

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 19 JANUARY 2017

### Present:

Councillor Galley (in the Chair)

Councillors

Elmes	Hunter	Mitchell	L Taylor
Hobson	Matthews	Roberts	

### In Attendance:

Mr Neil Jack, Chief Executive

Mr Alan Cavill, Director of Place

Mr Mark Towers, Director of Governance and Partnerships

Mrs Tracy Greenhalgh, Chief Internal Auditor

Mrs Hilary Wood, Head of Business Support and Resources

Mr Iain Leviston, Manager, KPMG.

Mr Steve Sienkiewicz, Clerk to the Committee

### 1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

### 2 MINUTES OF THE LAST MEETING HELD ON 24 NOVEMBER 2016

The Committee agreed that the minutes of the last meeting held on 24 November 2016 be signed by the Chairman as a true and correct record.

### 3 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 risks regarding 'Reputational Damage'. The Committee discussed plans to control and mitigate the risks with the risk owners, Mr Jack, Chief Executive and Mr Cavill, Director of Place.

Mr Jack began by explaining that overall, the Council was now seeking to be much more proactive in dealing with media and reputational issues, rather than simply responding to requests for information. Additionally, work was being carried out with the Blackpool Clinical Commissioning Group (CCG) and the Blackpool Teaching Hospital Trust in terms of a more coordinated approach to press and media releases. Going forward, a shared communications service with those agencies was being looked at, similar to what was already in place for legal services and emergency planning, between the Trust and the Council.

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Mr Jack went on to explain that different and more effective methods of engaging with the community were currently being examined, particularly in relation to the Fairness Commission. The intention was for all of the different elements of the town to be brought together. A detailed plan was being coordinated by Dr Arif Rajpura, Director of Public Health and the essence of the plan was an intention to be more supportive towards the community.

In terms of new initiatives going forward, Mr Jack spoke about the opportunities afforded by the potential new conference centre and the new Blackpool Museum in order to attract both additional and different types of visitors to the town.

Mr Cavill spoke about the success of the 'Blackpool has it all' media campaign in terms of promoting the town and the fact that over 100 positive press articles had appeared nationally, as a result of active media management. The Committee was informed of the initiatives to bring together public relations from across the business economy in an attempt to manage media commentaries in a joined up way, leading to a lower volume of unilateral press releases.

Mr Jack responded to a number of questions from the Committee. In connection with the risk of negative TV documentaries, regardless of the level of cooperation given by the Council, or other agencies, he explained that the level of cooperation would be decided upon on an individual basis when an approach was made. He quoted the example of the '999 what's your emergency?' TV programme, which gave a very negative view of Blackpool, despite full cooperation being given by the police. Mr Cavill added that the intention was not to turn down all requests and pointed out that the Council had developed a good relationship with TV AM, which had resulted in some very positive morning TV slots being aired.

The Committee asked for additional details to be provided about the corporate branding and the engagement toolkit, as detailed against risk 6b in the register. Mr Jack explained that the corporate branding approach was designed to make it clear who was doing a piece of work or providing a service. In terms of community engagement, this was concerned with initiatives to align arrangements with other public service agencies, with a view to achieving a more joined up approach and to ensure that people were not being overwhelmed with surveys and consultations.

The Committee discussed the various engagement methods used by the Council since the demise of the area forums, including the Council Couch. Views were expressed which included a request for more information on engagement activities and also for more information to be provided to promote the benefits of the proposed new conference centre to the public. Mr Jack explained that attempts were underway to reach out to a wider network of people in the town, in ways that were constructive. He reminded the Committee that the engagement initiatives were a part of the joined up work being undertaken in partnership with the health agencies. In terms of the conference centre, he explained that the final funding arrangements had not yet been agreed, although was hopeful of this happening in the very near future. As such, communications to date had centred around the

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planning application. He was confident that conference centre publicity would increase significantly upon agreement of funding arrangements.

The Committee asked about the availability of different marketing methodologies for the culture and heritage areas of the Tourism and Marketing Strategy. Mr Cavill explained that (subject to funding) the Blackpool Museum would have a separate marketing budget and that the museum would try to attract people who would not normally visit Blackpool. He added that the museum would offer a much more interactive experience to that available at traditional museums.

The Committee asked about the use of less than positive images that were in the public domain and used to promote Blackpool. Examples quoted were photographs of the Tower whilst still covered in scaffolding, used by Booking.Com. Mr Cavill explained that every effort was made to use updated images as far as possible. He added however, that experience had shown that Booking.Com was considered to be a particularly difficult organisation to deal with in relation to such changes.

The Committee pointed out that the target dates for the risks within the register were all listed as 'ongoing' and asked when it was anticipated that things would start to improve. Mr Jack explained that the challenges would always be there, although he anticipated that arrangements in terms of a more joined up media approach would be in place within six months. With regards to community engagement and its links with the NHS Vanguard service, the changes were anticipated within three months. A new programme was currently in place for marketing Blackpool and it was hoped that improved results would be available around Easter 2017. Methods of undertaking visitor surveys had been reviewed with a view to achieving a far more solid evidence base as to the reasons for people visiting Blackpool.

In connection with the joined up communications approach with the health service, the Committee raised concerns about the possibility of relationships becoming compromised as a result. Mr Jack explained his belief that the intention would result in representatives of the organisations having difficult conversations with each other that would lead to better outcomes for residents. The driver behind the scheme was to persuade the organisations to do the right thing for residents and patients, rather than the right thing for the organisations themselves. As such, robust challenge would take place across each of the partners involved. Mr Towers, Director of Governance and Partnerships added that defined responsibilities around governance arrangements were set out within the relevant legal documentation, in such shared services.

The Committee agreed:

1. To note the report.
2. To request the attendance of Dr. Arif Rajpura at the next meeting of the Committee to provide further details of the new community engagement plans.

Background papers: None.

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### 4 ANNUAL GOVERNANCE STATEMENT 2015-2016 MID-TERM REVIEW

The Committee considered the Action Plan following the mid-term review of the Annual Governance Statement 2015-2016. The report was presented by Mr. Towers, who explained the statutory background to the Annual Governance Statement which was designed to provide assurance around the governance framework of the Council. He explained that Members and officers had inputted into the self assessment and the action plan had been developed to build upon the existing assurance process. Mr Towers further explained that efforts to consult with a wider group of respondents was an action contained within the current plan. Mrs Greenhalgh, Chief Internal Auditor added the mid-term review had proved to be a very useful process in checking progress on developments.

Mr Towers responded to several questions from the Committee. Asked how the Leadership Charter would be used, he explained that the current Individual Performance Appraisal (IPA) exercise consisted largely of operational management objectives and that a new approach was now being examined to identify different leadership behaviours, values and principles. He confirmed that going forward, managers would be asked to explain if and how they felt their objectives had been met, during the appraisal interview.

The Committee asked whether the whistleblowing policy was linked into fraud awareness training and what the timelines were regarding progress. Mrs Greenhalgh explained that it was hoped that whistleblowing training and awareness raising would be in place by the end of the financial year. She acknowledged that the take up for fraud awareness training was still low and that areas of the Council considered to be most important in terms of the training were now being targeted.

Asked about progress on the review of ethical principles, Mrs Greenhalgh confirmed that this would be focussed on in the next six months.

The Committee discussed the issue around performance management, identified within the report as needing to be more robust and the data more accessible. Mr Jack acknowledged that performance management data was inconsistent across the organisation. Some of the data was considered to be too cumbersome and needed to be streamlined. A great deal of data was in existence but it did not necessarily support current decision making processes and was not altogether complete across the Council.

The Committee asked questions around the proposal for an independent member to be appointed to the Audit Committee and the information that was contained within the action plan in support of that. Mr Towers explained that the proposal had been developed in conjunction with best practice and that the Committee had been supportive when the Action Plan had been agreed in June 2016 and now the Leader of the Council had confirmed his support.

The Committee discussed the issue around managing risk with reduced resources and asked whether this would have an impact on the Corporate Risk Register. Mrs Greenhalgh explained that the Risk Register was currently in the process of being reviewed and a report would be presented to the Committee in due course.

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Members asked about the prospects for progress against the action plan in six months' time. Mr Towers explained that when the 2016/2017 Annual Governance Statement was produced, it would include an update as to progress against the mid-term review actions. Asked about any budget implications for the plan, he explained that if it was felt that a budget risk existed, it would be highlighted within the report. No additional budget requirements had been identified in the current action plan.

The Committee agreed to note the report.

Background papers: None.

### **5 DEPARTMENTAL RISKS - ADULT SERVICES AND CHILDREN'S SERVICES**

Following a request made at its last meeting, the Committee considered a report which highlighted items on the Adult Services and Children's Services departmental risk registers that were scored as a high net risk. The report was presented by Mrs Wood, Head of Business Support and Resources (Children and Adult Services). She explained the context of the report, in that the Departmental Risk Register sat directly underneath the Strategic Risk Register, detailing the high risk items and identifying whether they were adequately represented on the Strategic Risk Register. She added that three out of the four risks on the departmental register were represented on the Strategic Register.

A brief explanation was given as to the reasons for the items being on the departmental register. Mr Jack then explained in more detail some of the background, context and measures being taken to mitigate the risks. Crucially, it was acknowledged that the high numbers of looked after children needed to be reduced, whilst understanding the higher levels of unpredictability and unforeseeability that existed in terms of risks against children, compared with adults. He explained however that the Council was getting better at wider family engagement, and spoke of the arrangements for improved local support. These included the Crash Pad model, providing short term respite care and the Pause model, providing medical and psychological support and looking directly at the problems in a person's life. The evidence base existed to suggest that improved local support achieved improved outcomes, as well as being significantly cheaper to deliver. The aim was to reduce the number of looked after children from the current figure of over 500, to around 450 within three years.

Mrs Wood explained other additional initiatives currently underway with a view to reducing the number of looked after children. These included a forensic review currently underway of the 20 most costly placements and the three-five year Commissioning Strategy being developed, which would outline future plans for children's placements.

Mrs Wood and Mr Jack responded to questions from the Committee. It was confirmed that no financial incentives would be provided by way of encouragement to take part in the Pause programme, and that only medical and psychological interventions were provided.

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The Committee asked about the tight and robust management oversight that was detailed as one of the controls and mitigations provided against the risk of failure to keep people safe within the Children's Services department. Members queried whether this should not be happening in all areas. Mrs Wood agreed that should be the case and pointed out this was a specific action around supporting good practice, reviewing cases and explaining why decisions were being made.

The Committee discussed the likely impact of the financial plan that was currently being worked towards and asked about the possibility of the high net risk scores being reduced at the end of three years. Mrs Wood expressed an aim to bring the current scores of 20 down to 16 if successful and to achieve more manageable risk levels.

The Committee asked about items on the risk register where actions being taken might overlap with other departments, quoting housing as an example. Mrs Wood agreed to reference those areas where joint working was being undertaken, going forward.

In conclusion, the Committee asked about likely progress on the report in 12 months time. Mrs Wood explained that she was hopeful that some of the actions would have been achieved and would then become part of controls and mitigations in place.

The Committee thanked Mrs Wood for her attendance and agreed to note the report.

Background papers: None.

### **6 DATE OF NEXT MEETING**

The Committee noted the time and date of the next meeting as 6pm on Thursday 2nd March 2017 at Town Hall, Blackpool.

### **Chairman**

(The meeting ended at 7.30 pm)

Any queries regarding these minutes, please contact:

Chris Kelly, Acting Scrutiny Manager

Tel: 01253 477164

E-mail: [chris.kelly@blackpool.gov.uk](mailto:chris.kelly@blackpool.gov.uk)