PUBLIC ACCOUNTS AND AUDIT SELECT COMMITTEE

Wednesday, 29 January 2014
(6:00 - 7:23 pm)

Present: Councillor A S Jamu (Chair), Councillor S Alasia and Councillor M Mullane
Also Present: Dr Ian Fifield;

Apologies: Councillor T Saeed and Councillor L Butt;

105. Declaration of Members' Interests

There were no declarations of interest.

106. Minutes of the last meeting held on 4 December 2013

The minutes of the inquorate meeting held on 4 December 2013 were noted.

107. Elevate JV Review - Update

Received and noted an update on progress against each of the recommendations set down in the final report of the review of the Elevate joint venture which was reported in June 2013.

In respect of the recommendations around performance reporting Councillor Mullane has requested an update on the last quarter's performances at both the Barking and Dagenham OSS’s, specifically around waiting times.

108. Debt Management including write-offs - 6th month update (April-September)

The Head of Revenues at Elevate East London (HREEL) introduced the report.

The report covered debt management for the second quarter of the current financial year 2013/14. It included information regarding collection performance in respect of Council Tax, NNDR, rents and general income, leasehold service charges and Penalty Charge Notices. It included explanations as to why in some areas collection rates are slightly lower than target performance.

Alongside collection rates were details of service improvements, bailiff performance, and write-offs which in accordance with the write off policy approved by the Cabinet in October 2011.

Overall the report shows that Elevate are ahead or meeting all of the agreed performance indicators, albeit the performance on collecting NNDR is slightly down. This is as a consequence of the decision of Havering to withdraw from what was a joint service due to changes in the way they now collect business rates. As a number of costs were shared the decision to withdraw means B&D’s cost have increased in some areas of the service. Investigations are taking place as to the opportunities to take up similar shared services with other authorities.
Councillor Mullane referred to the performance of Council Tax and rent collections and the variations in how tenants are treated between notices to pay and ultimately eviction, with what appears a lack of consistency and transparency. The HREEL explained that the decision to evict follows an agreed process whereby a panel made up of Council Officers headed up by the DD consider recommendations from Elevate on a case by case basis. Elevate are looking to establish closer working with Housing officers in order to intervene at an earlier stage in cases of debt to avoid the need for eviction notices to be served in the first place. A briefing note will be prepared for Members of PAASC of how closer working will be achieved. At the Lead Member’s request consideration will also be given to possibly arranging a future pre Assembly briefing seeing the importance of these issues to Members’ generally.

109. Potential risks to the Council's 2014/15 budget position

Members were presented with a report outlining the risks around making the agreed savings around the 2014/15 budget and how those risks are being mitigated. The report summarised the position agreed at the budget Assembly in February 2013 updated for the changes post the December 2013 Local Government settlement.

A RAG rated schedule setting out the details and progress against each saving was attached which shows that generally the Council is on track to achieve the savings with around 10% of the savings classified as red or amber. The Chief Finance Officer clarified that where savings are classified as amber that only a proportion of the saving will not be achieved and, that for all savings not achieved, Chief Officers are clear that offsetting savings will need to be found to ensure the Council comes in on budget overall.

The Chief Finance Officer referred to a number of additional in year pressures that will need to be managed although he was confident that having set a two year budget that 2014/15 is seen as low risk at this time.

110. Information Governance- Annual Monitoring update

This item was introduced by the ICT and Information Governance Officer (ICT&IGO). The report provided an overview of the work completed over the past 12 months including information management and security, statistics on FOI and Data Protection requests and data quality, the results of an Information Governance audit and details of the work plan for 2014.

The Information Commissioner’s Office (ICO) continues to use its powers to fine organisations responsible for loss of personal data. It was noted that from 1 April 2014 the government will introduce a mandatory code of practice on data transparency. This will require local authorities to make an extensive set of information freely available.

Last year as part of a programme of work in the organisation to raise awareness of good governance practices mandatory on line training for staff was introduced entitled “Managing Information”. Take up still remains low compared to the number
of staff employed and so further work is planned to remind staff to take the course including linking it to the annual appraisal process.

B&D were subject to three complaints to the ICO by members of the public and self reported three security breaches to the ICO in the past year. Two issues related to paper copies of personal data being posted to the wrong address with the third being the way a complaint that had originally been reported to the ICO had been handled.

The number of FOI requests continues to grow steadily although not at the same rate in previous years. The report provided response performance data as well as a statistical breakdown analysing those individuals making multiple requests.

Work continues in training and supporting the departments in responding as efficiently as possible.

On data protection requests the law only allows for charges of £10 per request. The Council is now actively exploring the option of bringing in this charge in order to try and manage the number of requests.

Finally an internal audit of the council’s Information Governance processes was carried out over the past year, the report from which gave “limited assurance” and identified a number of areas for improvement which will form part of the IC work plan for 2014.

As ward councillors information on behalf of local residents is regularly sought only to be told on occasions that the information is not accessible. It is understood that the Chief Executive is looking into these issues and is due to provide members with an update which the Chief Finance Officer will pursue.

111. Corporate Priority Performance 2013/14

Sarah Welton from the shared Strategy team introduced the report.

The Community Strategy 2013-2016 and Corporate Plan 2013/14 were agreed by the Assembly in May 2013 alongside the development of new performance indicators which were agreed by the Cabinet in June 2013 reflecting Council priorities, high volume front line services and being a “well run organisation”.

The report set out performance information in areas of real interest to Members and where performance has improved or dipped. It provided a summary of performance at Quarter Two in 2013/14. In reviewing the statistics members made the following comments:

What corporately are the Council doing to improve sickness levels in the organisation?

The Head of Human Resources and Organisational Development (HHROD) explained that a growing proportion of sickness in the organisation is due to stress related illness which correlates to the budget cuts that have been experienced over the last few years. Training is being offered to individuals and managers to deal with these issues. Actions are now in place to tackle the increasing sickness levels.
What progress is being made to better reflect the community ethnicity in the workforce?

The Council has an objective of reflecting the make-up of the community in the workforce, and we also have an ambition to have a programme of succession planning through career progression although to a degree that ambition is being held back due to the Council’s financial position.

Is there a culture that woman do not progress to the higher graded positions in the organisation?

The HHROD does not think there is an impediment to woman progressing in the organisation with it varying from time to time. At the moment we have two women Corporate Directors and a number of Divisional Directors.

Will the average time taken to relet local authority housing improve now the service is back in-house?

When the service was taken by in house there was a significant backlog of voids which is now being addressed and which should result in better progress against targets. The Council is also looking to get more local suppliers/contractors involved to improve the turnaround times.

The percentage of Stage 2 complaints responded to within deadline, were reported as being 62% to date against a target of 80%. The officers agreed to provide members with more information about the figures seeing how low they are against the target

The Committee noted the report.

112. Annual Audit Letter- KPMG

Received the annual Audit Letter from KPMG the Council’s External Auditors summarising the key findings of their 2012/13 audit of the Council’s financial statements and VFM conclusions.

The Committee noted that KPMG have issued an unqualified opinion believing that the financial statements presented reflect a true and fair view of the financial position of the authority and of its expenditure and income for the year. The statements also include the Council’s pension fund and the joint venture with Agillisys through Elevate East London.

A Certificate of Approval was submitted on 30 September 2013 in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice.

113. Audit Plans (Main and Pension) -KPMG

Received a report from KPMG setting out the planned approach to the delivering of the financial statement work for the Council’s General Fund and the Pension Fund as well as the approach for value for money work in 2013/14. This supplements the approach outlined in the Audit Fee Letter presented in April 2013.
The approach to the audit is unchanged from last year and overall it was pleasing to note that KPMG having completed their initial risk assessments have not identified any significant areas of concern for the Authority’s financial statements, Pension Fund and VFM.

The Lead Member seeing the low risk asked the question as to whether the Council can expect to see a corresponding reduction in the audit fees. KPMG responded that the fee structure is based on Barking and Dagenham being a well performing authority. Continuing to perform well and meet audit expectations will hopefully bring a down ward pressure on fees in future years.

114. **Certification of Grants and Claims Report - KPMG**

KPMG reported on the Certification of Grants and Returns for 2012/13.

Local authorities claim large sums in grants and subsidies from HMG and other grant paying bodies and the Council is required to complete returns providing financial information to government departments. KPMG undertake certification work to ensure this work is completed correctly. In 2012/13 four claims were given an unqualified certification with a total value of £301m

The Committee noted the report.

115. **Work Programme 2013/14**

Noted the current work programme setting out details of those reports due to be presented to the next meeting in March 2014, being the last meeting in the current municipal cycle.

As a result of comments made on the debt recovery monitoring report Elevate were requested to provide a written update at the next meeting on how reported closer ties with housing are/will work in practice and the effect this may be having on reducing the number of cases being considered for eviction.

116. **Date of Next Meeting - 19 March 2014**

117. *Oracle R12 -Update*

Received an update on the progress with the One Oracle project and specifically the reasons for the delay in the go-live date and the options for the Council should it not be possible to go-live in April.

A further report will be presented to the next meeting to consider whether it is feasible to go- live in April, which will be based on providing Members with assurances that the system will not fail.

*Item considered following the passing of a resolution to exclude the public and press*