

## SOUTH RIBBLE BOROUGH COUNCIL

Governance Committee

Meeting held at 6.00pm on Wednesday 28 November 2012 in the Cross Room, Civic Centre, Leyland, PR25 1DH.

**Present:-**

Councillors O'Hare (in the chair), W Bennett, Michael Green, Mrs Mort and Patten.

**In Attendance:-**

Susan Guinness (Head of Shared Financial Services), Carol Eddleston (Democratic Services Officer) and David Whelan (Legal Services Manager).

Councillors S Robinson (Cabinet Member for Finance and Resources) and Mrs M Smith (Leader of the Council).

Representatives from the council's new external auditor Grant Thornton: Fiona Blatcher, Peter Buckley, Sarah Howard and Gareth Winstanley.

**Public Attendance:-**

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**Other Members and Officers:-**

Councillors Hamman, P Smith and four officers.

Minute No.	Description/Resolution
23	<p><b>Apologies for Absence</b></p> <p>Apologies for absence were submitted on behalf of Councillor Foster.</p>
24	<p><b>Declarations of Interest</b></p> <p>There were no declarations of interest.</p>
25	<p><b>Minutes of the Last Meeting</b></p> <p>RESOLVED: That the minutes of the meeting held on 26 September 2012 be approved as a correct record and signed by the chairman.</p>
26	<p><b>External Audit - Grant Thornton</b></p> <p>The chairman welcomed representatives from the council's new external auditor, Grant Thornton, and invited Sarah Howard, Head of Public Sector Assurance, to introduce herself and to give an overview of the firm and of what the change of external auditor would mean for this council.</p> <p>Ms Howard explained that she headed up nationally the side of Grant Thornton which audited health bodies and local authorities. The firm had 30 years' experience with local authorities and had previously had some northern appointments through the Audit Commission. The recent procurement was the next stage in the firm's growth and development of its practice. She had been working with Fiona Blatcher and other district auditors to prepare for the transition which was going well and she foresaw that the council would benefit from the 'best of both worlds' in terms of continuity of an audit team known to and trusted by the council, in the wider context of a new firm. The key priority now was the 2012/13 audit. The detailed audit plan which had usually been brought to the committee in January would be presented in April and would outline any key risks that the auditors had identified around the opinion audit. This slight delay was not expected</p>

to be an issue. The same personnel would be involved in the audit and discussions with officers about the systems visit in the new year had already commenced.

The representatives from Grant Thornton responded to a number of questions from the committee. Chorley and South Ribble Borough Councils would still be audited separately but there would be more of a shared approach given that the authorities had a shared financial system. Grant Thornton would endeavour to try and maintain the continuity of the audit team but of course had to be mindful of its employees' career development and aspirations and also was sometimes required to change team members because of the length of time that they had been involved with the same client. Grant Thornton's local authority clients were wide and varied, from small parish councils to large metropolitan authorities.

The Cabinet Member for Finance and Resources, Councillor S Robinson, welcomed the reduction in fee but said he hoped that the audit would be appropriately tailored to this authority rather than a blanket approach. Ms Howard confirmed that Grant Thornton was committed to delivering good quality services and would meet annually with the council to discuss and assess the quality of the service it provided. It would also be closely reviewed by the Audit Commission.

Members joined the chairman in thanking the representatives from Grant Thornton for attending the meeting and looked forward to working with them in the future.

27 **Budget Monitoring Report - Q2: April - September 2012/13**

The Cabinet Member for Finance and Resources introduced the report as a very good news report but said that it was still too soon to be able to extrapolate for the whole year. The Head of Shared Services indicated that if the underspend were to continue a planned allocation from the General Reserve might not be required. All the efficiency targets had already been achieved.

Councillor S Robinson said that it was very pleasing that rental income was above budget especially in the current economic climate. Given the uncertain picture, Councillor S Robinson was very happy that the council's General Reserves were so solid and he suggested that they should be left untouched until the picture became clearer. Local authorities who had increased council tax in 2012/13 were in a much better position now than those who had not done so.

Councillor W Bennett observed that increasing revenue income from the council's assets and the increase in planning fee income were very positive and he commended the Head of Shared Financial Services and the Senior Management Team for their close work with Cabinet on achieving the efficiency targets. The chairman agreed that it was a very good report especially as it was so difficult to budget accurately at the present time.

In response to a question from Councillor Patten about the underspend on staff vacancies, the Head of Shared Financial Services explained that before any recruitment was approved all vacancies were scrutinised closely to establish whether the work could perhaps be done in a different way.

Councillor Michael Green suggested that whilst the increase in planning fee income was excellent in terms of income it was not necessarily good news for the Planning department in terms of workload and capacity. The Leader pointed out that the end of the LDF process was now freeing up capacity in the Planning department, allowing officers who had previously been heavily involved in that to work on planning applications.

In noting the underspend on mileage and expenses claims Councillor Michael Green enquired what the mileage rate was. The Head of Shared Financial Services agreed to find out and let members know.

The chairman noted the overspend on homelessness and the Head of Shared Financial Services confirmed that a number of issues around homelessness and the impact of welfare reform were currently being looked at. She explained that some cases were more complex in nature and this inevitably impacted on the time it took to place someone in accommodation. The Leader said

that getting empty properties back into habitation was one strand of the council's efforts to reduce homelessness but steps were also being taken to try to prevent homelessness happening in the first place. People who got into rent arrears were not able even to apply for a tenancy until those arrears were cleared and it was important to be able to flag up possible problems before people got to that stage.

In response to a question from Councillor Michael Green about how £15,000 income from the county council could be classified as a budget saving, the Head of Shared Financial Services explained that the extra work could be completed within the existing resources. Essentially in the budget report it was an underspend against projected spending.

A member of the public said that the report showed a very strong financial position but he thought there were a couple of 'worrying indicators'. He said that the discussion had opened with a presumption that any underspend would go back into reserves but he suggested that it might be appropriate to use some of the identified savings to finance additional projects. One such example was the state of the footpaths on the south side of Hurst Grange Park which had been virtually unusable all year. He queried whether the trend of underspends in this council was actually an indication of weak budget setting at the start of the year and wondered whether the Senior Management Team was being challenged enough to make cost savings whilst maintaining high standards of service.

Councillor S Robinson said that there were a number of areas on which the council would like to spend more money but there were a number of unknowns at this point in time, including the amount of grant settlement from central government and the implications of the localisation of council tax and the changes to welfare reform. The budget process never stopped and over the last few years the council had saved several millions of pounds by efficiency and smarter working and had made very few redundancies as compared with other local authorities. He genuinely believed that all this had been achieved without any reduction in service standards. The Head of Shared Financial Services said that the council always scored highly in the external audit on value for money arrangements to secure economy, efficiency and effectiveness in its use of resources.

The chairman acknowledged that there had been a pattern of underspending in the past because of slippage on the capital programme but this had now improved. In recent years there had been a number of unexpected, positive, one off items which could not have been foreseen. He noted the mention of Hurst Grange Park but said that all members could no doubt identify something in their own ward which would benefit from a small amount of money.

In response to a question from Councillor W Bennett about the windows replacement project, Councillor S Robinson said that once the final cost was known, consideration would be given to whether any underspend might be brought forward to, for example, the roofing works.

RESOLVED (unanimously):  
That the report and appendices be noted.

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### **Transparency Agenda**

The Leader introduced the report which updated members on the extent of the council's compliance with the government's Code of Recommended Practice for Local Authorities on Data Transparency. The chairman said that he supported the transparency agenda as the more open local government was, the better the decision making and governance would be.

The government was currently consulting on whether to introduce regulations that would make the Code of Practice mandatory. Further the Government was also encouraging local authorities to reduce the level of expenditure which should be published from £500 to £250. Members felt that this could lead to a significant increase in administration and would not be in favour of the threshold being reduced.

In response to questions about the pay policy, the Leader explained that it had been expanded to

	<p>comply with the Localism Act and that it was reviewed annually. It was available to view on the council's website. The council paid above the minimum wage and other employee benefits, such as pension contributions, took it above the living wage. Some consideration was being given nationally to how best to deal with senior officers who had left an authority with a redundancy payment but then later returned to the authority. Members had mixed views on how this should be dealt with should the situation arise in this council.</p> <p>Members asked for the wording in the final column under 8 Voluntary Groups to be made more general rather than referring to specific types of groups. If the situation ever arose, the amount, name of the recipient group and details of what the grant would be used for would be published.</p> <p>Members suggested that some of the more newsworthy information covered by the transparency action plan could perhaps be published in Forward.</p> <p>The member of the public suggested that the use of the word 'successful' in the report's recommendation was somewhat premature as, in his opinion, at least one area had not been addressed satisfactorily (4.2) and he believed that some additional work needed to be done. He said that most local authority websites showed the number of staff under the senior management team and their paybands and he considered it reasonable for this council to do the same. The Legal Services Manager agreed to discuss this further with the Head of Human Resources. The chairman said that the committee had assumed that the information contained in the report was correct but had not asked how easily accessible on the council's website the various data was. He considered that it was the committee's role to judge the success of the action plan. Members acknowledged that the website was not the easiest to navigate but noted that a new website would be launched in the spring. Members would be provided with links to the relevant pages and the Legal Services Manager would provide a further update at a subsequent meeting.</p> <p>RESOLVED (unanimously): That the report be noted and the progress made to date be welcomed, subject to the comments above.</p>
29	<p><b>Forward Plan</b></p> <p>The forward plan was noted and members agreed that a special meeting of the committee would be held at the close of the Constitution Task Group meeting on 4 March 2013 to ratify the recommendations relating to the current review of the Constitution for submission to Cabinet on 20 March.</p>
30	<p><b>Any Other Business</b></p> <p>The chairman mentioned that there had been a suggestion at the previous week's Council that a letter of thanks should be sent to Clare Ware following her recent retirement and he sought the committee's agreement for him to write to her on behalf of the wider Council.</p>

..... (Chairman)

The meeting closed at 7.34pm.