

**PRINCIPAL SCRUTINY COMMITTEE**

**16 October 2006**

Attendance:

Councillors:

Learney (Chairman) (P)

Anthony (P)  
Chapman (P)  
Clohosey (P)  
Collin (P)  
Cook (P)  
Evans  
Chamberlain (P)  
Hiscock (P)

Huxstep (P)  
Jeffs (P)  
Macmillan (P)  
Mather (P)  
Saunders (P)  
Rees (P)  
Wood (P)  
Worrall (P)

Deputy Members:

Councillor Spender (Standing Deputy for Councillor Evans)

Others in attendance who addressed the meeting:

Councillor Beckett (Leader and Portfolio Holder for Economy and Tourism)  
Councillor Hollingbery (Deputy Leader and Portfolio Holder for Performance and Communication)

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1. **PUBLIC PARTICIPATION**

There were no questions asked or statements made.

2. **APOLOGIES**

Apologies were received from Councillor Evans.

3. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reported that she had decided that the Committee would not consider a report on the General Fund Budget 2007/08 (Report CAB1331 refers) that had been approved by Cabinet at its meeting on 11 October 2006. She suggested that it would be more appropriate for the Committee to scrutinise the next Budget Report which would set out proposed growth and savings.

4. **MINUTES**

RESOLVED:

That the minutes of the previous meeting of the Committee held on 11 September 2006, less exempt items, be approved and adopted.

5. **EXTERNAL AUDIT REPORT 2005/06**  
(Report PS252 refers)

The Chairman welcomed to the meeting Mr Hepenstal of the Council's external auditors, PricewaterhouseCoopers (PwC).

Mr Hepenstal referred Members to PwC's Report as appended to PS252. In summary, he reported that financial and operational audits had been carried out as previously identified by PwC, including those in relation to 'Use of Resources', 'Financial Statements' and also the 'Embedding of Risk Management' procedures.

PwC were pleased with the Council's overall performance and had issued an unqualified audit report.

He drew Members' attention to the scoring allocated to the specific elements of the 'Use of Resources' assessment (page 8 and conclusions on page 14 of the Report). In particular, he highlighted PwC's conclusion that the Council did not have sufficient arrangements in place to manage its asset portfolio for non HRA properties, although it was recognised that the Council's portfolio was more extensive than many similar local authorities.

Responding to PwC's conclusions, the Chief Estates Officer clarified a number of aspects of the current systems and methodology of management of the Council's asset base. He stated that the Council's significant asset portfolio for non HRA properties was divided into non operational and operational elements, each with specific budget allocation for planned maintenance. He explained the schedules of work and, in conclusion, advised that he was satisfied that the Council had planned maintenance arrangements in place. Furthermore, he reported that a better costed planned maintenance programme was now being compiled.

Referring to criticism by external audit of the Council's methodology for the valuation of its housing property portfolio, the Chief Estates Officer explained that a recognised 'beacon methodology' was utilised. This was generally accepted as being a crude but effective method.

Responding to the points raised, Mr Hepenstal noted that the methodology for valuation was crude, but accounting requirements were that the Council had to undertake a periodic review on this basis. He confirmed that more evidence of a planned maintenance programme was required for the future, as this would allow for proactive factoring into the Council's capital budget, where necessary.

Also referring to the concerns of PwC regarding provision of value for the public for some service areas (in particular determination of planning applications), Mr Hepenstal advised that PwC had noted the Council's recent investment in this area to improve performance.

The Chief Executive stated that he generally supported the key messages arising from PwC's report. He confirmed that attention was being given to improved arrangements for asset management for non HRA properties. He congratulated the Director of Finance and her staff for timely production of the Council's accounts.

**RESOLVED:**

That the draft External Audit Report for 2005/06 be accepted as presented.

6. **RISK MANAGEMENT UPDATE**

(Report PS244 refers)

The Director of Finance advised that progress was being made regarding the embedding of Risk Management into the Council's performance management framework. Implementation of the Council's new performance management computer system would assist this process further.

RESOLVED:

That revisions to the Strategic Risks, progress on the current Risk Management arrangements, and the further action taken be noted.

7. **INTERNAL AUDIT UPDATE: TO 31 AUGUST 2006 (LESS EXEMPT APPENDIX E)**

(Report PS245 refers)

During discussion, and noting the key messages from the audit of Housing Maintenance (paragraph 4 of the Report refers), it was agreed that Cabinet be requested to ensure that processes for the awarding of contracts for housing repairs be reviewed. Consideration should be given as to whether alternative approaches to letting individual contracts for a large number of small schemes (e.g. partnership contracts) would represent better value for money.

The Committee also agreed that outstanding recommendations from previous audits should be monitored to ensure their prompt implementation (Appendix B of the report refers). The Director of Finance agreed to report on progress to date to the meeting of the Committee on 4 December 2006.

RESOLVED:

1. That revisions to the Strategic Risks, progress on the current Risk Management arrangements and further action taken be noted.

2. **That it be recommended to Cabinet that the process for awarding contracts for housing planned maintenance be reviewed.**

3. That priority be given to implementing outstanding high risk audit recommendations and that progress be reported to the meeting of Principal Scrutiny Committee on 4 December 2006.

8. **UPDATED COMMUNITY STRATEGY – CONSULTATION DRAFT**

(Reports PS257 and CAB1332 refer)

The Chief Executive explained that Cabinet had considered the Updated Community Strategy – Consultation Draft (Report CAB1332 refers) on 11 October 2006 and had approved the document as a consultation draft. Principal Scrutiny Committee was asked to consider this document and to review the overall benefit to the public from services provided by the Council and other relevant organisations.

The Chairman requested that the Committee focus on the broader strategic framework of the Strategy as the Scrutiny Panels had each been directed to look at more specific detail within their remits.

The Leader advised that the updated Strategy had been prepared by the Local Strategic Partnership (LSP) who were seeking the approval of the City Council and other partners. Any comments would be considered in advance of the document's eventual adoption.

The Chief Executive confirmed that the Community Strategy had been drafted and would be consulted upon along side the Council's Corporate Strategy. It was confirmed that the evidence base would be presented on the Council's website in due course.

RESOLVED:

That progress on the draft Community Strategy be noted and that a further report be brought back to the Committee, following the outcome of the consultation process and before the revised strategy was considered by Council.

9. **CORPORATE STRATEGY 2007-2012 – CONSULTATION DRAFT**  
(Reports PS256 and CAB1334, and addendum, refers)

The Chief Executive explained that Cabinet had considered the draft Corporate Strategy 2007-2012 (Report CAB1334 refers) on 11 October 2006. In addition, Cabinet had approved a revised draft version of the Corporate Strategy for consultation, copies of which had been circulated to Scrutiny Panel Members prior to the meeting (Addendum to CAB1334 refers).

The Committee considered the revised draft version of the Strategy and a number of comments and suggestions were made, as set out below under the various headings of the Strategy:

**Promote an inclusive Society**

- The inclusion of 'improving access to affordable housing' was welcomed under this heading, as it was recognised that the local economy could be impeded by housing shortages. It was also suggested that more emphasis should be given to affordable housing provision.
- It was also noted that not all residents could actively contribute to the local economy.
- It was noted that although a large percentage of residents and workers in the District were employed in the public sector or were of pensionable age, they would still welcome economic prosperity in the District.
- It was suggested that more emphasis should be given to disability equality issues and to assisting the disadvantaged.
- There should be a greater emphasis on creating facilities for teenagers/young people.
- Areas of relative deprivation within the District should be specified and the Council should include details of appropriate assistance (including that by partners).

### Economic Prosperity

- What do we want Winchester to be like? The encouraging of 'high value jobs' was appropriate, although it was recognised that other less well rewarded jobs were equally important to the local economy.

### High Quality Environment

- What do we want Winchester to be like? It was agreed that additional wording was required to clarify that the matters listed under this heading were outcomes that the Council was seeking

During discussion, it was suggested that the Strategy required alignment with all other Council strategies over an appropriate period of time. Furthermore, the document could be more aspirational (for example, along the same lines as the recently adopted 'Vision for Winchester' document) and also that the current draft was too broad and that more prioritisation could be helpful. Links to the need for partnership working should be strengthened. More emphasis should be given to the fact that the strategy affected the Winchester District, rather than just the Town.

#### RESOLVED:

That Cabinet be asked to consider the issues raised above when the updated Corporate Strategy is prepared.

#### 10. **SECOND QUARTER PERFORMANCE MONITORING 2006/07 – LEADER'S REPORT**

(Report PS254 refers)

The Leader reported upon recent residents meetings at Whiteley about school provision. He had indicated that the City Council's position not to release recreational land at Meadowside was unchanged. He welcomed the County Council's change in approach to undertake a feasibility study on the use of other land at Whiteley for school provision. The Leader indicated that the City Council's desired outcome was to retain the recreational land at Meadowside and to encourage the provision of the School on a more appropriate site in Whiteley.

#### RESOLVED:

That the monitoring information contained in the Report be noted.

#### 11. **SECOND QUARTER PERFORMANCE MONITORING 2006/07 – DEPUTY LEADER'S REPORT**

(Report PS255 refers)

During discussion, Councillor Hollingbery requested that the Communications Team continue to be advised of any issues related to the Council's recently re-launched website. He reported that officers could deal with most site management without reliance upon third parties.

After noting the disappointing results of the staff survey, which had indicated that more staff did not feel adequately informed, the Chief Executive suggested that this might have resulted from uncertainties following recent Directorate restructuring.

RESOLVED:

That the monitoring information contained in the Report be noted.

12. **SCRUTINY REVIEW - BUSINESS PLAN POST IMPLEMENTATION REVIEW**  
(Report PS253 refers)

The Chairman of the Informal Scrutiny Group, Councillor Rees, reported on the Group's work to date, which included interviewing officers and Members. It had been agreed that Business Plans should be more aligned over the longer term to other strategies and, where appropriate, across Directorates. It was noted that the Group was also looking at ways that the preparation of business plans could be used to encourage innovation and creativity.

RESOLVED:

That the interim recommendations of the Business Plan Post Implementation Informal Scrutiny Group be noted and the Group continues its investigations on the lines indicated in the Report, with its final recommendations being presented to this Committee at its meeting on 4 December 2006.

13. **SCRUTINY WORK PROGRAMME (REPORT PS246 REFERS), OCTOBER 2006 FORWARD PLAN AND ITEMS FOR FUTURE CONSIDERATION**

RESOLVED:

That the Scrutiny Work Programme and Forward Plan for October 2006 be noted.

14. **EXEMPT BUSINESS**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
##	Exempt Minutes of previous meeting held 11 September 2006	) ) ) )
##	• Avalon House – Future Plans	) Information relating to the ) financial or business affairs of ) any particular person (including
##	• Historic Resources Centre, Hyde	) the authority holding that ) information). (Para 3 Schedule ) 12A refers).

## Internal Audit Update: to )  
31 August 2006 (Exempt )  
Appendix E) )  
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15. **INTERNAL AUDIT UPDATE: TO 31 AUGUST 2006 (EXEMPT APPENDIX E)**  
(Report PS245 refers)

The Committee considered exempt information regarding a Grants Audit Report (detail in exempt minute).

16. **EXEMPT MINUTES**

RESOLVED:

That the exempt minutes of the previous meeting, held 11 September 2006, be approved and adopted.

The meeting commenced at 6.30 pm and concluded at 9.10 pm.

Chairman