MINUTES OF
PUBLIC ACCOUNTS AND AUDIT SELECT COMMITTEE

Wednesday, 5 April 2017
(6:03 - 7:55 pm)

Present: Cllr Rocky Gill (Deputy Chair in the Chair), Cllr Jeanne Alexander, Cllr Peter Chand, Cllr James Ogungbose, Cllr Adegboyega Oluwole, Cllr Tony Ramsay and Cllr Phil Waker

Also Present: Alan Hill; Cllr Dominic Twomey

Apologies: Cllr Dave Miles and Cllr Elizabeth Kangethe

55. Declaration of Members' Interests

There were no declarations of interest.

56. Minutes (8 March 2017)

The minutes of the meeting held on 8 March 2017 were confirmed as correct.

57. Corporate Delivery Plan 2016/17 - Quarter 3 Performance Reporting

The Corporate Plan 2016/17 is a key document to ensure the Council has a co-ordinated approach to delivering the vision and priorities, and makes best use of the resources available. Key Performance Indicators (KPIs) have been developed to monitor performance against the priorities and frontline services.

Progress is reported quarterly to CPG and Cabinet and every six months to the Select Committee. An in-depth focus on performance takes place at the new Performance Challenge Sessions held quarterly, with areas of concern scrutinised on a monthly basis. This report provided an update on performance for Quarter 3 of 2016/17 (October-December 2016) against the Key Performance Indicators (KPIs) and Key Accountabilities which were agreed by Cabinet.

The Chief Operating Officer (COO) introduced the report and highlighted improvements relating to the percentage of borough schools rated as good or outstanding (KPI 126) and the percentage of staff who are satisfied working for the Council (KPI 33). Members sought clarification about staff who were satisfied working for the Council and the COO stated that a number of different surveys are conducted and reasons for staff dissatisfaction were looked into. In response to Members comments, she considered that those staff who were unhappy were more likely to respond to such surveys. In addition, approximately 20% of the workforce had responded to the survey electronically.

Members were concerned about the average number of days lost due to sickness (KPI 32), which was higher than the London average of 7.9 days per employee and asked what steps were being taken to reduce sickness absence. The Head of Workforce Change (HWC) stated that in the last eighteen months there had been a concerted sickness reduction strategy which sought to find out the reasons for sickness absence. HR also reviewed recording of sickness absence on the Oracle
system. All managers had received mandatory sickness absence briefings and Directors were updated on sickness levels every two months. Directors then followed up concerns with Team Leaders and it was important that these procedures were robust. A positive staff attendance culture was encouraged, which aimed at sickness prevention and wellbeing and treated staff well whilst addressing concerns on sickness absence. There were three ‘hotspots’ where sickness absence was particularly high and an action plan was in place to deal with these areas.

Members asked for the underlying reasons for staff being off work sick over ten days per year. The HWC stated that reports were submitted to the Workforce Board with reasons for long and short term absence.

Members were concerned about the percentage of Member enquiries responded to within the deadline (KPI 31) and considered that this performance needed to be improved. They considered that in addition to not always receiving prompt responses from officers which was unacceptable, the responses provided were sometimes dismissive. It was felt that Members could be updated and then given a more detailed response if required rather than sticking rigidly to a ten-day response.

It was noted that improvements in providing responses to Members were being made. The COO stated that the response rate had risen to 78% within ten days in the last month.

The Select Committee:
(i) Noted progress against the Key Accountabilities;
(ii) Note performance against the KPIs; and
(iii) Noted that the report was very lengthy and requested consideration as to whether future CDP reports could be condensed to make it easier to follow and focus on the key points.

58. Internal Audit Charter, Audit Strategy and Audit Plan 2017/18

This report set out the Internal Audit Strategy and proposed Audit Plan for 2017/18 which detailed how the Council will meet its statutory requirements for Internal Audit. The overall approach to delivering and monitoring the Internal Audit function as set out in this report complied with the Public Sector Internal Audit Standards (PSIAS) and the Council’s Internal Audit Charter which has been updated to reflect revisions during 2016 to the PSIAS.

The COO stated that discussions on future Internal Audit arrangements had been held with the London Borough of Redbridge following the departure of their Head of Internal Audit. The COO confirmed that there will be a ‘rolling’ joint internal audit service with Redbridge and this would be reviewed during 2017/18. Members noted the report and sought reassurance on the robustness of these plans. The COO advised that the London Borough of Redbridge had external support to assist them in running the Internal Audit service and the strategic direction of the team and assured Members that the Council had the ability to deliver the Audit Plan in 2017/18.
59. **Expenditure on Member Training and Development April 2014 - February 2017**

This report was in response to a request from Members and outlined the Member training and development expenditure for the period April 2014 – February 2017. As the figures for the financial year 2016-2017 were not complete at time of publication, they were based on both invoiced and committed expenditure. It was noted that the majority of training was provided ‘free’ by officers and as a benefit of the Council’s membership of the LGA and London Councils, with the bulk of expenditure spent on external trainers and associated member travel and accommodation costs.

It was explained that the priorities for member training and development are determined by the Member Development Group, the approach to which was outlined in the Corporate Councillor Learning and Development Plan. The plan was informed through a process of personal development plans (PDP’s) which all members are offered to access development and training to equip them for any current role and potential future roles. In that respect the Group Manager (Democratic Services) encouraged those members yet to access a PDP to do so, seeing the take up rate is aligned to the Council’s objective of achieving Member Development Charter Plus which it was currently working towards.

Members welcomed the report and thanked the Member Development Officer for her hard work in promoting and supporting Member development and training. They asked if greater encouragement could be given for Members to attend external seminars and courses. The Cabinet Member for Finance, Growth and Investment in his capacity as the Chair of the Members Development Group, actively encouraged members to come forward to the MDO with ideas/suggestions for attendance. He added that attendance needed to be both cost effective and relevant to the role of the individual member, in which case if a course and/or seminar was regarded as benefitting a number of members then consideration would be given to booking an external trainer to provide in house sessions.

The Select Committee noted the report and asked for a briefing note to provide full costs for Member training and development expenditure for the period 2016/17.

60. **Information Governance Annual report**

This was the annual report on Information Governance to the Select Committee. Information Governance primarily focussed on the Council’s obligations under the Freedom of Information Act and the Data Protection Act. The report provided information and assessment of the Council’s performance across its activities on Information Governance and detailed the key elements of the Council’s governance arrangements and performance and range of activities for which the Council is responsible for, Performance and effectiveness, and listed actions proposed to deal with significant governance issues.

The report was introduced by the Head of the Client Unit (HCU). He stated that the Unit managed personal and sensitive data under the Freedom of Information Act (FOI) and stated that he estimated that £100K was being spent to deal with answering FOI requests but that responding to them is a statutory requirement.
The Council continued to charge £10 for each request as allowed by Government.

The HCU noted that a new general data protection regulation (GDPR) would be introduced at some stage in 2018. The GDPR will place additional responsibilities upon the Council, including how the Council give people access to their data.

Members were concerned that the current compliance rate of dealing with FOI requests was around 50% and asked what contingency plans were in place to improve this performance. The HCU was very confident that improvements had been made since the appointment of the new Information Governance Manager (IGM). The IGM had reorganised the team, which would allow for deploying finite resources as effectively as possible. All FOI requests in March 2017 had been answered in the required timeframe and it was anticipated that level of performance would be maintained. As much information for FOI responses will be made available on the Council’s website for public reference.

The HCU advised that there had been a total of 10 data breaches in the period January-December 2016 although these were minor matters with no further action. This can cause reputational damage which the Council were working to avoid. In October 2016, the Council accepted an invitation from the Information Commissioner’s Office (ICO) to take part in a data protection audit. The scope of the audit was still to be established, but ICO audits are known to be helpful in aiding Councils to improve their information governance management. A draft action plan would be presented to the Assurance Group in mid-April 2017 and recommendations from the ICO will follow in June-July 2017.

61. Barking Market-Breakdown of Accounts 2016/17

At the Select Committee on 29 June 2016, Members received a report confirming the accounts for Barking Market from 2012/13 to 2015/16 together with details of how the finances for the 2016/17 budget would be brought into line. The Committee requested this updated report setting out the 2016/17 Barking Market budget including income compared to spend and an update on the communications budget and spend on communications.

The Operational Director, Enforcement (ODE) presented the report and advised that the financial viability of retail markets had been very challenging across the country at this time although stated that the Barking Market was currently financially viable and it was anticipated that it would make a net contribution to the Council of £295,947 in 2016/17. The overall costs for cleansing and refuse collection remained a challenge although the introduction of a compactor in spring 2017 would assist in the reduction of refuse collection. Once this was fully operational the overall cost of refuse and cleansing would be assessed.

The ODE advised that the Council has also developed a communication and events plan to promote the market and number of themed market events would take place throughout 2017.

The Select Committee were concerned about the security implications of Barking Market in light of the recent terrorist attacks and this could be referred to the Safer and Stronger Communities Select Committee via the individual Member who raised this issue. The ODE advised that Markets in Europe had been issued with
guidance on the threat of Terrorism and Counter-Terrorist measures.

The Select Committee welcomed the report and were pleased with the operating surplus and progress being made in making the Market more financially viable. They requested a follow up report on the breakdown of accounts at their meeting on 24 January 2018.

62. Work Programme 2017/18

The Select Committee agreed the Work Programme for 2017/18 and asked that three additional reports be included during the year:

- Scrutiny of the Abbey Sports Centre Budget – 28 June 2017
- Barking Market Accounts update- 24 January 2018
- Balances at the end of the financial year- 24 January 2018 (provisional)

The Select Committee also agreed that meetings in 2017/18 should continue to commence at 6.00 pm.

63. *Use of Agency Staff, Programme and Project Workers and Consultants as at 14 March 2017

The report was introduced by the Head of Workforce Change (HWC) and the information showed an analysis of non-permanent staff across all services, as at 14 March 2017 broken down by:

- Agency staff – non-permanent staff working under LBBD direction and covering established vacant posts pending recruitment or brought in to meet short-term operational demands such as sickness or peak workloads;
- Programme and Project workers – non-permanent staff working under LBBD direction and brought in for a fixed period to provide specific skills and knowledge for the duration of a defined programme or project; and
- Consultants - employees of third party organisations working under the third party’s direction to deliver a specific output as commissioned by the Council.

Detailed information was provided in Appendix 1 and data showed the workforce under the interim management structure implemented on 1 April 2016 and this information would be revised in future reports to reflect the introduction of the further changes in April 2017.

The HWC stated that owing to legal advice, it was not possible to include individual names as had been previously requested. She reassured the Select Committee that robust arrangements were in place to rigorously deal with all appointments and this was managed by the Workforce Governance Group, chaired by the Chief Executive and attended by Strategic Directors.

Members noted that the report was in the same format as before other than there was a separate page for staff earning more than £400 per day which had been
requested by Members. There was no commentary provided on the actual numbers and it was requested that a narrative should be included. The HWC responded that these would be built into future reports. The next report would be submitted to the Select Committee at its meeting on 6 December 2017.

The Select Committee noted the report and asked for information relating to those consultants who had been engaged as part of the Ambition 2020 programme. The COO advised that new tax regulations from HM Revenue and Customs (IR 35) would come into effect on 6 April 2017 and this covered individual taxation and those agency staff had been offered fixed term contracts as employees of the Council. Members requested an explanation and details of the IR35 regulations and this would be provided to them in a briefing note.

*Item considered following the passing of a resolution to exclude the public and press by virtue of paragraphs 1 & 2 of Part 1 of Schedule 12A of the Local Government Act 1972.*