

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 18 JANUARY 2018

Present:

Councillor Galley (in the Chair)

Councillors

Cox	Hobson	Matthews	Singleton
Elmes	Hunter	Roberts	L Taylor

Mrs Yvonne Russell, Independent Co-optee

In Attendance:

Mr Neil Jack, Chief Executive

Mrs Diane Booth, Director of Children's Services

Mr Alan Cavill, Director of Place

Dr Arif Rajpura, Director of Public Health

Mr Steve Thompson, Director of Resources

Mr Mark Towers, Director of Governance and Partnerships

Mrs Tracy Greenhalgh, Head of Audit and Risk

Ms Chloe Shore, Community Engagement and Partnership Manager

Mrs Sharon Davis, Scrutiny Manager

1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

2 MINUTES OF THE LAST MEETING HELD ON 16 NOVEMBER 2017

The Committee agreed that the minutes of the last meeting held on 16 November 2017 be signed by the Chairman as a true and correct record.

3 STRATEGIC RISK REGISTER - LOCAL ECONOMY

The Committee considered a progress report in relation to the individual risks identified on the Strategic Risk Register, specifically in relation to the risk regarding 'Local Economy'. The report was introduced by Mr Alan Cavill, Director of Place and Mr Steve Thompson, Director of Resources, who began by outlining a number of actions being undertaken to mitigate the identified risks.

In connection with the sub-risk 'increased deprivation and unemployment', Mr Thompson highlighted the work undertaken to ensure use of local suppliers where possible and cited that the contract procedure rules used to score tenders included a social value weighting of up to 20 per cent. He provided an example of a recent tender proposal to the Committee and highlighted a number of the principles included within it such as payment of the Joseph

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Rowntree Foundation living wage and use of suppliers with offices located in the FY postcode area. He added that 43 per cent of all suppliers used in 2017 had been local, which was particularly impressive considering the location of Blackpool and the specialist skills often required.

Mr Cavill advised that the Joseph Rowntree Foundation living wage was now paid by the Council and all Council companies, in addition to as many sub-contractors as could be encouraged to do so. He highlighted a number of ongoing projects that would ultimately result in a large number of jobs created including development of the enterprise zone at the airport, an extension to the Houndshill shopping centre and a new Imax cinema.

The Committee acknowledged the creation in skilled job roles and queried if there was an adequate education structure in place in Blackpool to ensure young people could attain the requisite skills and qualifications required to obtain a skilled job in the new enterprise zone. In response, Mr Cavill referred to the two 'Outstanding' colleges in Blackpool which had excellent links to local businesses, work undertaken to identify skill shortages and the opportunities offered by apprenticeship schemes. It was commented that research had demonstrated that connections and contact with businesses through school years resulted in higher success rates of business start-ups among young people. It was suggested that a route map for young people to obtain a skilled job would be beneficial and development of one could be considered.

In relation to the sub-risk 'lack of good quality affordable housing', Mr Cavill outlined the work ongoing with Blackpool Housing Company to create good quality housing stock from properties that were previously of poor quality. It was noted that 160 houses were currently being rented and a further 160 were being developed with an ambition to achieve 500 properties within two to three years. He added that the work was having a positive impact on a number of private landlords who were also improving the quality of housing offered.

The Committee queried the progress made in regards to lobbying for changes to the Housing Benefits Act, which was a control identified within the sub-risk, and Mr Cavill advised that the Council continued to raise the issue with the relevant Government departments.

In response to a further question, Mr Cavill advised that he was unable to provide an update on the progress of the Queens Park development at the meeting and would provide an answer following the meeting.

The Committee expressed concern that the gross risk score for the sub-risk 'lack of good quality affordable housing' had been set as 16, with the net risk score 12, without demonstrable evidence provided regarding how the risk had been reduced. It was acknowledged by Mr Cavill that the figures were a subjective measurement of risk and that the Strategic Risk Register did not fully evidence all the work ongoing to mitigate the identified risks. Mr Neil Jack, Chief Executive added that there were extensive action plans including target dates and progress reports in place for each sub-risk.

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It was noted that in order to monitor risk effectively the Committee required further detail than presently provided and it was agreed that consideration be given to how the additional detail and assurance could be provided to the Committee for future meetings. It was suggested that the Committee might wish to consider holding a specific meeting to consider the risks related to good quality affordable housing in detail.

Members went on to consider the sub-risk 'lack of appropriate transport infrastructure' and noted the bridge replacement, extension of tramway and quality corridors projects. Mr Cavill highlighted the gradual replacement of the Blackpool Transport Services bus fleet and reported an increase in custom as a result.

Asked about the Road Asset Strategy and resources allocated to compete for external funding, Mr Cavill advised that the small bid team achieved a high success rate citing the recent successful bid for funding to improve Yeadon Way.

In connection with the sub-risk 'lack of educational attainment/appropriate training to suit the economy', Mrs Diane Booth, Director of Children's Services reported that there were a number of vulnerable young people in Blackpool who were unable to complete a CV or know how to attend an interview. In order to address such key issues, a young person who had recently left care had been approached to work with the Council in order to co-produce a policy that would engage young people and ensure they were first school ready and then employment ready.

Mrs Booth added that relationships with academies and sponsors had improved and work was ongoing with the Regional Schools Commissioner and Ofsted to ensure all academies were transparent and making the required improvements. She expressed concern that GCSE results would not improve in 2018, and highlighted key issues including poor English and Maths skills, level of exclusions, lack of quality teaching and the transition between primary school and high school. Regular meetings were held with sponsors to challenge, motivate and identify any support the Council could provide.

In response to a number of questions, Mrs Booth reported that in order to achieve improvement to all subjects, English and Maths must be taught well. She highlighted a significant issue with white, British boys in the cohort due to take GCSEs in 2018 and also advised that in order to minimise the risk, a systematic way to assess, track and monitor education across the town was being developed and would be implemented in the new academic year. She added that a timeline and targets had not yet been set due to the recent receipt of the required data.

The Committee also noted the work of the School Improvement Board and the role of the Council in ensuring regular reporting to the Regional Schools Commissioner regarding academies in the town. It was noted that the data that had been recently provided by the academies would ensure that progress could be monitored and that they could be held accountable for improvement. In response to a further question, Mrs Booth advised that she had been assured that the relevant notifications would be made by the Regional Schools Commissioner should improvements not be made.

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The Committee agreed:

1. To receive information regarding the Queens Park Development following the meeting.
2. To consider how to receive the additional detail and assurance required regarding the sub-risks for future meetings.

4 STRATEGIC RISK REGISTER - REPUTATIONAL DAMAGE

The Committee considered a progress report in relation to the individual risks identified on the Strategic Risk Register, specifically in relation to the risk regarding 'Reputational Damage.' The report was introduced by Mr Neil Jack, Chief Executive, Mr Alan Cavill, Director of Place and Dr Arif Rajpura, Director of Public Health who outlined the controls and mitigation in place around the sub-risks.

Mr Cavill advised that a good reputation was critical to the town and highlighted how easily reputation could be damaged. He reported that a new advert had been developed for 2018 with an increase in contribution from partners and that a number of new hotels were in development with external investors. The impact of the show '999 – What's your emergency?' was discussed and it was noted that assurance had been received from the new Chief Constable that the Police in Blackpool would not take part in similar shows in the future.

The Committee noted the work ongoing to address street drinking and litter enforcement, the running of which had been taken back in house and queried the role of the Council in ensuring that Town Centre Policing was prioritised. Members discussed policing priorities in detail and noted the demand placed on the Police as a result of the fracking site. It was noted that Lancashire Constabulary had sought assistance from other forces when the issues around the fracking site had developed, however, it was unsustainable for other forces to continue to support in the long term.

Mr Jack informed the Committee that Lancashire Constabulary policed to risk and therefore the town centre would always be suitably resourced, he raised concerns regarding the growing number of 999 calls and the impact on resource for neighbourhood policing. He added that the Council would continue to prioritise neighbourhood policing and would ensure any concerns were raised with the Chief Constable and the Lancashire Police and Crime Commissioner.

In connection with the sub-risk 'residents negative image of Blackpool', Dr Rajpura highlighted the recent engagement work undertaken across Blackpool with local residents. He highlighted that work had been resident led and action plans had been developed in each of the six identified neighbourhoods. He drew attention to the work of the Fairness Commission, 100 Acts of Kindness, the corporate budget consultation and the engagement undertaken by Better Start, Head Start and Fulfilling Lives.

Members raised concern that the work undertaken for the residents of Blackpool was not being effectively communicated and that the parks and leisure centres that residents rated

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as good were not recognised as being provided by the Council. Mr Jack advised that a Peer Review had been recently undertaken focussing on marketing, engagement and communication of services across social media. He reported the importance of engaging other companies to be more imaginative and creative in highlighting work undertaken and it was noted that an action plan was being developed to make improvements.

The Committee agreed to note the report.

5 ANNUAL GOVERNANCE STATEMENT - 2016/2017 MID-TERM REVIEW

The Committee considered a report regarding the progress made on the actions identified in the Annual Governance Statement 2016-2017. Mr Mark Towers, Director of Governance and Partnerships highlighted that the Committee had agreed the Statement in June 2017 and had requested to monitor the progress of a resulting action plan which was focusing on good practice over and above the compliance required after six months.

Members noted that the mid-term position for a large number of the actions was 'partially implemented' and queried if all actions would be fully implemented by the end of the financial year. Mr Towers advised that it was feasible that not all actions would be fully implemented due to changes in circumstances and that the position was regularly reviewed by the Good Governance Group. In response to a further question, Mr Towers advised that despite some actions remaining partially implemented the Council would be fully compliant with regulations.

The Committee discussed the actions relating to the 'Commitment to Openness, Communication and Consultation' included within the Statement. In response to questions, Dr Rajpura advised that the Citizen's Jury was being delivered jointly with the public and involved a number of departments. Although health was included, focus was placed on a wide range of topics including education, employment and housing. He reported that the work of the Fairness Commission and the engagement events run from within the Public Health directorate were very broad in theme. He added that success would be measured through projects delivered, the action plans formed within each neighbourhood and a range of monitoring methods.

The importance of cyber skills and monitoring cyber risk was noted and Members queried if the service was appropriately resourced. Mr Thompson, Director of Resources confirmed that cyber risk was a priority. In relation to the action within the Annual Governance Statement relating to succession planning, Mr Jack advised that 'partially implemented' related to the recording of information and that work would be fully recorded by the end of the financial year.

The Committee agreed to note the report.

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6 RISK MANAGEMENT FRAMEWORK

The Committee considered a report on the Risk Management Framework. Mrs Tracy Greenhalgh, Head of Audit and Risk advised that the Strategy was renewed every three years and required approval by the Audit Committee.

In response to questions, Mrs Greenhalgh advised that individual services determined the risk score and that there were three types of risk registers, strategic, each service and for specific projects. Previously, services had been requested to update risk registers on a quarterly basis, however, in order to ensure quality reporting and monitoring a change had been made to allow updates to be provided every six months. Mrs Greenhalgh added that the majority of Risk Management Groups had now migrated to SharePoint, although some issues had been encountered with services that had transitioned in terms of updating risk registers which had identified a training need.

Asked about the Risk Champions, Mrs Greenhalgh reported that the aim was to ensure Risk Champions took responsibility for and ownership of risk.

In response to a further question, Mrs Greenhalgh highlighted that the Risk Management Framework had taken the more commercial aspects of the Council's work into consideration. She added that the toolkit set out practical steps for services to take in regards to risk management including commercial ventures.

The Committee agreed to approve the Risk Management Framework.

7 DATE OF NEXT MEETING

The Committee noted the time and date of the next meeting as 6pm on Thursday 15 March 2018 at Blackpool Town Hall.

Chairman

(The meeting ended at 7.46 pm)

Any queries regarding these minutes, please contact:

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