

SOUTH RIBBLE BOROUGH COUNCIL**Governance Committee**

Meeting held at 6.00pm on Wednesday, 29th January, 2014 in Cross Room, Civic Centre, West Paddock, Leyland, PR25 1DH

Present:-

Councillors W Bennett, Clark, Foster, Nelson and Ogilvie

In Attendance:-

Garry Barclay (Head of Shared Assurance Services), Carol Eddleston (Democratic Services Officer), Susan Guinness (Head of Shared Financial Services), Dawn Highton (Principal Auditor) and Maureen Wood (Director of Corporate Governance)

The Cabinet Member for Finance and Resources, Councillor Robinson

Fiona Blatcher, Engagement Lead with the Council's External Auditor Grant Thornton

Public Attendance:-

1

Officers:-

4

Other Members:-

Councillors Hamman, Mrs M Smith and P Smith

Minute No.	Description/Resolution
38	<p>Apologies for Absence</p> <p>An apology for absence was submitted on behalf of Councillor Patten.</p>
39	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>
40	<p>Minutes of the Last Meeting</p> <p>RESOLVED (unanimously) that: The minutes of the meeting held on 27 November 2013 be approved as a correct record and signed by the chairman.</p> <p>The committee noted the information circulated after the last meeting which indicated that 263 households had opted to pay Council Tax over a 12 month period. It was confirmed that details of the new 12 monthly payment option had been provided to residents with the 2013/14 bills.</p>

41	<p>External Audit - Certification report 2012/13</p> <p>Fiona Blatcher presented the key messages from Grant Thornton's work on certifying the council's National Non-Domestic Rates return and Housing and Council Tax Benefit Subsidy claim. The former had been certified without amendment. Work on certifying the latter had identified a small number of errors in the processing of changes in circumstances relating to the Housing and Council Tax Benefit Subsidy claim which had led to an overpayment of benefit of £1,864. The extrapolated impact on the claim, based on the results of testing by Grant Thornton, amounted to between £3,719 and £89,230.</p> <p>From the audience, the Director of Business Transformation explained that the council had successfully explained to the Department of Work & Pensions that it had been a case of human error that was unlikely to be replicated. A new checking regime had been introduced as a result and the DWP had accepted that it had been a one-off and, as the amount concerned fell below the re-payment threshold, the council had not had to repay anything.</p> <p>The Director of Business Transformation explained that the vast amount of benefit payments were made directly to Registered Social Landlords. He confirmed that every effort was made to recover any overpayments and stressed that this was done without putting residents concerned into financial hardship.</p> <p>RESOLVED (unanimously) that: The committee note the report and welcome the assurance that there are no underlying process deficiencies.</p>
42	<p>Budget Monitoring Statement as at 31 December 2013</p> <p>Councillor Robinson presented the report which provided an update on the Council's overall financial position compared to the financial strategy for the first nine months of the 2013/14 financial year and responded to members' questions. He explained that current indications were that the Council would be in a position to make a small transfer to General Reserves, although there was still some uncertainty surrounding the year end position, particularly in relation to Business Rates Retention and Small Business Rate Relief.</p> <p>In response to queries from members, the Director of Business Transformation agreed to provide a more extensive written explanation about Housing Benefit subsidies outside of the meeting.</p> <p>The Head of Shared Financial Services confirmed that the latest estimated position for Bulk Containers/Trade Waste, Planning Fee Income and Car Parking Income was exactly as budgeted originally but pointed out that these estimates were based on trends.</p> <p>Members noted the reduction in investment property income following the vacation of office space by tenants at the Civic Centre and, from the audience, the Chief Executive explained that the county council gave six months' notice that it intended to vacate in September. In that period negotiations had been ongoing with a potential tenant which had eventually come to nothing so the decision had been taken in September to advertise the lease opportunity.</p> <p>In response to a question about the Council's trade waste collection service, the Director of Neighbourhoods and Street Scene confirmed, from the audience, that the Council was currently at capacity. Our target market was small business but there were a number of commercial organisations operating locally which offered a collection service to larger</p>

businesses.

Noting the forecast shortfall in Building Control fee income for 2013/14, the committee was informed that the service was required by law to break even over a three year period, although there did not appear to be any consequences for the Council if it failed to do so. The break-even requirement meant that the Council could not subsidise its charges and, with the growth of the private sector offering building control services, there had been an erosion of the local authority share of the market. This Council had two full time Building Control Technicians but management of the service was shared with Preston City Council, with this Council buying in a number of days from Preston City Council. The Building Control Manager was currently reviewing options for the future of the service and, although there was currently no fixed timescale for completion of the review, the Chief Executive would be happy to provide an update on this at a future meeting.

The Head of Shared Financial Services agreed to provide more data on the volume of cases in which the Council was involved in trying to recover non-payment of council tax.

The committee acknowledged that there was a lot of uncertainty surrounding Business Rates Retention but said that, given the complexities of the issue, it would be helpful for members to have a Learning Hour on the subject. The Head of Shared Financial Services was amenable to the suggestion of a Learning Hour but suggested that it would be prudent to wait until central government had published the technical details of the scheme.

Before taking questions on the Capital Programme Monitoring spreadsheet, Councillor Robinson reminded members that whilst it was within the remit of him as Cabinet member and the finance team to monitor the capital programme, it was up to other Cabinet members to report progress on the projects within their portfolios. Should there be detailed questions, it would likely be appropriate for them to be passed on to the relevant Cabinet member. The Director of Corporate Governance confirmed that the Notes in the monitoring spreadsheet were provided by the service area concerned.

In response to questions from members on the roofing and cladding works at Moss Side Depot, the Director of Neighbourhoods and Street Scene explained that the underspend of £51,732 was not due to over budgeting originally but rather to changes made to the scheme in the course of the project, including the use of an alternative surface. In relation to the Programme of Open Space Capital works, the £30,000 underspend would be carried forward to 2014/15. There was a discussion about the items listed as 'Schemes on hold' as outlined on page 3 of Appendix 3 and whether the sum of £25,357 should be classed as 'programmed for future years' or 'actual variance'.

RESOLVED (unanimously) that:

- 1) the report be noted;
- 2) the committee look forward to a more detailed explanation of the Housing Benefit subsidy;
- 3) the committee request information be provided on the volume of cases of non-payment of council tax that the Council was involved in trying to recover;
- 4) the committee express its concern over the ongoing uncertainty about the impact of the Business Rates Retention Scheme;
- 5) a Learning Hour be arranged for all members on the Business Rates Retention Scheme once technical details have been published by central government
- 6) the committee welcome the successful completion of a number of schemes within the Capital Programme.

43	<p>Corporate Governance Progress Report</p> <p>Noting that the Director of Corporate Governance was retiring at the end of March, the chairman took the opportunity to thank her for all her work over the years with the Governance Committee and said that although he had only been chairman since May, it had been a pleasure to work with her.</p> <p>The Director of Corporate Governance presented the report which gave an update on the progress made to strengthen the Council's governance arrangements. Whilst there was a significant amount of progress to report on, the desire for continual improvement meant that there was always more that could be done.</p> <p>The Director of Corporate Governance explained that the Corporate Governance Officer Steering Group was chaired by herself, as Monitoring Officer, and administered by Democratic Services. Its membership included the Chief Executive, the Heads of Shared Assurance and Financial Services and the Legal Services Manager. Other service areas were called in on an ad hoc basis depending on the areas for improvement identified in the course of the annual governance review.</p> <p>In response to questions from the committee, the Director of Corporate Governance explained that the new computer system for tracking and monitoring customer complaints was still in its pilot phase and relevant reports were currently being identified. As soon as details of complaints were inputted it was possible to run off reports detailing the number and type of complaints received.</p> <p>A new policy had just been approved for dealing with vexatious complaints as it had become apparent that there were occasions where a specific individual would target different service areas with a related complaint. The new policy was designed to ensure a more joined up approach to dealing with such complaints and to allow officers to come to a judgement, based on evidence, on whether a complaint might be considered to be vexatious.</p> <p>The corporate complaints process was a three stage process. Stage one complaints were usually dealt with at Manager level and stage two were escalated to Director level. At stage 3, the Chief Executive would normally appoint an independent Director to investigate. If the complainant were still not satisfied after the three stages had been exhausted, s/he would be informed that s/he could write to the Local Government Ombudsman.</p> <p>Members debated whether it was appropriate for relevant ward members to be informed of any complaints made by residents in their ward. The Director of Corporate Governance advised that it would very much depend on the nature of the complaint but it did not naturally happen, and, in the case of operational matters, might not be appropriate. The member of the public present said that he would not like his ward councillors to be made aware if he made a complaint himself.</p> <p>RESOLVED (unanimously) that: The report be noted and the Director of Corporate Governance be thanked for her hard work on the governance improvement agenda over the years.</p>
44	<p>Internal Audit Progress Report as at end of November 2013</p> <p>The Principal Internal Auditor presented the report which advised members of the progress made on the South Ribble and Shared Financial Services Internal Audit Plans, gave an appraisal of the Internal Audit Service's performance to date, and informed members of any</p>

	<p>general developments involving or impacting on the work or performance of the Internal Audit Service. She invited members to advise her of any topics which members would like to see included in the next Audit Plan by 12 February so that they could be taken into account as part of the overall risk assessment.</p> <p>Responding to questions from members, the Principal Internal Auditor explained that the Shared Financial Services audit areas were deliberately scheduled to commence in the last quarter so that the whole of the financial year would be included. The audit of my Neighbourhood Forums was focused principally on their governance arrangements: how the My Neighbourhood Plans were put together and how funding was authorised and projects tracked. Some key projects were targeted for an in depth review. 'Unplanned Reviews (Contingency)' included time spent giving advice to specific areas or on areas of work which may well feed into the next report to committee. There had been an overspend of days on the new payroll system as the controls built into the system were not considered to be as robust as the council would like. Although the audit areas within the authority were wide and varied, the Internal Audit team had experienced team members and a large number of tools at its disposal to assist in the audit process. The Head of Shared Assurance Services acknowledged that members had previously questioned the terms used to indicate control ratings [substantial, adequate and limited] and advised that a suggested revised rating system would be brought to a future meeting for members to consider.</p> <p>RESOLVED (unanimously) that:</p> <ol style="list-style-type: none"> 1) the report be noted and the excellent work of the Internal Audit Service be commended, 2) the committee look forward to receiving proposals for a revised rating system at a future meeting, 3) members be requested to advise Internal Audit by 12 February 2014 of any aspects they would like to see included in the 2014/15.
45	<p>Forward Plan</p> <p>The chairman reported that at the previous evening's Scrutiny Committee meeting there had been a recommendation to invite the Governance Committee to review the procedure for member sign-off of My Neighbourhood spend. Governance Committee members were mindful that they had already reviewed the governance arrangements of the My Neighbourhood areas more than once and, given that an Internal Audit review of My Neighbourhoods had not yet concluded, felt that now was not an opportune time to revisit them.</p> <p>The committee noted the Forward Plan without further debate.</p>

The meeting ended at 7.34pm.

..... Chairman