

SCRUTINY COMMITTEE - RESOURCES

21 November 2012

Present:

Councillor Baldwin (Chair)

Councillors Bowkett, Branston, Brock, Bull, Crow, D J Henson, Macdonald, Pearson, Robson and Spackman

Apologies:

Councillors Crew

Also present:

Chief Executive, Strategic Director (MP), Assistant Director Finance, Corporate Manager Policy, Communications and Community Engagement, Senior Auditor (HK) and Member Services Officer (SJS)

47 Minutes

The minutes of the meeting held on 19 September 2012 were taken as read and signed by the Chair as correct.

48 Declarations of Interest

Members made no declarations of interest.

49 Leader and Portfolio Holder to present their half yearly reports

The Leader presented the update on his priorities for the budget and providing value for money across the Council's services.

The following responses were given to Members' questions:-

- the Council was under a lot pressure with an increase in inflation and reductions in Government grants; did not want to make cuts to the Council's main services
- there were a lot of financial pressures on the Council including the flood defence scheme for the city; the City Council and Devon County Council would be putting in £3 million each; would be looking to the Private sector for further funding, including South West Water
- the 'John Lewis effect' had increased car park income by 29% in October. Although it was not anticipated that the increase would remain as high it was hoped that there would be an average increase in car park income.

Councillor Martin presented the update on his priorities within the Portfolio for Business Transformation and Human Resources. He advised Members of the current position with regards to the Apprenticeship Scheme and that the age range for the two horticultural appointments would be extended to include 18 to 24 years olds; had received positive feedback from developers with regards to the Systems Review in Planning;

The following responses were given to Members' questions:-

- improvements and the modernisation of the website and intranet would form part of the forthcoming Communication Plan
- as part of the review 'keep my city looking good' the increased use of bar-tec would be looked at
- acknowledged there were issues with the capacity of the phone lines to Exton Road; there were options of expanding Exton Road or bringing the service to the Civic Centre.

PERFORMANCE MANAGEMENT

50 AIM Property Maintenance Progress 2012/13

The joint report of the Assistant Director Finance, Assistant Director Economy and Assistant Director Housing and Contracts was submitted.

Scrutiny Committee – Resources noted the first quarter financial position of the £7.9 m programme of reactive and planned property maintenance and refurbishment for 2012/13.

(Report circulated)

51 Budget Monitoring Report to 30 September 2012

The joint report of the Strategic Director (MP) and Assistant Director Finance was submitted.

The Scrutiny Committee – Resources noted the report.

(Report circulated)

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES

52 Internal Audit work - 1st half yearly report - 2012/13

The Senior Auditor (HK) presented the report advising Members of the work undertaken by the Internal Audit Unit.

Members were advised that there were no major areas of concerns and that the Council was on target to meet its Annual Audit Plan.

In response to Members, the Senior Auditor advised that the audit service had a direct line of reporting to the Chief Executive should it be necessary and an Audit Committee could be of benefit as it would allow for a level of democratic support. The services allocated to be audited were taken from the Corporate Risk Register, areas identified by the Assistant Directors and some higher risk services were audited every year. In the Annual Audit Plan there were contingencies days built in for any work that may be to undertaken as a matter of urgency. The audit of the Tourism Service was undertaken at the request of the Tourism Development Manager.

The Scrutiny Committee – Resources noted the Internal Audit Report for the 1st half-year of 2012/13.

(Report circulated)

53 Corporate Complaints Monitoring

The Corporate Manager Policy, Communications and Community Engagement presented the summary of complaints and other recorded feedback received by the Council from the public during the financial year 2011/12.

Members were advised that during 2011/12, a total of 144 complaints were received under the Council's corporate complaints procedure. This was a decrease of 44% on 2010/11 when 255 complaints were received.

A Member raised concerns regarding the processes the Council had in place for complaints and the need to ensure that staff registered when a customer was making an official complaint.

The Chief Executive advised that the Council made every effort to ensure that all complaints were captured.

In response to a Member, the Corporate Manager Policy, Communications and Community Engagement clarified that the Council had a policy against vexatious complaints which had been successfully applied where necessary.

The Scrutiny Committee – Resources noted the report and the work being done to improve services as a result of complaints and feedback received from the Council's customers.

(Results circulated)

54 Financial Resilience Report

The Council's External Auditors, Grant Thornton's Financial Resilience Report was submitted to Members.

The Assistant Director Finance outlined to Members the issues that Grant Thornton had indicated as amber and the measures that the Council were undertaking to address these.

He advised on the resource and funding implications of benchmarking; that the Council would be undertaking more sensitivity analysis; and clarified the Council's position with regards to liquidity and the utilising of short term borrowing to meet its liabilities due to the current low interest rates.

Members noted the report.

(Report circulated)

55 Annual Audit Letter

The Council's External Auditors, Grant Thornton's the Annual Audit Letter was submitted to Members.

The Chair was pleased to note that the fee had come down from previous years.

The Scrutiny Committee – Resources received the letter.

(Letter circulated)

MATTERS FOR CONSIDERATION BY THE EXECUTIVE

56 Overview of Capital Expenditure to 30 September 2012

The Assistant Director Finance presented the report advising of the current position in respect of the Council's revised annual capital programme and of the anticipated level of deferred expenditure into future years.

Members were advised that the revised capital programme for the current financial year was £24.484 million. During the first six months of the year the Council spent £6.515 million on the programme, which equated to 26.60% of the revised programme. This compared with £5.516 million (23.80%) being spent in the first six months of 2011/12. The current programme showed a total forecast spend for 2012/13 of £19.665 million with £1.400 million of the programme potentially deferred to 2013/14. A further £3.609 million worth of General Fund schemes were being proposed for deletion from the programme.

The Strategic Director stated that it was proposed to use 22 St David's Hill to accommodate the administration function for the rough sleepers service.

The Scrutiny Committee – Resources noted the current position in respect of the revised annual Capital Programme and recommended its approval by Council.

(Report circulated)

57 Overview of General Fund Revenue Budget 2012/13

The Assistant Director Finance presented the report advising Members of the overall projected financial position of the General Fund Revenue Budget and Housing Revenue Account after six months, for the 2012/13 financial year.

He advised that the Service Committee budgets showed a forecast underspend of £258,260 (1.9%) against a revised Service Committee Net Expenditure budget of £13,718,210 and an overall underspend of £302,096 against General Fund Expenditure. He outlined to Members the individual budgets in respect of each of the Scrutiny Committees, the outstanding sundry debt, debt write-offs and creditor payments performance.

The overall net transfer from the General Fund Working Balance was estimated to be £558,965 at 31 March 2013 after accounting for July approved supplementary budgets of £138,260. This represented a reduction of £502,493 against budget and would leave the General Fund Working Balance at £3,726,460 at the end of the year.

In response to a Member, the Strategic Director advised that the collection of trade waste would be looked at in the Systems Review 'keep my city looking good'.

The Assistant Director Finance clarified that the Council does on occasion utilise the services of external agencies to collect debt, these agencies' were required to sign up to a code of conduct which was closely monitored.

The Scrutiny Committee – Resources noted the report and requested that Council approve the:-

- (1) General Fund forecast financial position for the 2012/13 financial year;
- (2) HRA forecast financial position for 2012/13 financial year;

- (3) outstanding Sundry Debt position as at June 2012; and
- (4) creditors' payments performance.

(Report circulated)

58 Treasury Management - 2012/13 - Half Yearly Update

The Assistant Director Finance presented the report detailing the current performance for the 2012/13 financial year and the position regarding investments and borrowings at 30 September 2012.

Members were updated on the interest rate prospects, net interest position and the future position. The Council's treasury management advisers had been purchased by Arlingclose an independent treasury company, the contract terms and conditions remaining the same with the Council to monitor the position to ensure a high level of service remains.

The Scrutiny Committee – Resources noted the Treasury Management report for 2012/13.

(Report circulated)

The meeting commenced at 5.30 pm and closed at 7.00 pm

Chair