

BUSINESS EFFICIENCY BOARD

At a meeting of the Business Efficiency Board held on Wednesday, 25 February 2009 at the Civic Suite, Town Hall, Runcorn

Present: Councillors Lloyd Jones (Vice-Chairman), D. Inch, Jones, A. Lowe, Murray, Norddahl, Osborne, Philbin, Swift and Worrall

Apologies for Absence: Councillor Leadbetter

Absence declared on Council business: None

Officers present: C. Halpin, I. Leivesley and M. Murphy

Also in attendance: None

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

Action

BEB18 MINUTES

The Minutes of the meeting held on 7th January 2009 having been printed and circulated, were taken as read and signed as a correct record.

BEB19 FLEXIBLE FRAMEWORK ON SUSTAINABLE PROCUREMENT

The Board received a report of the Strategic Director – Corporate and Policy which outlined the Government's plans for introducing "Flexible Framework on Sustainable Procurement", and to identify the actions that should be taken to ensure Halton was able to meet their expectations of the role expected of local authorities.

It was noted that the aim of the Framework was to ensure goods, services, works and utilities procured by the Council were designed, procured, used, managed and disposed of in an environmentally and socially responsible way. Action would be needed to further embed sustainability into the Council's procurement processes.

It was further noted that Sustainable Procurement took into account the social, economic and environmental

impact that such purchasing had on people and communities whilst still achieving value for money. It meant improving the efficiency of public procurement whilst at the same time using public market power to bring about major environmental and social benefits locally and globally.

Members were advised of the background to introducing the Flexible Framework on Sustainable Procurement, particularly the Governments' approach and relevant publications from the Local Government Association that set out the new Local Government Performance Framework which included National indicators 185, 186 and 188, which recognised local authorities' role to lead on efforts to both reduce carbon dioxide emissions and consider climate change adaptation.

In addition it was noted that the Sustainable Procurement Task Force was established in May 2005, and developed an action plan to bring about a step-change in sustainable procurement with the aim of being a leading EU nation on sustainable procurement by 2009. Whilst the strategy was aimed at the Government estate, it set out a benchmark for all public authorities.

In 2007 the Task Force agreed a National Sustainable Procurement Action Plan. This introduced The Flexible Framework on Sustainable Procurement, which set out targets across five topic areas and to five levels. The Framework and levels were outlined in detail in the report.

The Board was advised that by April 2009 all public sector organisations were expected to reach level 3 (or above) of the flexible framework with leadership (level 5) in at least one area by December 2009. To date, some of the requirements had partially been achieved.

Members were further advised that in order to achieve the foundation level Halton must identify sustainable procurement champions at Member and Executive level and, to identify the key officers with a role to play in sustainable procurement to focus attention on the Council's commitment to sustainability. A simple sustainable procurement policy had been prepared and was attached to the report.

Members were advised that it would be necessary to address initial training issues on sustainability with targeted refresher courses at appropriate intervals. The cost to commissioning external training would need to be met but it was not envisaged that this would be a significant sum.

The report further outlined the flexible framework, where Halton was now and the next steps.

Arising from Members' comments it was noted that the Employment, Learning and Skills Policy and Performance Board had recently completed a scrutiny topic on using procurement to enhance employment and jobs and that some of the principles of the report could be utilised.

RESOLVED: That

the Board recommends that the Council endorses the Sustainable Procurement Policy and approves the actions necessary to enable Halton to meet the challenge of the Flexible Framework in that,

- Sustainable Procurement Champions were identified at both member and executive level;
- Key Procurement Officers were identified and trained at senior level to act as mentors to other procurement staff in their directorates; and
- Progress on the Flexible Framework be monitored by the Procurement and Commissioning Group and regular reports on progress be made to the Business Efficiency Board.

Strategic Director
- Corporate and
Policy

BEB20 ROLE AS AUDIT COMMITTEE

The Board received a report of the Strategic Director – Corporate and Policy which reported on the activity of the Business Efficiency Board in regard to its role as the Council's Audit Committee and to recommend an amendment to its terms of reference to ensure that it was consistent with CIPFA guidance.

It was noted that the Business Efficiency Board came into being in May 2006 and included within its remit was to act as the Council's Audit Committee. In its role as the Audit Committee, the Board had:

- approved the draft abstract for submission to the External Auditor;
- received the External Auditor's Annual Governance Report;
- approved the Council's Annual Governance Statement (formerly the Statement on Internal Control);
- approved the Internal Audit Strategy and Annual Plan; and

- received and approved quarterly and annual reports from Internal Audit.

It was noted the Board had provided a robust challenge across a range of internal and external audit reports and had sought explanations from Officers, where considered necessary, on risk and control issues.

The core functions of an Audit Committee as set out by CIPFA guidance was outlined within the report and to bring the Business Efficiency Board's terms of reference into line with this guidance it was recommended that some minor amendments were made to its responsibilities. Specifically, this included making it more explicit the Board's responsibilities in respect of:

- Risk Management;
- Counter fraud and corruption; and
- Receiving reports from External Audit and inspection agencies.

In this respect, a revised terms of reference was attached to the report.

RESOLVED: That

- (1) the role and activities of the Board as an Audit Committee be noted; and
- (2) the proposal to submit a revised terms of reference to Council as part of the annual review of the Constitution be approved.

Strategic Director
- Corporate and
Policy

BEB21 INTERNAL AUDIT STRATEGY AND PLAN

The Board considered a report of the Operational Director – Financial Services which asked the Board to consider and endorse the proposed Internal Audit Strategy and Audit Plan for 2009/10.

It was noted that the Audit Strategy was a high level statement of how the Internal Audit Service was to be delivered and developed and how it linked to the organisations objectives and priorities. The production of an Internal Audit Strategy was a specific requirement of the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom (The Code),

The Audit Strategy was reviewed annually as part of the departmental service planning audit and planning

processes.

It was noted that in order to comply with the Code, Internal Audit was also required to produce a programme of work (the Audit Plan) which outlined the likely areas of activity for the coming year.

The draft Audit Strategy and 2009/10 Audit Plan were appended to the report for Members' consideration.

RESOLVED: That the proposed Internal Audit Strategy and Plan for 2009/10, be endorsed.

BEB22 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- (1) whether Members of the press and public should be excluded from the meeting of the Board during consideration of the following item of business in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- (2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it is likely that, in view of the nature of the business, exempt information will be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

BEB23 INTERNAL AUDIT PLAN - QUARTER 3

The Board considered a report of the Operational Director, Financial Services which provided a summary of Internal Audit work for the period October to December 2008.

The report set out the Internal Audit Reports finalised since the last progress report, key issues and recommendation arising from the Audit Reports issued and the results of the work undertaken following up the implementation of previous Internal Audit recommendations.

RESOLVED: That the Internal Audit work completed in Quarter 3 be noted.

Meeting ended at 7.55 p.m.