

## SCRUTINY COMMITTEE - RESOURCES

20 June 2012

### Present:

Councillor Baldwin (Chair)

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

### Apologies:

Councillor Ruffle

### Also present:

Chief Executive, Assistant Director Finance, Assistant Director Housing and Contracts, Corporate Manager Democratic & Civic Support and Member Services Officer (SJS)

### In attendance:

Councillor Edwards – Leader, Portfolio Holder for Budget and Strategic Vision

Councillor Martin – Portfolio Holder for Business Transformation and Human Resources

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

## 23 **Minutes**

The minutes of the meeting held on 21 March 2012 were taken as read and signed by the Chair as correct.

## 24 **Declarations of Interest**

A Member declared the following personal interest:-

<b>COUNCILLOR</b>	<b>MINUTE</b>
Councillor Macdonald	29 (Trustee of a tenant at Verney House)

## 25 **Interim Audit Report**

Mr Morris of Grant Thornton, the Council's External Auditor, presented the Interim Audit Plan. Members were advised on the audit approach, the audit risk assessment and the results of the interim audit work.

During discussion Members raised the issue of the possibility of outsourcing the internal audit work or joining the South West Audit Partnership and the adequate segregation of duties into the creditors system which was raised in the plan.

The Assistant Director Finance advised that measures were being introduced to address the adequate segregation of duties in the creditors system to ensure that

appropriate separation occurs between the ordering of goods and the processing of invoices.

Mr Morris clarified that the majority of councils have in-house internal audit and the segregation of duties in the creditors system would be followed up when the next audit was undertaken.

Mr Morris updated Members on the changes that taken place since the Audit Commission had been abolished and that Grant Thornton had the contract to undertake audit work for the majority of councils in the South West. The audit fee for the next five years would decrease by 40% and there would also be a reduction of 50% in the fee for the certification of grants.

Members noted the Plan.

(Plan circulated)

## **26 Leader and Portfolio Holder to present the priorities for the forthcoming year**

The Leader presented the priorities for the budget and providing value for money across the Council's services. The report is attached to these minutes.

The Leader stated that he shared Members concerns regarding the year on year reduction in the Council's reserves. The Council was addressing the Government cuts in grants through the recent senior management restructure and streamlining services through the Vanguard process.

Councillor Martin presented the priorities within the remit of the Portfolio Holder for Business Transformation and Human Resources. The report is attached to these minutes.

The following responses were given to Members' questions:-

- the Council was looking into the best way to provide an accessible and flexible service for the customer including the possibility of a late evening opening instead of a Saturday morning opening
- the Council was constantly looking at trends of how people use the web site and exploring how social media was used to access information
- access to WIFI for Committee Rooms and the Customer Service Centre would be looked into
- a recent example of partnership working was that Devon County Council had agreed to buy some pages in the Exeter Citizen.

## **PERFORMANCE MANAGEMENT**

### **27 Housing and AIM Property Maintenance Outturn Report 2011/12**

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

Scrutiny Committee – Resources noted the:-

- (1) outturn financial position of the £5.8m programme of revenue funded housing reactive and planned property maintenance and refurbishment for 2011/12 as detailed in the report: and

- (2) outturn financial position of the £1.7m programme of revenue funded non-housing reactive and planned property maintenance and refurbishment for 2011/12 as detailed in the report.

(Report circulated)

## 28 **Resources Scrutiny Revenue Final Accounts 2011/12**

The report of the Assistant Director Finance was submitted.

In response to a question, the Corporate Manager Democratic and Civic Support advised that the Police and Crime Commissioner's Election in November 2012, would not have any additional costs implications for the Council as all costs would be recovered from the Home Office.

The Scrutiny Committee – Resources noted the report.

(Report circulated)

### **MATTERS FOR CONSIDERATION BY THE EXECUTIVE**

## 29 **Capital Monitoring 2011/12 and Revised Capital Programme for 2012/13 and Future Years**

Councillor Macdonald declared a personal interest as a Trustee of a Tenant at Verney House.

The Assistant Director Finance presented the report advising of the overall financial performance for 2011/12 in respect of the Council's revised annual Capital Programme and sought approval of the 2012/13 revised capital programme.

He advised that the capital expenditure in the year amounted to £13,123,271, a reduction of £3,181,809 on the planned figure of £16,305,080. The actual expenditure during 2011/12 represented 80.5% of the total approved for the revised Capital Programme, which meant £4.9 million would need to be carried forward to be spent in future years.

The Scrutiny Committee – Resources noted the report and recommended that Council approves the:

- (1) overall financial position for the 2011/12 annual capital programme; and
- (2) amendments to the Council's annual capital programme for 2012/13.

(Report circulated)

## 30 **Overview of Revenue Budget 2011/12**

The Assistant Director Finance presented the report advising Members of the overall financial position of the Housing Revenue Account (HRA) and General Fund Revenue Budgets for the 2011/12 financial year. There was an underspend in the HRA of £1,834,077 in the planned contribution to the Repairs Fund. This was due to a significant underspend in the HRA capital programme and the fact that the capital programme had been financed from other capital resources. There had also been additional income from rents. Members were updated on the earmarked reserves

which included monies for the voluntary redundancy programme and the New Homes Bonus.

The Assistant Director Finance clarified the accounting position with the new contract for the sports facilities.

The Chief Executive advised that the Council did not yet know what impact the Welfare Reform would have on some residents' ability to pay their council tax and rent and any subsequent effect this could have on debt recovery rates.

The Scrutiny Committee – Resources noted the report and requested that Council note the overview of the Resources Budget for 2011/12 and approve:-

- (1) the net transfer of £727,999 to Earmarked Reserves as detailed in paragraph 3.11 of the circulated report;
- (2) the supplementary budgets of £138,260 as detailed in paragraph 3.16 of the circulated report;
- (3) Earmarked Reserves at 31 March 2012;
- (4) the Council Tax account and collection rate;
- (5) the outstanding sundry debt, aged debt analysis and debt write-off figures;
- (6) the creditor payments performance;
- (7) having regard to the General Fund working balance of £4,285,425 at 31 March 2012, the overall financial position of the Council as set out in paragraph 3.14 of the circulated report;
- (8) the Housing Revenue Account working balance at 31 March 2012 of £5,764,423 and the Council Own Build working balance of £28,207.

(Report circulated)

### **31 Treasury Management 2011/12**

The Assistant Director Finance presented the report detailing the overall performance for the 2011/12 financial year and the position regarding investments and borrowing as at 31 March 2012.

He updated Members on the position with the monies held in the Icelandic banks and that due to very low interest rates the Council continued to use short term borrowing to manage its cash flow. The Council's borrowing requirements were under constant review, monitoring short and long term interest rates.

The Scrutiny Committee – Resources noted the Treasury Management report for 2011/12 and recommended approval by Council.

(Report circulated)

### **32 Annual Governance Statement**

The Assistant Director Finance presented the proposed Annual Governance Statement that would accompany the Council's Annual Statement of Accounts for

2011/12. This Statement also incorporated the Council's Code of Corporate Governance which was published on the Council's website.

The Scrutiny Committee – Resources:-

- (1) supported the Annual Governance Statement; and
- (2) recommended that Council note and approve the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2011/12.

(Report circulated)

### **33 New Approach to Managing Building Contracts - Total Project Delivery Initiative**

The Assistant Director Housing and Contracts presented the report which sought Members' approval to continue the initiative for the delivery of the housing kitchen, bathroom, gas central heating and boiler replacement for up to four years, following a successful six month trial period. Members were also asked to approve the examinations of the practicality of extending the initiative to cover working budgets in respect of PSL's, Extralet and disabled adaptation programmes.

Members were updated on the background and the advantages of the Total Delivery Project Approach.

Members welcomed the scheme and that local companies would be more encouraged to tender for work.

The Scrutiny Committee – Resources noted the report and recommended to Executive that:-

- (1) they note the initial progress made on the TPD pilot; and
- (2) support its continuation and extension for up to 4 years, or until respective budgets involved are exhausted, subject to annual review and approval by the Assistant Director Housing and Contracts.

(Report circulated)

## **MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES**

### **34 Petition Scheme - Application for S49 Hardship Business Rate Relief**

The Assistant Director Finance presented the report to consider a petition with 150 signatures in support of an application for hardship business rate relief under Section 49 of the Local Government and Finance Act 1988.

Members discussed the remit of the petition scheme and the appeal procedure should the applicant want to contest any decision made by the Council.

The Scrutiny Committee – Resources noted the petition and agreed that the application be determined by the Assistant Director Finance in consultation with the Leader of the Council.

(Report circulated)

35 **Member's Allowances Paid 2011/12**

The Corporate Manager Democratic and Civic Support presented the report advising of the allowances paid to Elected Members and Co-opted Members in 2011/12.

The Scrutiny Committee – Resources noted the report.

(Report circulated)

36 **Workforce Profile 2011/12**

The Chief Executive presented the report providing Members with an outline of some workforce issues for the Council between April 2011 and March 2012.

Members welcomed the proposed apprenticeship scheme which would be the subject of a report to Executive on 3 July 2012 and the reduction in sickness levels.

The Scrutiny Committee – Resources noted the report.

(Report circulated)

The meeting commenced at 5.30 pm and closed at 7.10 pm

Chair