

Meeting: Policy & Resources Committee

Date: 28 June 2007

Report of: Director of Strategy and Governance

Subject: Executive Committee Response from Policy and Resources to the Joint Scrutiny Report on Shoreham Airport Landraising

Ward(s) affected: All

1. Purpose of the report

1.1 On 2 April 2007 the Overview and Scrutiny Organisation Committee (OSOC) agreed the final report of the Shoreham Airport Joint Scrutiny Panel, subject to a minor amendment and the addition of 3 further recommendations. This report recommends the executive committee response to the recommendations of that Panel, as agreed and amended by OSOC.

2. Recommendations

2.1 It is recommended that the Policy & Resources Committee:

- (i) Welcomes the Panel report, as amended by the Overview & Scrutiny Organisation Committee and thanks the Panel for its work;
- (ii) Accepts all 21 recommendations as summarised in Appendix 2 and
- (iii) Agrees and adopts the executive response as set out in the schedule in Appendix 3.

2.2 That the Head of Law be authorised to amend the constitution to give effect to the changes contained in recommendation 17 of the Panel's recommendations (Appendix 2).

3. Context to the Scrutiny

Following an Internal Audit Report in August 2004 and an Audit Commission Report in April 2006 into landraising at Shoreham Airport, Brighton & Hove's

Overview & Scrutiny Organisation Committee (OSOC) set up a Joint Scrutiny Panel, consisting of Members from Brighton & Hove City Council and Worthing Borough Council (reflecting the joint ownership of the airport), to investigate the following matters:

1. What went wrong with the decision making in this particular case?
2. What, if any lessons can be learned from this scenario and where might they be best applied in the Council's operations?
3. Are there any changes to the governance framework for the Council that should be introduced as a result of those lessons learnt?
4. What are the possibilities for further action for the loss of income which the two Councils have incurred?

The Joint Scrutiny Panel reported back to OSOC on 5 March 2007 with 18 recommendations. OSOC accepted these, subject to one amendment to recommendation 4 and 3 additional recommendations (19-21) which were tabled and accepted at a meeting of that Committee on 2 April 2007.

4. The Report's recommendations

All the recommendations (except 20 and 21) seek to address weaknesses in managerial and governance arrangements, primarily in respect of partnerships and semi-autonomous bodies. The approach taken in formulating this response has therefore been to identify key headings, rather than 21 individual issues, and to suggest what action should be taken in respect of them.

This broader approach also reflects the fact that some of the identified failures were down to the unique structure and operation of Shoreham Airport. Given the transfer of the airport from the Councils management to Erinaceous Plc there appear to be few, if any, opportunities within our existing governance framework for similar shortcomings to arise. However the recommendations put forward by the Panel, once implemented, will help to sharpen the focus on the risk elements of other partnership activity. Nonetheless, a number of generic points remain pertinent in terms of the Council's future management of similar bodies within its full or partial control. The overriding aim is to avoid any repeat of the failures that occurred in relation to landraising at Shoreham Airport.

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Financial implications

The requirements for training for members and for internal audit review can be incorporated into existing programmes at no additional cost. Seeking Counsel's opinion is estimated to cost not more than £2000.

Finance Officer consulted: Catherine Vaughan 4 June 2007

Legal implications

1. If Policy & Resources and the Council accept the Panel's findings, the proposed change to the Council's constitution will, in due course, need to be submitted to full Council for approval, as they are not within the areas for which the Committee has delegated powers.
2. If Recommendations 20 and 21 are accepted, further legal advice will be sought as to the prospect of recovering monies from other parties involved in the landraising operation

Lawyer consulted: Oliver Dixon, 1 June 2007

Corporate/Citywide implications Implementing the recommendations will lead to more robust managerial and governance arrangements in the way the Council works with partners and semi-autonomous bodies	Risk assessment None required for this report
Sustainability implications None	Equalities implications There are no direct equalities implications arising from the report.
Implications for the prevention of crime and disorder None arising from this report	

Background paper

See appendix 1 and the two documents referred to in paragraph 2.1

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