

AUDIT AND PERFORMANCE SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 8th February 2011 at Retford Town Hall

Present:

Councillors: P C Offer (Chair)
H Burton, D Challinor, G Freeman, M T Gray, Mrs S Isard, B Jones, S May,
D Potts, J B Rickells, Mrs A Simpson, S Toms, A A D Tromans, C Troop and
G J Wynne

Officers in attendance: D Armiger, A Burton, C Crossland, C Forster, M Hill, J Proudman, N Taylor
and R Theakstone

Also in attendance: R Barnett, N Carpino and D Morris

Standards Members: None

Also present: Councillors K Isard, M W Quigley and T E Yates

33. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs V A Bowles, C Entwistle and Mrs J F Smith.

34. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

(a) Members

Councillor A A D Tromans declared a personal interest in Agenda Item No 6(a) – General Fund Budget 2011/12 Financial Strategy and Agenda Item No 6(d) – Housing Capital Programme 2011/12 to 2013/14 as he is a member of the A1 Housing Board. He stated that he would remain in the meeting.

Councillor Mrs C Troop declared a personal interest in Agenda Item No 6(a) – General Fund Budget 2011/12 Financial Strategy and Agenda Item No 6(d) – Housing Capital Programme 2011/12 to 2013/14 as she is a member of the A1 Housing Board. She stated that she would remain in the meeting.

(b) Officers

There were no declarations of interest by officers.

35. MINUTES OF THE MEETING HELD ON 25TH NOVEMBER 2010

RESOLVED that the Minutes of the meeting held on 25th November 2010 be approved.

36. MINUTES FOR ACTION AND IMPLEMENTATION

In relation to Minute 30(a) the Head of Finance and Property informed the Committee that details of costs incurred for the Worksop memorial pedestal had been circulated to the Committee in a letter.

RESOLVED that the Minutes for Action be received.

37. OUTSTANDING MINUTES LIST

RESOLVED that the Outstanding Minutes List be received.

Key Decisions

38. REPORT(S) OF THE HEAD OF FINANCE AND PROPERTY

(a) General Fund Budget 2011/12 Financial Strategy (Key Decision No 254) and Medium Term Financial Plan (Key Decision No 246)

Members were presented with the draft budget for the next financial year and asked to make recommendations to full Council on 3rd March 2011 to set the budget and Council Tax levels for 2011/12. Projections about the long-term financial sustainability of the Council, in conjunction with current issues and the financial support required for Bassetlaw's priorities in the Corporate Plan, were outlined in the report.

The Committee were informed that the year has started with a loss of £1.8 million, this has been addressed without reducing frontline costs and without redundancies. The Council will receive £1.2 million less in Formula Grant than the previous year and in 2012/13 there will be a further loss in Formula Grant.

The Star Chambers held with Heads of Service in October 2010 found over £1.58 million in savings. The core of the 2011/12 budget savings were achieved from the transfer of the Councils leisure services to BPL and also the insurance re-tender which generated savings of £0.13 million.

Members were informed that the loss of New Street car park in Retford to Nottinghamshire County Council has affected the income from car parks and meant a reduction in income. The Council is still supporting voluntary partners with £0.432 million being provided to support Parish Councils, local groups, shops and facilities in the District.

Members were informed that since the report had been prepared, the formula grant has been increased by £64,000 for 2011/12 budget and will be reduced by £7,000 next year in the 2012/13 budget.

Councillor Mrs A Simpson commented on the item.

RESOLVED that:

1. The draft budget for 2011/12 and the Medium Term Plan for 2012/13 and 2013/14, as set out in Appendix 1 of the report, together with the associated comments from the Audit and Performance Scrutiny Committee on 8th February 2011, be recommended to full Council on 3rd March 2011 for approval.
2. A Council Tax increase of 0% for 2011/12, in line with best practice, be recommended to full Council on 3rd March 2011 for approval, also indicative increases of 0% for both 2012/13 and 2013/14.
3. The Service Improvements of £41,100, as summarised in paragraph 3.49 of the report, be approved.
4. The declaration of a nil surplus on the Collection fund for 2011/12, as summarised in paragraphs 3.50 and 3.51 of the report, and detailed in Appendix 3 of the report, be approved.
5. Delegated authority be given to the Cabinet Member for Finance and Property for addressing any issues coming out of the Business Ratepayers' meeting in February 2011.
6. The position regarding the Manton Community Alliance budgets, as outlined in paragraph 3.43 of the report, be noted and delegated authority be given to the Director of Resources to deal with the termination of the scheme during 2011.

(b) Housing Revenue Account Budget 2011/12 and Future Years to 2013/14 (Key Decision No 255)

Members were presented with the draft Housing Revenue Account (HRA) budget for 2011/12, together with indicative figures for 2012/13 and 2013/14, and asked to make recommendations to full Council on 3rd March 2011 to set the budget and rent levels for 2011/12.

RESOLVED that:

1. The draft HRA budget for 2011/12 and future years, together with the associated comments from the Audit and Performance Scrutiny Committee on 8th February 2011, be recommended to full Council on 3rd March 2011 for approval.
2. An average rent increase of 6.27% for 2011/12 for recommended to full Council on 3rd March 2011 for approval, and, in accordance with best practice, indicative increases of 2.83% for both 2012/13 and 2013/14 (dependent upon future RPI changes) be recommended.
3. The average of rent be applied at an individual property level as calculated using the Government Rent Restructuring model.
4. The use of reserves of £0.038m to fund 2011/12, as detailed in Appendix 1 of the report, be approved.

(c) General Fund Capital Programme 2011/12 to 2015/16 (Key Decision No 256)

Members were presented with the draft General Fund Capital Programme for 2011/12 to 2015/16, which was appended to the report, and asked to make recommendations to full Council on 3rd March 2011 for approval.

Members were informed that over £14 million will be invested into the District over the next three years; £6 million of this will come from external funding.

RESOLVED that the new additions to the draft Capital Programme 2011/12 to 2015/16, as at Appendix B of the report, be recommended to full Council on 3rd March 2011 for approval.

(d) Housing Capital Programme 2011/12 to 2015/16 (Key Decision No 257)

Members were presented with the draft Housing Capital programme for 2011/12 to 2015/16, which was appended to the report, and asked to make recommendations to full Council on 3rd March 2011 for approval.

An Elected Member asked a question regarding the amount spent on each property through the Decent Homes Programme. The Director of Resources informed the Committee that the £603.86 per dwelling stated in the report is the average amount spent through the Decent Homes programme. He added that the programme is over several years and by the end they will meet the Decent Homes standard.

RESOLVED that the draft Housing Capital Programme 2011/12 to 2015/16 of £37.604m, as at Appendix A of the report, be recommended to full Council on 3rd March 2011 for approval.

(e) Treasury Management Policy and Strategy 2011/12 to 2013/14 (Key Decision No 258)

Members were presented with the Treasury Management Strategy, Borrowing Strategy, Annual Investment Strategy, Minimum Revenue Provision Policy and Prudential Indicators, as updated in accordance with latest guidance, and asked to make recommendations to full Council on 3rd March 2011 for approval.

RESOLVED that:

1. The Treasury Management Strategy 2011/12 to 2013/14, incorporating the Borrowing Strategy and the Annual Investment Strategy, as at Appendix 1 of the report, be recommended to full Council on 3rd March 2011 for approval.
2. The Minimum Revenue Provision (MRP) Statement, contained within Appendix 2 of the report, which sets out the Council's Policy on (MRP) be recommended to full Council on 3rd March 2011 for approval.
3. The Prudential Indicators and Limits for 2011/12 to 2013/14, as at Appendix 3 of the report, be recommended to full Council on 3rd March 2011 for approval.
4. The Authorised Limit Prudential Indicator, contained within Appendix 3 of the report, be recommended to full Council on 3rd March 2011 for approval.

(f) Capital Investment Strategy 2011/12 to 2015/16 (Key Decision No 259)

Members were presented with the draft Capital Investment Strategy 2011/12 to 2015/16, which was appended to the report, and asked to make recommendations to full Council on 3rd March 2011 for approval.

In response to a question from an Elected Member the Director of Resources informed Members that improvements are being introduced to switchboard telephonetics to streamline calls that come to the main switchboard, he added that this has been successful in the Council Tax Department and they are looking to roll this out to the Environmental Health unit.

RESOLVED that the draft Capital Investment Strategy 2011/12 to 2015/16 be recommended to full Council on 3rd March 2011 for approval.

(g) Property Asset Management Plan 2011/12 to 2015/16 (Key Decision No 260)

Members were presented with the draft Property Asset Management Plan 2011/12 to 2015/16, which was appended to the report, and asked to make recommendations to full Council on 3rd March 2011 for approval.

In response to a query raised by an Elected Member the Director of Resources informed the Committee that the £39,000 listed in the report for repairs at New Street car park would be recharged to Nottinghamshire County Council.

RESOLVED that the draft Asset Management Plan 2011/12 to 2015/16 be recommended to full Council on 3rd March 2011 for approval.

Other Decisions

39. REPORT(S) OF THE HEAD OF FINANCE AND PROPERTY

(a) Robustness of Estimates and Adequacy of Reserves

Members were presented with a report which deals with the robustness of estimates and the adequacy of reserves. Sections 25 and 26 of the Local Government Act 2003 places a personal duty on the Chief Finance Officer to make such a report to Council when considering its budget and Council Tax.

RESOLVED that the report be noted and recommended to full Council on 3rd March 2011 for noting.

(b) Annual Audit Letter 2009/10

Members were presented with a report which deals with the robustness of estimates and the adequacy of reserves. Sections 25 and 26 of the Local Government Act 2003 places a personal duty on the Chief Finance Officer to make such a report to Council when considering its budget and Council Tax.

The District Auditor presented the Annual Audit Letter for 2009/10 for the last completed audit year. Bassetlaw has been issued with an unqualified audit opinion for the last financial year's accounts, she informed the Committee that the standard of the final accounts working papers has been improved and improvement is overall positive. She commented that there are three main challenges for the Council, the final outcome of the Icelandic Bank legal process, reduction in Central Government funding and new International Financial Reporting Standards.

The District Auditor informed Members that the Council had a total of £8 million deposits across the four Icelandic banks. Restitution is being received from two of the four banks with just over £1.3 having been returned, the loan repayments from the other two banks are reliant on a court case.

Central Government funding is set to reduce by 28% over the next four years. Bassetlaw has dealt with the first year of this in the proposals for its 2011/12 budget. The District Auditor commented that satisfactory plans are in hand to deal with future reductions and they are looking to identify what else is required. She also informed the Committee that the Council has considered the implications of adopting International Financial reporting Standards which will involve changes to the format and terminology of the financial statements and that the Council are prepared for this.

Counillor G J Wynne thanked the Head of Finance and Property and the Finance Team for all their work in preparing the accounts and audit reports.

Councillors D Challinor, S May, Mrs C Troop and G J Wynne commented on the Item.

RESOLVED that the report be noted and recommended to full Council on 3rd March 2011 for noting.

(c) Internal Audit Reports 2010/11

The Acting Audit Manager presented the Internal Audit Report to the Committee. He commented that from the 23 internal audits outlined in the report, 164 recommendations have been identified. He added that he is pleased with Managements decisions and actions regarding these recommendations and dates have been agreed for implementation.

It was agreed with the Chairman of the Committee that the Action Plans will only show High and Medium risk recommendations. The 164 recommendations can be broken down to 65 low risk, 86 medium and 13 high.

The Acting Audit Manager commented on the Housing Benefit risk, findings identified a variance of £6,227.99, this variance resulted from a system update by Northgate. In relation to Parks and Open Spaces a review of the inspection report found that repairs required in the previous years report had not been actioned by the Council. He also commented that two long standing members of staff at Bassetlaw Museum have not had CRB checks.

The Head of Revenues and Customer Services commented that the issue of the £6227.99 variance is being addressed and he will get an update on this and report back to a future Committee.

An Elected Member asked whose responsibility it is to ensure staff have CRB checks when the Museum holds an event. The Head of Community Prosperity informed Members that it is the Council's responsibility when they are holding an event under the Council's name, he added that it needs to be made clearer when the Museum are hosting an event but are not running it.

An Elected Member raised the issue of staff at the Museum using their own cards to purchase goods on the Internet and then being reimbursed by the Council. The Director of Resources commented that Museum staff have created an Ebay account for purchasing low cost goods. The Head of Community Prosperity added that a petty cash float has been set up for reimbursement which has a maximum limit of £30.

Councillors Mrs G Freeman, B Jones, D Potts, Mrs A Simpson, Mrs C Troop and G J Wynne commented on the Item.

In response issues raised the Head of Community Prosperity commented that Parks and Open Spaces are now addressing the repairs and putting a system in place to make sure this does not get overlooked again. In response to a question regarding BPL Leisure he informed the Committee that it is their responsibility to ensure staff have CRB checks he added that he is currently working HR to make sure there is a more rigorous approach to carrying out CRB checks.

RESOLVED that:

1. Members receive the Report and note actions taken or to be taken.
2. An update on the £6227.99 variance in Housing Benefits be reported to a future Committee.

SECTION B – ITEMS FOR DISCUSSION IN PRIVATE

Key Decisions

None.

Other Decisions

None.

40. ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS TO BE URGENT

As there was no other urgent business to consider, the Chairman closed the meeting.