

Our Council Scrutiny Panel

Minutes - 15 January 2020

Attendance

Members of the Our Council Scrutiny Panel

Cllr Alan Bolshaw
Cllr Milkinderpal Jaspal
Cllr Susan Roberts MBE
Cllr Dr Paul John Birch J.P.
Cllr Paula Brookfield (Chair)
Cllr Roger Lawrence

In Attendance

Cllr Alan Butt – Chair of Audit and Risk Committee

Employees

Earl Piggott-Smith
Alison Shannon
Jai Ghai
Peter Farrow
Charlotte Johns

Scrutiny Officer
Chief Accountant
ICT Senior Business Service Manager
Head of Audit
Director of Strategy

Part 1 – items open to the press and public

Item No. *Title*

1 **Apologies**

Apologies were received from the following:

Cllr Simon Bennett
Cllr Jane Stevenson (MP)
Cllr Steve Simkins

2 **Declarations of interest**

There were no declarations recorded.

3 **Minutes of previous meeting (20 November 2019)**

That the minutes of the meeting held on 20 November 2019 were approved as a correct record and signed by the Chair.

4 **Matters arising**

There were no matters arising from the minutes.

5 Digital Printing Service - update (report to follow)

Charlotte Johns, Director of Strategy, introduced the presentation and advised that a more detailed report could be presented to a future meeting if that would be help on the current and future work of the Digital Print Services (DPS). The panel commented that when a previous report was presented by Gail Rider, Head of ICT, the following recommendations were agreed:

- The Panel support the proposals detailed in the report from Head of ICT to secure all internal printing requirements in-house and removing the option for council departments to commission external companies to undertake such orders.
- The Head of ICT advised the panel that further work will be needed develop a business model to ensure a consistent approach is taken to recharging of work both inside and outside the Council.

The panel expressed concern about the references in the presentation to commercialisation approach to be adopted by DPS and wanted further clarification on the matter to be included in a future report about the implications.

The Director of Strategy commented that agreed that a further report to the panel will be presented to a future meeting in response to the issues highlighted by the panel.

The Director of Strategy invited Jai Ghai, ICT Senior Business Service Manager, to present a briefing to the panel on progress since the previous report of the DPS was presented.

The ICT Senior Business Service Manager gave the panel an update on the following areas of work:

- Kitchen refurbishment
- In-house printing/Design First
- External working

The ICT Senior Business Service Manager gave examples of range of printing work produced by DPS. The work of the service has been supported by colleagues in Procurement Team. The service has received unsolicited enquiries from local schools and other public bodies about printing requests. There is work ongoing to develop a product catalogue about the offer from the service in response to the positive feedback.

The panel were invited to comment on the presentation. The panel queried the progress made to develop costings for external print work as figures quoted during a visit to the DPS were considered to be uncompetitive when compared to other print service companies. The Director of Strategy thanked the panel for their comments and advised that future report would include more detailed costings.

The work will be supported by colleagues in finance. Claire Nye, Director of Finance, advised the panel of the difficulty apportioning overhead management costs such as HR when calculating printing costs. In practice, the Council would take a pragmatic approach when calculating direct costs and overhead costs.

The panel discussed the issue of ballot papers since responsibility for managing electoral services was transferred and the possibility of this work being done by DPS rather than using an external printer. The Director of Strategy advised that there might be a capacity issue and agreed to investigate further and report back on the possibility of DPS undertaking this work. The Director of Strategy added with reference to the idea of producing a catalogue of products and costing that this information could be made available on the Council website as part of the commitment to reduce impact on the environment. The Director of Strategy agreed to include the information in a future paper.

Resolved:

1. The panel welcomed the progress made to develop the DPS and the quality of the work produced.
2. The Director of Strategy agreed to present a future report on the issues highlighted by the panel. The date to be agreed at agenda planning meeting in discussion with the Chair.

6

Cllr Alan Butt, Chair of Audit and Risk Committee - briefing

Peter Farrow, Head of Audit, briefed the panel on the responsibilities of the Audit and Risk Committee and the work undertaken during the year. The Head of Audit advised the panel that a response to questions from the panel are included in the report, in addition a copy of Audit and Risk Committee Annual Report 2018-19 for information. The Head of Audit briefed the panel on the Risk Management Framework and how it links to the Strategic Risk Register and the Project Risk Register. The Strategic Risk Register lists the top 15 risks and is regularly reviewed by SEB four times a year as part of the assurance framework or where there are concerns about the risk rating. The Audit and Risk Committee is not responsible for managing the risk, the responsibility remains with the named Risk Owner. The role of the Audit and Risk Committee is to assess the judgements about the level of risk and to offer a sense check. The Audit and Risk Committee can invite the Risk Owner to give evidence if there either concerns or further information is needed to assess the level of risk and provide challenge.

Cllr Alan Butt, Chair of Audit and Risk Committee, outlined the work of the committee and listed projects which have been rated as red in the Strategic Risk Register, for example, Civic Halls. The committee will also consider monitor possible reputational risks on major projects as part of future proofing work. This work is supported by lessons learnt exercises to support the work of the committee when undertaking reviews. To Head of Procurement has been invited to a meeting on 20 January 2020 to present evidence to the committee about the tendering process. The Chair advised the panel of the work done with colleagues represented on WMCA to identify risks at the regional level, particular those risks which may impact on Wolverhampton. The WMCA has benefited from the work of the audit team which has provided expertise to improve the identification and assessment of key strategic risks. The Chair briefed the panel on future risks which may impact on the financial position of the Council, such as future decisions to be announced by Government in the budget proposals and the response from the financial markets to ongoing Brexit discussions.

The panel queried who would have the final view on the level of risk where there was disagreement about if the rating should be red or amber. The Head of Audit advised that the Lead Director make the final decision in discussion with the risk owner. The

issue would also be discussed with the Cabinet Member and members of SEB. This would provide a good view of the level of risk. The panel suggested it would be helpful to capture this discussion in this situation to provide assurance that there is appropriate level of challenge and to allay any specific concerns about the risk rating. The Director of Finance added that there are also independent members on the Committee who also provide challenge about the appropriateness of the risk rating.

The panel discussed future working arrangements with Audit and Risk and invited Chair to suggest how it could support them to meet their aims. The panel were keen to avoid duplicating the work of committee. The Chair of Audit and Risk Committee welcomed the offer for closer working with panel and suggested the work could feed into the development of the Strategic Assurance Map. The Chair suggested sharing the findings from the lessons learnt with the panel. The panel agreed as a first step to review the annual work programme of the Audit and Risk Committee and then to discuss the Head of Audit possible areas that would scrutiny members could support this work. The panel agreed to invite the Chair of Audit annually to present a briefing at a future meeting.

Resolved:

1. The panel agreed to endorse the Audit and Risk Committee Annual Report 2018-2019
2. The Head of Audit to share a copy of the Strategic Assurance Map and also details of the Audit and Risk Committee work programme to help inform the panel work programme.
3. The Chair of Audit and Risk Committee and Head of Audit to be invited to present the annual report 2019 – 2020 to a future meeting on a date to be agreed with the panel before it is presented for Full Council for approval.

7 **Treasury Management Activity Monitoring - Mid Year Review 2019-2020**

Alison Shannon, Chief Accountant, briefed the panel on the key areas of interest within the report. The Chief Accountant commented on increase in PWLB interest rate which impacted on the treasury management budget and as a result the Council is exploring other funding options.

Resolved:

The panel agreed to note the report.

8 **Our Council Scrutiny Panel Draft Work Programme 2019/20**

Earl Piggott-Smith, Scrutiny Officer, presented the panel work programme and outlined the agenda for next meeting on 11 March 2020. A report on DPS to be added to the work programme.

Resolved:

The panel work programme to be updated.

The meeting closed at 18:45