

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 19 January 2011 at the Civic Suite, Town Hall, Runcorn

Present: Councillors Leadbetter (Chairman), M Lloyd Jones (Vice-Chairman), Howard, Inch, A. Lowe, Macmanus, McDermott, Murray, Norddahl and Roberts

Apologies for Absence: Councillors Philbin

Absence declared on Council business: None

Officers present: L. Cox, E. Dawson, B. Dodd, I. Leivesley, J. Pearsall, M. Simpson and S. Webster

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

BEB22 MINUTES

The Minutes of the meeting held on 10th November 2010, were taken as read and signed as a correct record.

BEB23 CORPORATE RISK REGISTER 2010-11

The Board considered a report of the Strategic Director, Resources which set out a revised Corporate Risk Register which was used to ensure that the Council maximised its opportunities whilst minimising and controlling the associated risks in delivering the Council's vision and services for Halton.

It was noted that the Council's Executive Board, Management Team and Corporate Risk Management Group had recently reviewed the current Corporate Risk Register. As a result of this review, the structure of the register had been amended and also the corporate risks which had been identified under each heading. The risks had been grouped under headings which were outlined in the report for information. It was further noted that Risk Management training had been provided to ensure that there was understanding of Officers' and Members' roles in the Risk

Action

Management process.

Appended to the report were 18 major risks that had been identified by Management Team which the Board considered. The Board was advised that the Council's approach to Strategic Risk Management was simple and effective. External and internal inspections confirmed that the risk management process and procedures were firmly embedded within the Council. It was further noted that the Corporate Risk Register was supported by individual Directorate Risk Registers.

Arising from discussion, Members noted the following:-

- The Policy document was agreed by Executive Board and reported bi-annually to the Business Efficiency Board;
- The scoring system ranged from 1 to 4 and was a nationally recommended process and a standard that was adopted in the UK; and
- National guidance and local experience was used to understand the risks that Halton faced with regard to its locality in terms of being on a flight path, and in close proximity to chemical productions; and

RESOLVED: That the Corporate Risk Register be approved.

BEB24 PROCUREMENT STRATEGY 2010 - 2013

The Board received a report of the Strategic Director, Resources which sought the Board's approval of the revised Procurement Strategy and Delivery Plan 2010 - 2013. Lorraine Cox, Head of Procurement reported that this was the first strategy developed by the recently formed Procurement Centre of Excellence and the report set out how by bringing procurement skills together in one place, it would help the Council deliver its priorities as well as support the local economy. The Board was advised that, so far, a sum in excess of £600,000 had been saved in the last six months as a result of the new Centre of Excellence.

It was further noted that a key role of the Head of Procurement was to try to ensure that local businesses were aware of trading opportunities with the Council. Members

were informed of a web based system called "The Chest" which was where all spend for £1,000 upwards was to go through. Local businesses had been advised of this system and workshops were being held to upskill local businesses and advise them of trading opportunities. It was also a coaching exercise for businesses on how to improve their tendering processes. There had been a great amount of business interest in The Chest and there was an event taking place next week involving 120 businesses. This would ensure that the Council was embedding this process and practices during all spend activity. The Board would receive six-monthly progress reports.

The Board Members considered the Strategy and discussed the Member and Officer Leads and it was noted that regular management meetings were held monthly and a team was looking to set up a series of performance indicators to benchmark the Division's progress. Board Members requested to see savings that had been made through using The Chest and would like to see some case study examples. The Board was advised that this was an important area for the Council in terms of making financial savings without reducing services or staff. The Board wished to commend the exceptional work carried out with local businesses by the Procurement Team.

RESOLVED: That the Board approves the procurement strategy and Delivery Plan for 2010 to 2013.

BEB25 PROGRESS WITH THE IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Board considered a report of the Operational Director, Finance which provided an update of progress with the implementation of International Financial Reporting Standards (IFRS).

It was reported that the Council was required to prepare its Statement of Accounts (The Abstract) for the year ended 31st March 2011, on the basis of the IFRS in compliance with the IFRS Accounting Code of Practice (IFRS Code).

In order to prepare the 2010/11 year-end accounts on that basis, it was necessary to restate the 2009/10 accounts in order to provide comparative figures and also to restate the 2008/09 balance sheet to provide the opening balances.

It was further noted that a number of other areas of the accounts including Government grants, debtors,

creditors and group accounts had also been reviewed and accounted for in accordance with the Code's requirements. As a result, the key financial statements within the 2009/10 Abstract of Accounts had now been restated to IFRS basis, along with the supporting notes to the accounts. Working papers had also been prepared which mapped all of the changes made to enable them to be reviewed by the Audit Commission.

The Board was advised that in order to restate the 2009/10 accounts on an IFRS basis it had been necessary to update the Council's Accounting Policies and these would be presented to the next meeting of the Board. As a result, changes would need to be made to Standing Orders Relating to Finance within the Council's Constitution.

As a result of the exercise, 700 leases had been identified, 500 of which were property leases. In addition, the provision calculated for annual leave carried forward totalled £1.7m for 2009/10, of which £1.3m related to teaching staff. The latter was a calculated figure based upon when school holidays fell in relation to 31st March.

RESOLVED: That the report be noted.

BEB26 AUDIT COMMISSION 2009/10 ANNUAL GRANT CLAIM REPORT

The Board received a report of the Operational Director, Finance, which set out the Audit Commission's report following the audit of 2009/10 grant claims. Mike Thomas, the District Auditor, presented the Audit Commission's findings following the audit of 2009/10 grant claims and a report detailing the information was appended to the agenda.

It was reported that the income received from the grant paying departments by the Council was significant so it was important that the Grant Certificate process was properly managed. For 2009/10 to date the Audit Team certified 7 grant claim returns with a total value of £127m. Of these, a limited review was carried out on 6 claims and a full review carried out on one claim. As a result of these reviews it was reported that:

- None of the claims were amended in any significant way;
- The Audit Team were able to fully certify all returns; and

- The Audit Team identified no issues in relation to the control environment for claims and returns to grant paying departments.

It was further noted that these results reflected the efforts made by the Council to improve the grant preparation process across all claims that required certification. In particular, the Housing and Council Tax Benefit claim had continued to reflect high standards of preparation and accuracy with only one very minor amendment required as a result of the Audit Team's testing.

The Board wished to commend the Audit Team on the excellent work carried out to date.

RESOLVED: That the Audit Commission's report presented at Appendix 1 be received.

BEB27 UPDATE ON EFFICIENCY PROGRAMME

The Board considered the report of the Strategic Director, Resources which provided an update of progress made to date with the Efficiency Programme.

Members were advised that workstreams were still under consideration and further efficiencies were to be made. This process was a lengthy task and difficult challenges were involved in each piece of work. The progress to date against each workstream was appended to the report for information containing reviews of:-

- Open Spaces;
- Property Services;
- Revenues and Benefits and Halton Direct Links;
- Review of the Contact Centre;
- ICT Support Services Review;
- Review of Contracted Services to Schools;
- Review of Operation Fleet and Client and Transport;
- Transactional/Non Transactional Process Review;
- Review of Income and Charging;
- Review of Business Development and Regeneration (including Major Projects, European Affairs and External Funding); and
- Review of Community Services.

Members noted the importance of the Budget

Programme and keeping the two areas separate as efficiencies and making budget savings were two separate matters. Members requested the Corporate Framework for charges be made available to the Board and it was reported that the framework was to be presented to the Executive Board and would be included in further reports for the Efficiency Programme reported to the Business Efficiency Board.

RESOLVED: That the report be received.

BEB28 EXTERNAL AUDIT - AUDIT PLAN 2010/11

The Board received a report of the Strategic Director, Resources which set out the 2010/11 Audit Plan which was based on the Audit Commission's risk based approach to audit planning. Appended to the report for information was the draft Audit Plan for Halton Borough Council 2010/11. Mike Thomas from the Audit Commission presented the report to Members.

Members were advised of the way the Audit Commission set its fees against the scale fee and a rebate would be given of over £16,000 to reflect the Government's intention to abolish the Commission.

RESOLVED: That the Board note the contents of the draft Audit Plan for 2010/11.

BEB29 INTERNAL AUDIT PROGRESS REPORT - QUARTER 3

The Board considered a report of the Operational Director, Finance which provided a summary of Internal Audit work for the period October to December 2010. The Board considered –

- The progress against the 2010/11 Internal Audit Plan
- The Internal Audit reports finalised since the last progress report;
- The results from the work undertaken following up the implementation of previous Internal Audit recommendations; and
- Details of other work undertaken by Internal Audit in Quarter 3.

RESOLVED: That the Board note the Internal Audit

work completed in Quarter 3.

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Meeting ended at 8.15 p.m.