget

At its meeting on 5 July the Committee nominated Mr Brand, Ms Jenkins and Dr Miller to serve on the Service and Financial Planning (SFP) Group and recommended that a joint meeting of the two Overview and Scrutiny Committees be held in December, solely to consider the recommendations of the Group.

This joint meeting took place on 12 December 2005 to consider a report from the SFP Group setting out proposals for the 2006/07 Budget. Members recommended these for approval by the Strategy Committee, with the proviso that costs relating to the CAST budget and funding arrangements would only be incurred with the agreement of the Strategy Committee and with staged reviews of the position every six months by full Council. They also recommended that a Council Tax increase at the rate of inflation of 2.7% be approved. The Strategy Committee subsequently recommended that any costs relating to CAST budget and funding arrangements would only be incurred with the agreement of full Council.

At its meeting on 31 January 2006 the Committee scrutinized the draft budget for 2006/07. Members recommended to the Strategy Committee that the level of Council Tax for 2006/07 should not under any circumstances be increased by more than 2.7%. They also made a number of recommendations relating to issues which had recently arisen and would affect the Budget.

1.2 Annual Audit and Inspection Work Programme

At its meeting on 17 May 2005 the Committee received a presentation from the District Auditor and Audit Manager. Members were not willing to accept the proposed audit fee for 2005/06, so they asked Mr Kistner to negotiate with the District Auditor with a view to moving towards a reduction of the fee to an overall 3% increase on the previous year. He reported on the results of his re-negotiations with the Audit Commission at the Committee's meeting on 16 August. Members were dissatisfied with the response from the Audit Commission, and asked Mr Kistner to press the Audit Commission for an appropriate breakdown of the costs of the Audit and Inspection fees. They also asked him to consult other local authorities in Suffolk with a view to a joint approach on the issue being made to the Audit Commission.

At its meeting on 27 September the Committee considered a report providing further information supplied by the Audit Commission. Members were not satisfied with the amount of detail provided by the Audit Commission but acknowledged that there was nothing more Mr Kistner could do to obtain further information or further renegotiate

the proposed fee. They noted that Babergh's proposed fee increase of 4.6% was one of the lowest percentage increases for Suffolk authorities. They reluctantly agreed to recommend approval of a revised fee of £130,000, and asked Mr Kister to write on behalf of a number of Suffolk authorities to the Chairman of the Audit Commission, expressing concern and highlighting the discrepancy between national announcements of the Commission on reducing fee levels and the reality of higher fees. Subsequently the Committee's recommendation was approved by the Strategy Committee.

1.3 2004/05 Annual Report – Internal Audit

At its meeting on 5 July the Committee noted the internal audit work carried out during the 2004/05 financial year. During the current financial year the Principal Auditor is reviewing all outstanding recommendations from 2001/02, 2002/03 and 2003/04, and the Committee has requested a report on her findings in due course.

1.4 Risk Management and Internal Control

At its meeting on 27 September 2006 the Committee recommended to Council that Stewardship's terms of reference be updated to refer to the Committee's risk management and internal control responsibilities, and this was subsequently approved.

Members also agreed that in future the review and approval of the Council's Statement on Internal Control should come under the responsibility of Overview and Scrutiny (Stewardship) Committee. In addition, the Committee agreed to set up a small Member Group whose remit is: to review the current Statement on Internal Control (SIC); to ensure that adequate action plans exist; to address any significant internal control issues and to consider further development of the SIC framework. Mr Busby and Ms Jenkins were appointed to this Member Group for the remainder of the year 2005/06.

At its meeting on 22 November the Committee considered Risk Management Action Plans and recommended them to Strategy Committee for approval. They were subsequently approved.

1.5 Capital Programme

At its meetings on 5 July, 16 August, 22 November 2005 and 31 January 2006 the Committee received reports on the current year's Capital Programme. At the July meeting Members also considered the overall performance on the Council's 2004/05 Capital Programme and compared this performance against targets for the year.

At the July meeting serious concern was expressed about the position on claiming all of the Council's £500,000 allocation of E-Government grant for 2004/05 and 2005/06. As a result, the Committee requested regular progress reports on this matter.

At the November meeting concern was expressed that there might be a problem of under-capacity. Officers were asked to investigate non-construction projects to see if there were any capacity problems, but subsequently reported that this was not seen as a problem.

1.6 Revenue Budget

At its meetings on 16 August and 22 November 2005 and on 31 January 2006 the Committee received reports setting out the key points from the year's quarterly reviews of expenditure and income against budgets.

At the August and November meetings Members expressed concern about the increase in costs of works carried out to void properties to enable them to be let. They agreed to ask the Overview and Scrutiny (Community Services) Committee to consider whether such a system could be implemented within the context of the new Choice Based Lettings arrangements.

2. **CORPORATE PLAN**

At its meeting on 31 January 2006 the Committee considered the draft Corporate Plan for 2006/07 and suggested some minor amendments. Members recommended the Plan to the Strategy Committee for approval. The Plan was subsequently approved.

3. **LOCAL DEMOCRACY/EFFECTIVE DECISION-MAKING**

3.1 Review of Overview and Scrutiny Role and Approach

At its meeting on 17 May 2005 the Committee appointed Mrs Carpendale and Mr Owen to serve on a Working Group to carry out a review of the Overview and Scrutiny role and approach.

3.2 Public Consultation Strategy

At its meeting on 17 May 2005 the Committee recommended a Public Consultation Strategy for approval. This was subsequently approved by the Strategy Committee and Council.-

3.3 Youth Strategy

At its meeting on 5 July 2005 the Committee considered a report summarizing the actions achieved in 2004/05 with regard to young people and recommended for approval by the Strategy Committee an Action Plan for 2005/06. It was agreed that in future the Overview and Scrutiny (Community Services) Committee should be the lead Committee for the Youth Strategy. The Sports Development Officer and the Be Active Leisure Inclusion Officer made presentations to the meeting on their work with young people.

3.4 Review of the Introduction of the General Officer Delegation

At its meeting on 22 November 2005 the Committee received a report stating that the new General Officer Delegation had been used three times since its introduction in February 2005.

3.5 Review of the Constitution

At its meeting on 31 January 2006 the Committee, at Council's request, undertook a quick review of matters deferred from the review of the Constitution which took place in 2005, and made a number of recommendations to Council. These were subsequently approved.

4. **PERFORMANCE MANAGEMENT**

4.1 Best Value Performance Indicators and Performance Management

At its meetings on 5 July, 16 August and 22 November 2005 the Committee considered reports setting out Best Value Performance Indicator data. Members expressed concern about poor performance in relation to BVPIs 109 (Planning Control), 179 (Land Charges) and 157 (E-Government) and received further information about these areas of work.

At the August meeting the Committee approved a revised Performance Management Framework.

4.2 Monitoring the 2005/06 Comprehensive Performance Assessment (CPA) Improvement Plan

At its meeting on 22 November 2005 the Committee considered a report setting out the status of the CPA Improvement Plan as at November 2005. It was noted that 27 of the 33 actions in the Plan had either been completed or were on target. Extensions to the deadlines were agreed for the six actions not on target.

4.3 Monitoring of Complaints

At its meeting on 27 September 2005 the Committee received an annual report concerning complaints about the Council in 2004/05, whether received by the Council or by the Local Government Ombudsman. They agreed a number of measures aimed at improving the Council's procedures for handling complaints, and suggested that the report be submitted to the Overview and Scrutiny (Community Services) Committee, as a large proportion of the complaints came under the remit of that Committee.

4.4 Benefits Service

At its meetings on 17 May, 16 August and 22 November 2005 the Committee considered reports reviewing the performance of the Benefits Service. At the May meeting Members asked the E-Government Steering Group to investigate

circumstances surrounding use of an e-forms package and at the August meeting they approved a Benefits Service Improvement Plan “Delivering the Vision”. After its meeting on 31 January 2006 Members visited the Revenues Division to see a demonstration of recently installed technology.

4.5 Land Charges: Performance, NLIS and LAMP

At its meetings on 17 May, 5 July, 27 September and 22 November 2005 and on 31 January 2006 the Committee considered reports relating to performance trends for the Local Land Charges service.

At the July and September meetings the Committee received information about the steps necessary to move to electronic working at National Land Information Services (NLIS) level 3. Members expressed concern at the large amount of expenditure required.

5. **TRANSFORMING COUNCIL SERVICES**

5.1 E-Government

At every meeting from 16 August onwards the Committee considered a report updating Members on the E-Government grant.

At the September meeting Members asked the E-Government Steering Group to comment on what benefits had accrued from the £628,000 committed to date. This information was subsequently provided. At the November meeting Members asked for a checklist setting out in non-technical language how access had improved in the period 2000-2005 from the customer’s point of view. This checklist was subsequently provided by e-mail. The Steering Group was asked to produce a report setting out how the £900,000 of IEG funds had been spent and what savings, cashable and non-cashable, had been received.

Throughout the year Members expressed concerns because it was not clear whether or not any IEG grant unspent by 31 March 2006 would need to be returned, but received reassurances that every effort was being made to ensure that none of the grant would remain unspent.

5.2 Babergh Leisure Trust

At its meeting on 27 September 2005 the Committee considered a report setting out progress to date and current actions in relation to the establishment of a Trust to be responsible for the management of the Kingfisher Leisure Centre and the Hadleigh Swimming Pool.

5.3 Procurement

At its meeting on 22 November 2005 the Committee received a report from the Procurement Task Group, setting out progress on procurement strategy. Members recommended to Strategy Committee that the Group's proposed Procurement Action Plan be approved, subject to prioritization to match available resources. This was subsequently approved by the Strategy Committee.

6. **OTHER MATTERS**

6.1 Representation on Recharging Group

At its meeting on 27 September 2005 the Committee appointed Mr White as one of the Committee's two representatives on the Recharging Group (- previously Mrs Sadler had been the Committee's sole representative).

BABERGH DISTRICT COUNCIL**FROM: : Acting Head of Legal and
Administrative Services****REPORT NUMBER****TO: OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE****DATE OF MEETING****DRAFT WORK PLAN FOR 2006/07****DATE OF COMMITTEE – 23 MAY 2006**

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Service and Financial Planning	To consider arrangements for 2006/07	Decision	Helen Style
Annual Audit and Inspection Letter 2004/05 and Work Plan for 2006/07	To receive a presentation from the Audit Commission	To be determined	Helen Style
Review of Call-In Procedures	To consider report from Working Group	Recommendation to Council	Helen Style
Capital Programme Outcomes 2005/06	To note overall performance on the 2005/06 Capital Programme as compared to targets for the year	Decision	Barry Hunter/Ryan Jones
Report from Procurement Task Group	Update on Action Plan and overall procurement strategy	To be determined	Barry Hunter
Statement of Internal Control	Review of 2005/06 Statement	To be determined	Barry Hunter
Monitoring Risk Management Action Plans	Update on Action Plans	To be determined	Barry Hunter
Monitoring the CPA Improvement Plan 2005/06	Final update on 2005/06 Plan	Decision	Andrew Hunkin
Final Position on Service Plans 2005/06 PIs and future targets	To note the final position for 2005/06 and targets for the period up to 2008/09	Decision	Andrew Hunkin
Land Charges Quarterly Report	Update	To be determined	Acting Head of Legal and Administrative Services
E-Government Update	Update	To be determined	John Raine

DATE OF COMMITTEE – 18 JULY 2006

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Review on informing Members of issues arising in their wards, and dealing with Member complaints	To agree proposed procedure	To be determined	Andrew Hunkin
Annual Internal Audit Report 2005/06, including report on previous recommendations not implemented	To consider findings	To be determined	Barry Hunter
Monitoring Strategic Risk Management Plans	To monitor the current position	To be determined	Barry Hunter
Benefits Service Quarterly Report	Update on performance and development	To be determined	Bob Southgate
E Government Update	Update	To be determined	John Raine
Evaluation of Strategic Partnerships	To consider an evaluation of the Council's strategic partnerships	Recommendation to Strategy	Andrew Hunkin
District and Parish/Town Council Elections in 2007 – Postal Voting	To note the steps required to permit an all postal election	Decision	Ray Amesbury

DATE OF COMMITTEE – 29 AUGUST 2006

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Revenue budget monitoring	To note position.	To be determined	Barry Hunter
Capital programme monitoring	To note position.	To be determined	Barry Hunter/Ryan Jones
Performance Management – quarterly report	Update on 2006/07 BV Performance Indicators and Service Plan targets	Decision	Andrew Hunkin
Land Charges – Quarterly Report	Update	To be determined	Acting Head of Legal and Administrative Services
E-Government Update	Update	To be determined	John Raine

DATE OF COMMITTEE – 10 OCTOBER 2006

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Annual Monitoring of Complaints (Ombudsman to be invited)	To monitor and review all formal complaints	Decision	Andrew Hunkin
Monitoring the CPA Improvement Plan 2006/07	To monitor the current position	Decision	Andrew Hunkin
Benefits Service – Quarterly Report	Update on performance and development	To be determined	Bob Southgate
E-Government Update	Update	To be determined	John Raine
Monitoring Strategic Risk Management Plans	To monitor the current position	To be determined	Barry Hunter

DATE OF COMMITTEE – 28 NOVEMBER 2006

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Capital Programme Monitoring	To note position	To be determined	Barry Hunter/Ryan Jones
Revenue Budget Monitoring	To note position.	To be determined	Barry Hunter
Performance Management Quarterly Report	Update on 2006/07 Performance Indicators	Decision	Andrew Hunkin
Land Charges – Quarterly Report	Update	To be determined	Acting Head of Legal and Administrative Services
E-Government Update	Update	To be determined	John Raine

DATE OF COMMITTEE – 11 DECEMBER 2006
JOINT MEETING WITH OVERVIEW AND SCRUTINY
(COMMUNITY SERVICES) COMMITTEE (IF REQUIRED)

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Report of the Service and Financial Planning Group	To consider the Group's recommendations	To be determined	Helen Style

DATE OF COMMITTEE – 30 JANUARY 2007

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Budget Scrutiny	To scrutinise draft budgets for 2007/08	Recommendation to Strategy	Barry Hunter
Capital Programme Monitoring	To note position	To be determined	Barry Hunter/Ryan Jones
Revenue Budget Monitoring	To note position	To be determined	Barry Hunter
Monitoring Strategic Risk Management Plans	To monitor the current position	To be determined	Barry Hunter
Corporate Plan Scrutiny	To scrutinise draft revised Corporate Plan for 2007/11	Recommendation to Strategy	Andrew Hunkin
National Performance Indicator Comparisons 2005/06	To note position	Decision	Andrew Hunkin
Benefits Service – Quarterly Report	Update on performance and development	To be determined	Bob Southgate
Land Charges – Quarterly Report	Update	To be determined	Acting Head of Legal and Administrative Services
E-Government Update	Update	To be determined	John Raine

DATE OF COMMITTEE – 20 MARCH 2007

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Internal Audit Work Programme 2007/08	To consider proposed internal audit work programme for the next financial year	Decision	Barry Hunter
Monitoring Strategic Risk Management Plans	To monitor the current position	To be determined	Barry Hunter
Performance Management – Quarterly Report	Update on 2006/07 Performance Indicators	Decision	Andrew Hunkin
Benefits Service Quarterly Report	Update on performance and development	To be determined	Bob Southgate
E-Government Update	Update	To be determined	John Raine

Topic	Overview of Decision	Decision or Recommendation to Strategy/Council	Lead Officer
Annual Report	To consider draft Annual Report for 2006/07	Recommendation to Council	Acting Head of Legal and Administrative Services

OTHER TOPICS IDENTIFIED FOR FUTURE MEETINGS

Topic	Lead Officer	Proposed Committee Date
Service cost comparisons with other local authorities	Barry Hunter	May or July 2006
Key operational risks	Barry Hunter	To be determined
Follow-up actions arising from Council's decisions on the items deferred from the Review of the Constitution (meeting held 23 February 2006)	Acting Head of Legal and Administrative Services	To be determined

CONTACT: Linda Pattle

DIRECT LINE: 01473 826652

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OVERVIEW AND SCRUTINY (Joint) COMMITTEE

PLANNING ASSESSMENT SHEET FOR REVIEWS

What is to be reviewed?	The operation of the Call-In process covered by O&S Committee Rules 38-40
Why?	The decision by Head of Legal & Admin to reject the request by Members for a Call-In of a Strategy decision of November 2005. Her action to refuse to allow the call-in process to operate was contrary to the expectations of Members, who had expected the O&S Committee to be able to review the evidence put forward.
What benefits are expected?	A greater understanding by Members and Officers. Possible review of Constitution. Improved drafting of the Constitution.
What needs to be examined and asked?	
<p style="text-align: center;">Documents/evidence/research</p> <p><i>What?</i> Council Constitution; emails from Head of Legal & Admin. Constitution & procedures of other Councils.</p> <p><i>Why?</i> To examine whether process actually followed is in line with interpretation elsewhere, and to determine expectations of Babergh Members.</p>	<p style="text-align: center;">Questions to be asked</p> <p>Are articles of Constitution consistent with those of other Councils? Is interpretation consistent with that elsewhere? What process do Members want to see for future? What changes, if any, are required to BDC Constitution? Why should an Officer be able to reject a properly-constituted call-in, when the members believe there is a case to be investigated? i.e. – shouldn't the Committee requesting the call-in make that decision? Do other Councils allow Officers to do this?</p>
<p style="text-align: center;">Site visits</p> <p><i>Where?</i> None envisaged as necessary (should be possible to gather evidence by post and email)</p> <p><i>Why?</i> N/A</p>	<p style="text-align: center;">Questions to be asked</p>
<p style="text-align: center;">Consultation</p> <p><i>Who/what?</i> Association of Liberal Democrat Councillors; similar organisations representing other political parties; Members and Officers from other Councils.</p> <p><i>Why?</i> To obtain evidence of practice elsewhere. To obtain alternative interpretations of our Constitution. To obtain advice on how to draft our call-in procedures.</p>	<p style="text-align: center;">Questions to be asked</p> <p>Is BDC Constitution comparable with that of other similar Councils? How does Call-In process operate in situations where there is and is not a controlling political grouping. Case material/precedents in Councils elsewhere for an officer to refuse to accept a call-in request Is this a precedent? If members wanted to appeal an Officer's behaviour in such circumstances – whom should they appeal to? Eg. ODPM?</p>

Witnesses		Questions to be asked	
<i>Who?</i> Head of Legal & Admin; representatives from other Councils (if not by written evidence).		How does process operate in BDC?	
<i>Why?</i> To explain operation of process in Babergh and elsewhere.		How does it operate elsewhere?	
		If differences identified, explore reasons.	
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What resources will be needed for the review?	Members:	4-6 from the 2 O&S committees	
	Officers:	Corporate Director; Head of L&A + support	
Over what period should it be carried out?	Start	22/3/06 (once approved by O&S)	
	Complete	10/5/06 (papers for next O&S) or 18/7/06	
Who will be the lead officer?	Helen Style (as Corporate Director supporting O&S/S) - <i>but not (Acting) Head of Legal and Admin</i>		