

PERFORMANCE AND GOVERNANCE

Minutes of the meeting held on 12 June 2012 commencing at 7.00 pm

Present: Cllr Fittock (Chairman)
Cllr Walshe (Vice-Chairman)

Cllrs. Walshe, Mrs. Bayley, Clark, Davison, Dickins, Firth, Gaywood, Grint, London, McGarvey and Piper

Apologies for absence were received from Cllr. *Mrs. Cook and Hogarth

Cllrs. Mrs. Davison and Ramsay were also present.

1. Minutes

In respect of Minute 59, a Member noted that a further report would be brought to the Committee on the new Police Office and a more in-depth consideration of value for money in the letting process and questioned when the report would be presented. In response, the Deputy Chief Executive and Director of Corporate Resources confirmed that the report would be presented at the September meeting.

Resolved: that the minutes of the meeting of the Performance and Governance Committee held on 13 March 2012, be approved and signed by the Chairman as a correct record.

2. Declarations of interest.

In respect of minute 7, Property Review – Local Needs Housing Shoreham, Councillor McGarvey declared a personal interest as the Acting Clerk to Shoreham Parish Council.

3. Formal Response or Consultation Requests from the Cabinet and/or Select Committees following matters referred by the Committee:

- a) Internal Audit Quarter 2 – Progress Report – ‘Review of Car Parking Income’ (Response from Environment Select Committee 20 March 2012)

The response was noted.

- b) LPI HR 003 – Number of working days lost through long term sickness absence per FTE (>20 cumulative days) (Response from Services Select Committee 3 April 2012)

The Committee noted that a further report was due to be considered by the Services Select Committee on 19 June 2012.

4. To receive the minutes of the Finance Advisory Group for information.

Members noted the Minutes of the meeting of the Finance Advisory Group held on 28 March 2012.

*Amended 18/09/12

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5. Actions from the last meeting of the Committee

The completed actions were noted.

6. Future Business, the Work Plan 2012/13 (attached) and the Forward Plan.

Members noted that the Internal Audit Quarter 1 report would be considered at the September meeting.

7. Property Review - Local Needs Housing, Shoreham

In 2005, Shoreham Parish Council, supported by Sevenoaks District Council, asked the Rural Housing Enabler at Action with Communities in Rural Kent to carry out a housing needs survey in the Parish, to identify if there was a need for affordable housing for local people. The results identified a housing need from 17 households and the Parish council agreed that a small development of eight homes would go some way to meet this need. From an initial sight search it was agreed that the most appropriate available site was in Filston Lane. The land identified formed part of Timberden Farm, owned by the District Council and let on a Farm Business Tenancy. The land would have no other development use other than for agricultural purposes were it not for an identified local need and had been valued at £25,000. The original purchase of the farm by the District Council provided for the vendor to receive 50% of any proceeds of sale of whole or part of the farm for development purposes. The proposal accorded with equality issues in that it would be beneficial to provide housing for disadvantaged sections of the local community, especially in rural areas such as Shoreham.

A Member reported that at its meeting the previous week, Shoreham Parish Council took the decision to oppose the proposal. The Parish Council had concerns that the proposal was based on a survey that had been published in 2005 and was therefore seven years old. As a result of this it was likely that demand had changed in the intervening years. There was also a scheme in Dunton Green which was relatively local and appeared to be meeting local need.

The Professional Services Manager reported that the scheme would not be progressed unless there was full support from the Parish Council.

Resolved: that the matter be deferred pending the receipt of further information from Shoreham Parish Council.

8. Review of the Effectiveness of Internal Audit 2011/12.

The Committee considered a report outlining the outcome of the annual self-assessment of the Council's internal audit function. The initial self assessment was undertaken by the internal audit manager using the standard CIPFA template. The assessment was then reviewed by the Council's Officers Risk Management Group, prior to a review by management team and subsequently the Performance and Governance Committee. The overall assessment was that the Council has an effective internal audit team, which substantially complies with the CIPFA Code

In respect of staffing, training and development, the Chairman queried whether costs had been included in the budget. The Audit, Risk and Anti-Fraud Manager reported that training needs were identified through the appraisal process and would be funded through the corporate training budget.

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In response to a question from the Chairman, the Audit, Risk and Anti-Fraud Manager reported that the review of the implementation of the new CIPFA guidance on the role of the Head of Internal Audit to ensure compliance would be undertaken within the next six months.

A Member suggested that it may be helpful to invite the Audit Manager to a meeting with no managers present to enable them to speak freely. The Chief Executive confirmed that the Audit, Risk and Anti-Fraud Manager had free, direct access to the Chairman of the Committee. The Chairman also confirmed that he had private meetings with the Audit Manager. Following discussions, it was agreed that this initiative could be pursued at a future meeting.

Action 1: That the Audit Manager be invited to a meeting of the Committee with no management present.

Resolved: that the Annual Self-Assessment Review of the Effectiveness of Internal Audit Service 2011/12 be approved.

9. Internal Audit Annual Report

The Committee considered a report setting out the achievements of the Internal Audit Team during the period April 2011 to March 2012. The report was prepared in compliance with the Accounts and Audit Regulations 2011, and professional guidance issued by CIPFA. The report incorporated the Audit Manager's overall assurance opinion for 2011/12. The opinion indicated that the Council had effective internal control arrangements in place during the period

Resolved: that

- 1) The work of the Internal Audit Team for 2011/12 be approved; and
- 2) The Audit Manager's annual assurance opinion that the Council has effective internal controls and governance arrangements in place for delivering its objectives and the management of its business risks be supported.

10. Annual Governance Statement 2011/12.

The Committee considered the annual Governance Statement 2011/12 which was required to accompany the Council's Statutory Accounts. A Member noted that the Statement for 2011/12 was not substantially different from that produced for 2010/11. In response the Audit, Risk and Anti Fraud Manger confirmed that the Statement was a requirement under the Accounts and Audit Regulations 2011 and that as there had been no substantial changes during the year the two statements appeared to be similar. The Committee were assured that the completion of the Annual Governance Statement was a thorough process, involving management team and Heads of Service.

Resolved: that the Annual Governance Statement for 2011/12, which accompanies the Council's Accounts, be agreed.

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11. Risk Management Plan 2012/13.

The Committee considered an update on the Council's risk management process and plans for delivering the Council's risk management strategy in 2012/13. The Audit, Risk and Anti-Fraud Manager pointed out that training workshops on the Council's refreshed risk management framework would be delivered to all managers and risk owners within the next few weeks. The second part of the report set out a summary of the Council's Strategic Risks.

Referring to paragraph 9 of the report, a Member commented that the tone of the paragraph appeared to be unduly negative. In response the Chief Executive highlighted that the purpose of the report was to focus on risk, and staffing was an area of risk to the Authority. The Chief Executive also highlighted that a staff survey would be undertaken over the summer and the Council would be assessed for its Investors in People accreditation in the autumn and this would demonstrate more positive aspects.

Resolved: that the report be noted.

12. Benefits Fraud Report 2011/12

The Committee considered a report setting out details of the activities of the Anti-Fraud Team during 2011/12 and the Team's work plan for 2012/13. The Fraud Manager amended two typing errors on page 100 of the report. There had been a 69% increase in the value of overpaid Housing Benefit and Council Tax Benefit discovered through benefit fraud investigations in 2011/12. There had also been a 42% increase on the number of benefit sanctions issued. The figures were encouraging as the partnership with Dartford Borough Council was only in its second year.

The Committee considered how the creation of a new Single Fraud Investigation Service would affect the work carried out by the Anti-Fraud Team. The Fraud Manager reported that the effects of the proposed new service were unclear. The Deputy Chief Executive and Director of Corporate Resources explained to Members that one of the difficulties faced by Officers was that a fraud team working to national priorities could lose a local focus. In addition to this, the Fraud Team also dealt with Council Tax Fraud and it would be a challenge for the Local Authority to identify the necessary resources to continue this work if funding was lost through the centralisation of Housing Benefit. Work was being undertaken with authorities across Kent in order to address the issues that were arising. The Committee were assured that regular updates would be provided as more information was received from central government.

A Member questioned why it was that whilst in 2011/12 56 cases of proven fraud had been identified, only 34 benefit sanctions had been issued in respect of Sevenoaks District Council. The Fraud Manager reported that there were a number reasons why benefit sanctions had not been issued. In some cases, for public interest reasons cases were not prosecutable and this meant that sanctions were not pursued. There were also some cases where time limitations within the benefit fraud legislation had affected the Council's ability to pursue sanctions.

In response to a question, the Fraud Manager confirmed that, the recovery of overpayments was the responsibility of the Revenue and Benefits Team.

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A Member questioned how repeat offenders were traced by local authorities, especially when they moved from area to area. The Fraud Manager explained to the Committee that there was a central database of sanctions that could be accessed by all local authorities. In addition to this, the only sanction that can be taken against repeat offenders would be prosecution.

Resolved: that the report and the work of the Anti-Fraud Team carried out in 2011/12 and the work proposed for 2012/13 be noted.

13. Performance Management End of Year Results

The Committee considered a report summarising Council performance. The report also provided details of all 'Red' performance indicators for the period to the end of March 2012. Members noted that the Services Select Committee would be considering a report on sickness absence and the Environment Select Committee would be considering a report on Fly Tipping.

Turning to Indicator LPI HB001, Average number of days to process new benefits claims, a Member stressed the need to recognise that Officers were in a difficult position due to the 70% increase in the number of new claims and the challenges relating to recruiting experienced benefit assessors. As a result of the challenges being faced by the service, Members stressed the need to set realistic targets for staff. The Deputy Chief Executive and Director of Corporate Resources reported that in order to meet the additional demand between 14 and 17 new benefit assessors would have to be recruited. This simply was not possible due to budget constraints and problems recruiting experienced assessors.

Members also expressed concern at the length of the delay in processing new benefit claims. The Deputy Chief Executive and Director of Corporate Resources reported that some complaints had been received but customers appeared to appreciate the effort that was taken by staff to keep them informed and updated on the progress of their claim.

The Deputy Chief Executive and Director of Corporate Resources also reported that Officers had been meeting with the Portfolio Holder for Finance and Value for Money in order to discuss additional funding contributions towards the Service from the Housing Benefit Subsidy Reserve. The Committee agreed that the Services Select Committee should be asked to further review the performance indicators relating to the Housing Benefits Service.

Turning to Performance Indicator LPI PH001, Number of Home Improvement Agency projects completed, a Member noted that no up-to-date information had been provided. The Policy and Performance Manager explained that at the time the agenda was published the information had not been available however, the new information that had been received would be circulated with the minutes. The Committee also agreed that it would be helpful for the indicator to be further reviewed by the Services Select Committee.

Action 2: That update information regarding indicator LPI PH001 be circulated with the minutes.

In reference to Performance Indicator LPI Waste005, Number of Missed Green Waste Collection Complaints, a Member expressed concerns surrounding having an indicator

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that simply recorded complaints and did not record the number of missed collections. The Committee agreed that it would be helpful for the composition of the target to be reviewed.

Resolved: that the report be noted and that the Services Select Committee be requested to further review the performance indicators relating to the Housing Benefits Service.

14. Provisional Outturn 2011/12

Members considered a report setting out the provisional outturn for 2011/2012. The Committee heard that at the end of February the forecast outturn was a favourable variance of £50,000. Since then the Council had received a VAT refund of £552,000.

The provisional outturn for the year showed a favourable variance of £632,000 which, after allowing for the VAT refund, was a year end favourable variance of £80,000.

The Committee welcomed the favourable variance and thanked Officers for their hard work and diligence in balancing the budget.

Resolved: that the Provisional Outturn 2011/12 be noted.

THE MEETING WAS CONCLUDED AT 8.52 PM

CHAIRMAN

Services Select Committee PI's



Response to Action Point 2 of the Performance & Governance Committee meeting minutes of 12 June 2012

Code	Description	Year to Date Value	Year to Date Target	Status	Trend Chart	Latest Note
LPI PH 001	Number of Home improvement Agency projects completed	418	540			<p>The Kent wide Home Improvement Agency (HIA) has Kent County Council as the lead Agency and in 2011/12 SDC shared with TMBC, TWBC and MBC in this process. The Agency was "In Touch" under Hyde Housing Association and it did not perform well Kent wide in 2011/2012. As a result there was an underspend of the allocated Disabled Facilities Grant funding for SDC and others, although more than sufficient applications were in pipeline. The HIA in the interim is now under "Family Mosaics " but this year the Kent wide HIA will be out to tender. The targets will have to be reviewed accordingly.</p>

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Minute Annex

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