

MINUTES of the meeting of Audit and Governance Committee held at The Council Chamber, Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Wednesday 28 January 2015 at 10.30 am

Present: Councillor JG Jarvis (Chairman)
Councillor EMK Chave (Vice Chairman)

Councillors: WLS Bowen, PGH Cutter, EPJ Harvey, NP Nenadich and DB Wilcox

39. APOLOGIES FOR ABSENCE

Apologies were received from Councillors MAF Hubbard, Brig P Jones and CNH Attwood.

Apologies were also received from Bill Norman, Assistant Director Governance.

40. NAMED SUBSTITUTES (IF ANY)

Councillor EPJ Harvey attended as substitute for Councillor Hubbard.

41. DECLARATIONS OF INTEREST

There were no declarations of interest received.

42. MINUTES

The Vice Chairman queried when Grant Thornton would be able to report on outstanding matters; it was agreed to seek clarification from Grant Thornton.

RESOLVED: That the Minutes of the meeting held on 26 November 2014 be confirmed as a correct record and signed by the Chairman.

43. UPDATE FROM PIDA WORKING GROUP

The committee was advised that, given the need to prioritise resourcing of a General Overview & Scrutiny Committee call-in, the working group meeting planned for January had been postponed. The working group had met in December and the working group chairman reported that:

- The meeting in December focused on how new data had been presented rather than the data itself;
- Data had been requested by the Working Group on complaints; this was now included in the annual report of the Monitoring Officer appearing elsewhere on the committee's agenda today;
- The group would look to form recommendations for the future work programme for the committee;
- Further dates for the PIDA working group were to be confirmed.

44. ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE

Peter Robinson, Chief Financial Officer (CFO) introduced the report and reminded the committee that a different approach had been taken this year, focussing on an action based approach.

The purpose of the report was to give the committee confidence that agreed actions were being delivered to ensure that concerns identified in the statement were resolved and do not reappear next year.

A member queried whether historic concerns about the robustness of contract management remained unresolved.

The chief financial officer advised that the potential weaknesses identified in the annual governance statement related to 2013/14; improvements had been made since then and the actions currently being implemented were designed to ensure improvements in consistency of approach continued.

At this point the Chief Executive was welcomed to the meeting by the Chairman.

The Chairman asked the Chief Executive what position the authority was in in terms of reviewing staffing levels in key positions.

The chief executive recognised that this is an important area for members in managing resources. The last 24 months has seen a reduction in staff of 20%, however, with a staff figure of 1,050 the council remained the largest employer in the county.

Over the past four years the council has had to identify budget reductions of over £50m with another £10m next year on a net budget of £146m. This would inevitably result in pressures on staff and service delivery. The belief is that resources are being managed in the most efficient manner.

The chief executive noted the outcome of last year's staff survey, highlighting

- Significant encouragement from staff
- Improvements still to be made
- More requirements being made on individual staff
- Ambassadors for the authority
- Staff willing to work extra hours

Overall, the staff survey was a remarkable response from staff given the current economic climate.

As with all authorities, Herefordshire is having to manage with less and this obviously presents challenges.

Continuous improvement teams had been established last September, and more than 60 members of staff had volunteered to participate. These teams have now been embedded in directorates.

The chairman queried morale levels across the authority.

The chief executive stated that being in a challenging financial position, in some cases alongside poor service, performance can and does affect staff morale. However, the authority had moved to a position of financial stability and services were demonstrably improving. Although there was still room for improvement, there was evidence that staff feel they can and are making a difference.

The vice chairman suggested that staff survey results should be presented on an annual basis and could be used as a tool to address operational/delivery issues. The chief executive confirmed that he would be willing to present the staff survey report on an annual basis.

A member raised concerns that the shortfall in funding for social care can and does affect morale and in turn can result in losing staff.

The Chief Executive stated that reduction in funding is a problem that all authorities face and does present challenges to staff across a number of services. It has to be accepted that as an authority we are not equipped financially to achieve all we like to.

A member made the point that the authority must offer competitive packages to attract and retain social workers.

The chief executive stated that although some social workers had left the authority some were returning to the authority which was encouraging. Seeking to attain excellence in everything we do would in turn attract good people.

A member recognised that there had been a significant reduction of resources with change agenda still on going and queried whether, in the medium term, the authority would be looking to make savings in budgets.

The chief executive stated that the authority should focus on achieving rather than just surviving. Although staff levels had been reduced by 20% there had been an improvement in services. There were no plans for further significant corporate restructuring, although there were plans to replace some senior management interim roles with permanent appointments. The authority should demonstrate that it is using all resources in the most efficient way possible. The Authority has achieved a great deal in a short time and has much to be proud of.

The point was made that the authority was focused on joined up public sector working within Herefordshire; however, in the chief executive's opinion a combined authority model would not benefit the county.

In response to a concern raised that online only services may exclude certain service users, the Chief Executive made the point that although the authority would continue to provide a service to residents unable to access services on line; however the authority had to address the changing world, e.g. digital 24/7, self-service, and delivering in innovative ways. Change should be viewed as an opportunity and should be embraced rather than feared.

The Chief Executive noted the importance of participation in the Marches Local Enterprise Partnership.

It was noted that the next draft annual governance statement would be scheduled for consideration by the committee in July.

The governance manager confirmed that a working group, reporting to the Audit & Governance Committee, had been established to identify areas for governance improvement. The first meeting was scheduled in mid-February. In addition a review of finance and contracts procedure rules had been undertaken and would report to the next committee.

45. ANNUAL REPORT OF THE MONITORING OFFICER

The governance manager presented members with the monitoring officer's annual report and drew attention to the fact that the correct figure for data breaches was 64 not 74.

It was noted that the report related to the municipal year 2013/14 and, included a range of data not previously reported therefore did not contain trend data; future annual reports would do so against the baseline set in this report.

A short discussion was had around freedom of information requests and to ensure that the authority was publishing all it could to reduce the number of requests to be resourced. It was confirmed that the general principle being followed was that if information could be published, it should be.

A member sought clarification regarding the two enquiries which had been upheld by the local government ombudsman; it was agreed that the service areas concerned and level of reparation required would be confirmed in writing to the member.

A brief discussion on the forward programme was had with the following recommendations for inclusion:

- A briefing on the LEP assurance framework
- Forward programme should always be included as the last item on the agenda on all Audit and Governance Committee meetings
- Schedule consideration of the results of the annual staff survey should be available every January

The meeting ended at Time Not Specified

CHAIRMAN