



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Chairman of the Scrutiny (Audit & Value for Money Council Services) Committee: Annual Report 2017/18
Meeting of:	Council
Date:	5 th March 2018
Is this an Executive Decision:	NO
Is this a Key Decision:	NO
Is the Report Confidential:	NO
If so, please state relevant paragraph from Schedule 12A LGA 1972:	N/A
<p>Essential Signatories:</p> <p>ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE</p> <p>Monitoring Officer: Angela Wakefield</p> <p>Date Signature</p> <p>Chief Finance Officer: Sal Khan</p> <p>Date Signature</p>	

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Council

Date: 5th March 2018

REPORT TITLE:	Chairman of the Scrutiny (Audit and Value for Money Council Services) Committee: Annual Report 2017/18
PORTFOLIO:	Leader of the Council
HEAD OF SERVICE:	Chief Executive
CONTACT OFFICER:	Chris Ebberley (Corporate & Commercial Manager) x1772
WARD(S) AFFECTED:	Non-specific

1. Purpose of the Report

1.1. To provide a summary of the Scrutiny activities undertaken by the Scrutiny (Audit and Value for Money Council Services) Committee during 2017/18.

2. Background

2.1. The Council's various Scrutiny Committees discharge the overview and scrutiny function under Section 21 of the Local Government Act 2000.

2.2. The Committees are tasked with:

2.2.1. Reviewing and/or scrutinising decisions made or actions taken in connection with the discharge of any of the Council's functions;

2.2.2. Reviewing and scrutinising the performance of the Council;

2.2.3. Serving as consultees in relation to executive decisions and key elements of service plans when required; and

2.2.4. Producing progress reports and recommendations to the Executive arising from the outcome of the scrutiny process or refer to the Executive

entire reports produced as a result of the scrutiny process. However it is the decision of the Executive whether or not such a report is subsequently submitted to Full Council.

3. Contribution to Corporate Priorities

3.1. This report can contribute to all priorities to some degree (depending on the subject matter of the scrutiny review in question); however the remit of this particular Scrutiny Committee is to consider services within the corporate priority area of "Value for Money Council Services".

4. Scrutiny Activities

4.1. Completed Reviews

Historical Purchase of Bargates

4.1.1. Immediately prior to the reorganisation of the Council's scrutiny arrangements in June 2017, the Scrutiny (Value for Money Council Services) Committee completed a review on the historical purchase of Bargates by the Council from Tesco. Given the commercially sensitive nature of the subject matter the review was conducted in the private part of the agenda.

Dove Way/Pennycroft Lane Project

4.1.2. Following its Internal Audit in March 2017, the Audit Committee (prior to the reorganisation of the Council scrutiny arrangements in June 2017) and subsequently the Scrutiny (Audit and Value for Money Council Services) Committee carried out a follow up review into the delivery of the Dove Way/Pennycroft Lane

4.2. Current Scrutiny Reviews

Income Generation

4.2.1. In the Revenue and Capital Outturn Report Quarter 3 2016/17 it was highlighted that there were three significant budget pressures which all relate to fluctuations in relation to our income levels are a key risk project area highlighted within the Council's approved medium term financial strategy. As such the Committee decided to review the Council's current income streams to identify our current position and how we compare to other Councils in terms of the income we bring in.

Disabled Facility Grants

4.2.2. It was proposed that a scrutiny review should be undertaken into the process of East Staffordshire Borough Council's Disabled Facilities Grant.

Representation on Outside Bodies

4.2.3. The Committee has agreed to carry out a review on Elected Member Representation on Outside Bodies. A scoping paper is yet to be agreed.

4.3. Future Scrutiny Reviews

4.3.1. The Committee has agreed a work programme which includes the following topics:

- Leisure Options
- Review of Scrutiny and its Effectiveness
- Accommodation move
- Changes to Operation of Neighbourhood Management Fund
- Changes to Operation of Car Parks

4.4. Audit Work

4.4.1. The Scrutiny (Audit and Value for Money Council Services) Committee is also delegated a number of statutory functions in relation to Governance, Treasury Management and the Annual Statement of Accounts. Following the formation of the new Committee it agreed a programme of training which has been delivered during the course of the year. The following activities have been undertaken, some of which took place during the year by the former Audit Committee, but have been included for completeness:

Statement of Accounts 2016/17

4.4.2. Scrutiny and formal approval (via the Audit (approval of the statement of accounts) Committee of the Annual Statement of Accounts for 2016/17, including agreeing the annual letter of representation to the external auditors on behalf of the authority.

External Audit

4.4.3. Receiving regular updates and scrutinising reports from our appointed external auditors (Grant Thornton), including the "Audit Findings Report" in relation to the Statutory Accounts and Value for Money Conclusion, as well as the "Annual Audit Letter". Both of these documents reflected a very positive outcome for the Council.

4.4.4. The external auditors also provide regular updates to members on their review the housing benefits subsidy claim.

4.4.5. The Committee also received updates in relation to the procurement and appointment of external auditors following the expiry of the current contractual arrangements.

Internal Audit

4.4.6. The committee scrutinised the plan of internal audit work and monitored progress against the plan during the course of the year, this included monitoring to ensure that agreed actions are implemented in a timely manner.

Treasury Management

4.4.7. Scrutiny of the Annual Treasury Management Strategy, Mid-Year update and Annual Treasury Management Reports prior to their consideration and approval by full Council.

Annual Governance Statement

4.4.8. The Committee scrutinised and approved the statutory Annual Governance Statement, which is published alongside the Statement of Accounts.

Financial Performance

4.4.9. The Committee receives and scrutinises the quarterly finance reports, covering the revenue budget, capital programme, treasury management and risk management.

5. Financial Considerations

This section has been approved by the following member of the Financial Management Unit: Lisa Turner

5.1. There are no financial issues arising from this Report.

6. Risk Assessment and Management

6.1. The main risks to this Report and the Council achieving its objectives are as follows:

6.1.1. **Positive** (Opportunities/Benefits):

6.1.1.1. None

6.1.2. **Negative** (Threats):

6.1.2.1. None

6.2. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

7. Legal Considerations

*This section has been approved by the following member of the Legal Team:
Angela Wakefield.*

7.1. There are no significant legal issues arising from this Report.

8. Equalities and Health

8.1. Equality impacts: The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

8.2. Health impacts: The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

9. Human Rights

9.1. There are no Human Rights issues arising from this Report.

10. Sustainability (including climate change and change adaptation measures)

10.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) **N/A**

11. Recommendation(s)

11.1. To note the report

12. Background Papers

12.1. None

13. Appendices

13.1. Appendix 1: Scrutiny (Audit and Value for Money Council Services) Committee Reviews 2017/18

Appendix 1: Scrutiny (Audit and Value for Money Council Services) Committee Reviews 2017/18

Income Generation

Background and Scope

Background

In the Revenue and Capital Outturn Report Quarter 3 2016/17 it was highlighted that there were three significant budget pressures which all relate to fluctuations in relation to our income levels are a key risk area highlighted within the Council's approved medium term financial strategy.

The three areas were:

- Recycling Income
- Markets Income
- Planning Income

In the Quarter 4 Revenue and Capital Outturn Report the same three areas were highlighted as having a negative impact on the Council's finances...

- A reduction in recycling income levels of £109k, largely as a result of lower market prices;
- Planning fee income was also lower than budget following the adoption of the local plan (£99k);
- There was also a negative variation (£230k) in relation to markets activities, largely arising from Income being lower than budgeted.

Scope

1. Gain a clear understanding of the Council's current means of income generation.
2. What is the process for setting fees and charges?
3. How does our income generation compare with that of other Councils?
4. What services the Council is able to charge for and how this compares with other councils.
5. Identify areas of the Council's work where there could be potential to introduce charges.
6. Give thought to the possible impact of introducing charges.

Disabled Facilities Grants

Background and Scope

Background

It was proposed that a scrutiny review should be undertaken into the process of East Staffordshire Borough Council's Disabled Facilities Grant.

Disabled Facilities Grants were introduced in 1990 but the principal legal provisions are now contained in the Housing Grants, Construction & Regeneration Act 1996 (HGCRA) and regulations made under it. Under this act and regulations East Staffordshire Borough Council has a statutory duty to provide financial assistance to disabled people for a range of essential adaptations to their homes through the Disabled Facilities Grant.

The provision of Disabled Facilities Grants is a key component in delivering the Government's objective of providing increased levels of care and support to both disabled and vulnerable people to help them live independently in their own homes. Its aim is to aide disabled people to live comfortably and independently in their homes through providing the correct adaptations.

Scope

1. What are Disabled Facility Grants and who is eligible?
2. How does someone access the funding? Where would they make first contact?
3. If a person decided they did want to apply for funding, what would the initial process be?
4. What is the average time period from first contact to submitting an application to ESBC?
5. Once an application has been submitted, what is the average time period from application submission to a decision being made by ESBC?
6. After a decision to approve an application has been made, on average how long does it take to complete the work?
7. From first contact to works completion how does ESBC compare with other districts in Staffordshire?
8. In the past year how many applicants have complained formally to either ESBC or another public body about the application process which ESBC use?
9. How many DFG's each year do ESBC provide?
10. Are there any organisations that either work with or on behalf of ESBC?
11. What is the total amount of money in the DFG budget over the last 5 years?
12. Of this amount how much does ESBC contribute?

Background and Scope

Background

As per the Constitution, Elected Members of the Council may be appointed to participate in the activities of any outside body providing two-way communication between the organisations. A Member should also develop and maintain a working knowledge of the council's policies and practices in relation to that body and of the community's needs and aspirations in respect of that body's role and functions.

It is several years since the list of outside bodies has been reviewed and as such the Committee agreed to carry out a review on Elected Member Representation on Outside Bodies.

Scope

The scoping paper is yet to be agreed by the Committee.