

SCRUTINY COMMITTEE - RESOURCES

23 March 2011

Present:

Councillor Coates (Chair)

Councillors Cole, M A Baldwin, Branston, Crow, Hobden, Mitchell, Morris, Spackman, Thompson and Wardle

Chief Executive, Director Corporate Services, Assistant Chief Executive, Head of Treasury Services, Head of Leisure and Museums, Head of Contracts and Direct Services, Head of Audit, Museums Manager and Member Services Officer (SJS)

Also present:

Mr B Morris - Representative from Grant Thornton, the Council's External Auditor

15 **Minutes**

The minutes of the meeting held on 26 January 2011 were taken as read and subject to the amendment to the recommendation of minute 5 to read 'The Scrutiny Committee - Resources noted the report and the recommendation being made to Executive that' in place of "The Scrutiny Committee - Resources noted the report and recommended that", were signed by the Chair as correct.

16 **Declarations of Interest**

Members made no declarations of interest.

17 **Annual Audit Fee Letter 2011/12**

Mr Morris of Grant Thornton, the Council's External Auditor, presented the Annual Audit Fee letter 2011/12. He informed Members that the published fees were based on the proposed 2010/11 fee adjusted to provide a reduction in scale fees of 5% for districts. This was to reflect no inflationary increase in 2011/12, a reduction in scale fees due to the new approach to local value for money audit and a reduction to reflect the lower ongoing costs after implementing IFRS. The fees were set by the Audit Commission.

Mr Morris advised Members that due to the impending abolition of the Audit Commission there was still uncertainty about how its assets and liabilities would impact on local authorities. An announcement regarding a rebate from the Audit Commission was expected later in the year.

In response to a Member's question, Mr Morris clarified that the fee was for work to be undertaken from 1 April 2011 to 31 March 2012.

The Chair thanked Mr Morris for his presentation.

The Scrutiny Committee – Resources noted the letter.

(Letter circulated)

PERFORMANCE MANAGEMENT

18 AIM Property Maintenance Progress Report 2010/2011

The joint report of the Head of Contracts and Direct Services, Acting Head of Housing Services, Head of Treasury Services and Acting Head of Estates was submitted.

The Scrutiny Committee – Resources noted the third quarter financial position of the £7.6m programme of reactive and planned property maintenance and refurbishment for 2010/11.

(Report circulated)

19 Resources Scrutiny Stewardship to 31 December 2010

The report of the Head of Treasury Services was submitted.

The Scrutiny Committee – Resources noted the report.

(Report circulated)

MATTERS FOR CONSIDERATION BY THE EXECUTIVE

20 Overview of General Fund Revenue Budget 2010/11

The Head of Treasury Services presented the report which advised Members of the overall projected financial position of the General Fund Revenue Budget after nine months, for the 2010/11 financial year.

The Service Committee budgets showed a forecast under spend of £1,059,050 against a revised Service Committee Net Expenditure budget of £17,356,360 and an overall under spend of £1,312,516 against the General Fund Expenditure. This compared to a forecast under spend of £372,890 at September 2010. The main reason for the change had been the Government allowing the Council to capitalise the impairment loss on the Icelandic investments which had removed £694,000 of forecast expenditure and savings from the re-letting of the leisure management contract.

The Head of Treasury Services advised that the overall net transfer to the General Fund Working Balance was estimated to be £632,485 at 31 March 2011 after accounting for the approved supplementary budgets of £152,160. Members were updated on the outstanding debt position which was £3,567,259 as at 31 December 2010.

The Scrutiny Committee - Resources supported the report and recommended approval by the Council of the:-

- (1) General Fund forecast financial position for the 2010/11 financial year;
- (2) HRA forecast financial position for the 2010/11 financial year;
- (3) outstanding Sundry Debt position as at 31 December 2010; and
- (4) Statutory Performance Indicator BVPI8 for creditors' payments.

(Report circulated)

21 **Capital Monitoring Statement to December 2010**

The Head of Treasury Services presented the report setting out the current position in respect of the Council's annual capital programme and advised Members of the anticipated variations.

He informed Members that the revised capital programme for the current financial year was £28.034 million. It was projected that a further £4.908 million of the programme would be needed to be carried forward into future years. During the nine months of the year to 31 December, the Council spent £12.264 million on the capital programme, which equated to 43.7% of the revised 2010/11 programme. This compared with £10.561m million (41.6%) being spent in the first nine months of 2009/10.

In response to a Member's question, the Head of Contracts and Direct Services clarified the position with regards to the re-tendering process for the contract for kitchens and bathrooms.

The Scrutiny Committee – Resources noted the report and recommended approval by Council of the:-

- (1) current position in respect of the annual capital programme; and
- (2) a reduction in the disabled facilities grants budget of £198,330.

(Report circulated)

22 **Annual Sustainable Procurement and Commissioning Report 2010/11**

The Head of Contracts and Direct Services presented the report updating Members on the progress made against last year's Procurement Action Plan and outlining the Sustainable Procurement and Commissioning Action Plan for 2011/12.

He updated Members on working with small businesses, changes to public procurement procedures and collaborating with procurement bodies across Devon.

In response to Members' questions, the Head of Contracts and Direct Services stated that the Council was working with all Councils across Devon to develop a standard document to monitor the take up of contract opportunities by small and medium enterprises, black minority ethnic, disabled and women only organisations. He advised Members on the publishing of contracts and tenders above £500 in value on the web site and the weighting given with regards to price and equal opportunities. The Council had close links with the Federation of Small Businesses and the Chamber of Commerce in Exeter to encourage local business to tender for contracts.

The Scrutiny Committee - Resources supported the Sustainable Procurement and Commissioning Action Plan for 2011/12 and recommended to the Executive that:-

- (1) it approves the Sustainable Procurement and Commissioning Action Plan for 2011/12; and
- (2) notes that changes to the Contract Regulations will be made under delegated powers to reflect the new requirements identified in section 4 of the report.

(Report circulated)

23 Corporate Governance Risk Register - Annual Review 2011

The Head of Audit presented the report on the Council's Corporate Governance Risk Register Annual Review and sought Members' support to submit the updated corporate risk register to the Executive for approval.

Members' attention was brought to the changes that had been identified in the risk register.

Members discussed the implications of climate change and unpredicted adverse weather conditions.

The Scrutiny Committee - Resources:-

- (1) reviewed the updated Corporate Risk Register; and
- (2) approved submission of the annual corporate risk register and the revised risk management policy to the Executive.

(Report circulated)

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES

24 Guildhall Marriages and Civil Partnerships Licence - update

The Director Corporate Services presented the report to provide an update on the application for the Guildhall to be licensed for marriages and civil partnerships. He stated that the licence had now been issued and it was anticipated that the Council would be a position to start taking bookings from May 2011, although the Council was still waiting formal confirmation from Devon County Council of the necessary amendments to be put in place to the Road Traffic Order to allow "wedding cars" to attend the Guildhall.

Members requested that Devon County Council be asked to process the traffic order as quickly as possible to allow bookings for the Guildhall to be taken.

The Scrutiny Committee - Resources noted the report.

(Report circulated)

25 Internal Audit Plan 2011/12

The Head of Audit presented the report seeking approval of the 2011/12 Internal Audit Plan.

The Scrutiny Committee - Resources approved the 2011/12 Internal Audit Plan.

(Report circulated)

26 Internal Audit Work - 2nd Half -Year 2010/11

The Head of Audit advised Members of the work undertaken by the Internal Audit Unit. This Committee was responsible for considering the work undertaken by Internal Audit as part of the overall probity checking and systems testing of the Council.

The Scrutiny Committee - Resources noted the Internal Audit Report for the 2nd half - year of 2010/11.

(Report circulated)

27 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

RESOLVED that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following items on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1, 3 and 4 of Part I, Schedule 12A of the Act.

MATTER FOR CONSIDERATION BY THE EXECUTIVE

28 **IT Services Restructure**

The Director Corporate Services presented the report seeking approval to a restructure of IT Services. He updated Members on the IT Services review of its staffing structure to rebalance workloads and achieve efficiencies through staff savings.

The Scrutiny Committee – Resources supported the report and recommended that Executive approves the proposal to terminate the employment of the holder of post CS08114 in accordance with the discretion exercised by the Council under the provisions of the Local Government (Early Termination) (Discretionary Compensation) (England and Wales) Regulations 2006.

(Report circulated to Members)

MATTER FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES

29 **RAMM Update**

The Head of Leisure and Museums presented the report providing an update on the position in relation to the various contracts let for the Royal Albert Memorial Museum Development Project. He advised that the Council had now taken possession of the RAMM building from the main contractor.

The Museum Manager updated Members on the on-site progress with regards to the refit of the Museum.

In answer to a Member's question, the Head of Treasury Services clarified that the currently approved overspend for the project was £9.114 million.

The Scrutiny Committee – Resources noted the report.

(Report circulated to Members)

The meeting commenced at 5.30 pm and closed at 6.50 pm

Chair