

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

20 SEPTEMBER 2012

PRESENT

Councillors M.C.R. Graham MBE (Chairman)
J. Douglas, M. Gordon, V. Manderson
J.T. Orson, M.R. Sheldon, N. Slater

As Substitute

Councillor G. Bush for Councillor S. Dungworth

As Observer

Councillor P.M. Chandler
Councillor P.M. Posnett

Chief Executive, Strategic Director (CAM),
Head of Communications, Chief Accountant
Alison Breadon – PWC External Audit
Richard Gaughran – Head of Consortium
Admin Assistant

G.21. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors S. Dungworth and S. Lumley.

G.22 MINUTES

The Minutes of the meeting held on 27 June 2012 were confirmed and authorised to be signed by the Chairman.

G.23 DECLARATIONS OF INTEREST

There were no declarations of interest received.

G.24 RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations received from other Committees.

G.25 UPDATE ON DECISIONS

Minute G.12 Award of Merit Task Group – 27 June 2012

The Chairman informed the Committee that this item would be addressed at Item 12 on the Agenda – Award of Merit Task Group.

G.26 INTERNAL AUDIT PLAN 2012/13 INTERIM REPORT

The Head of the Consortium submitted a report (copies of which had previously been circulated to Members) which allowed Members to monitor the performance of the Welland Internal Audit Consortium in delivering the Council's Internal Audit Service; providing Members with a basis for effective scrutiny of Internal Audit.

The impacts of staffing difficulties on delivering in the first half of the year were evident from the report. The report highlighted the steps currently being taken by the Consortium to address those difficulties so that the agreed Audit Plan can be delivered. A summary of the Consortium's performance up to week 22 was provided.

The Consortium had delivered 59 audit days by week 22 which is 40 days less than the profiled budget.

A question was raised by a Member of the Committee as to whether the Consortium has sufficient resources for the second half of the year. This was confirmed by the Head of the Consortium as a newly established post of Audit Manager has been filled by an internal promotion. Interviews for the two vacant Auditor posts have recently taken place and the calibre of the candidates makes it certain the vacancies will be filled. The interviews for the Audit Manager/Deputy will be conducted on 8 October 2012.

In addition, the Consortium has been successful in sourcing a specialist ICT Audit Contractor. In light of the above, the Head of Consortium believes it should be possible to deliver the required number of days this financial year.

Members were asked to note a typing amendment to Appendix A, Paragraph 2.2 should read 31 March 2013 and not 2012.

RESOLVED that

(1) The report be noted:

G.27 EXTERNAL AUDIT ANNUAL GOVERNANCE REPORT 2011/12

Alison Breadon, External Auditor from PriceWaterhouseCooper (PWC) presented a report summarising the results of the 2011/12 audit of the financial statements for the purpose of expressing an opinion as to whether the Statement of Accounts gives a true and fair view, and has been properly prepared in accordance with the CIPFA/LASAAC Code of Practice of Local Authority Accounting in the UK 2011/12 and the Service Reporting Code of Practice 2011/12.

The External Auditor referred Committee Members to the Executive Summary on page 2 and reiterated that the Authority had performed well in the preparation of its accounts as evidenced by the lower number of disclosure adjustments compared to other Authorities.

There were two material adjustments identified relating to the accounting treatment of the sale of Nottingham Road Land (due to it being a leasehold disposal) and the Parkside Premises license to Leicestershire County Council. The net impact of the adjustments made to the accounts has not impacted upon the General Fund Balance.

There were a small number of minor control weaknesses identified under the deficiencies in internal control systems. Alison informed the meeting that these weaknesses had now been rectified.

The External Auditor highlighted that the Authority demonstrated in 2011/12 that it provided services at a good performance level and the example of a service area which is performing well is NDR collection which has collection costs that are below average coupled with good performance.

A Councillor requested an explanation on the graph that benchmarks the Authority's bad debt provisions against, similar, local authorities featured on page 10 of the report. The External Auditor analysed the high level of provision for housing rents as a proportion of income and a significantly high utilisation of the provision for bad debt in relation to NNDR.

A further question was raised relating to the significant increase in net pension liabilities for employees. The External Auditor reassured the Committee that they had reviewed the reasonableness of the assumptions underlying the pension liability in the accounts and are comfortable with the net effect and the movement is not unusual.

The Chair asked for the Committees best wishes to be forwarded to the Head of Central Services and an acknowledgement of our appreciation for all the hard work and positive position achieved.

RESOLVED that

- (1) In relation to Market Context it is anticipated that Local Government will once again be asked to make a significant contribution to closing the gap. Councils must plan now on how best to prepare for a turbulent future.
- (2) Management review bad debt and rentable income;
- (3) All present Members of the Committee confirmed that there have been no matter of which they are aware that have arisen in relation to the risk or incidence of fraud that should be brought to the External Auditors attention.
- (4) The Section 151 Officer would sign the representation letter provided in connection with Melton Borough Council's Statement of Accounts for the year ended 31 March 2012.

G.28 STATEMENT OF ACCOUNTS 2011/12

The Chief Accountant on behalf of the Head of Central Services submitted the audited Statement of Account for 2011-12 (copies of which had previously been circulated to Members) for approval and to inform the Committee of the key issues within the accounts. The accounts must be published by 30 September 2012.

The unaudited accounts were submitted to the Policy, Finance and Administration Committee on 3 July 2012, signed off by the Section 151 Officer by 30 June 2012 and were available for public inspection during 29 June – 26 July 2012. The format of the accounts is governed by the Code of Practice on Local Authority Accounting in UK.

The Chief Accountant directed Members attention to the Balance Sheet to give a detail explanation on the Council positions on reserves and capital expenditure. The significant increase in Pension liabilities was re-iterated.

A Member requested clarification on the increase in the Collection Fund debtors relating to the major preceptors of £312k as a result of the deficit on the Collection Fund due to a higher level of arrears.

In response to the above, a paper entitled “Revenues Performance Report – July 2012” was disseminated at the meeting. The paper benchmarked Collection Rates (Council Tax and Business Rates) for 2012/2013 with Local Authorities in the East Midlands region. Melton’s collection levels in this area are still robust and are mirroring the national trend. The paper illustrated the profile of Collection Process for Business Rates 2012/2013.

RESOLVED that

- (1) The Statement of Accounts for 2011-12 were approved and signed by the Chairman and Section 151 Officer.

G.29 RISK MANAGEMENT ACTION PLAN

The Chief Executive, on behalf of the Head of Central Services submitted a report (copies of which had previously been circulated to Members) to provide Members with the updated Action plan for their approval subject to any amendments.

Following the approval of the revised strategy and policy of service plans, the key risks have been identified and utilised to form a revised Corporate Risk Register. Appendix A1 to this report highlights the four risks, which remain critical. A brief explanation on the four risks was provided:-

- An external project (relief road)
- LDF/Core Strategy – This risk is major for a vast number of Planning Authorities
- Significant Slippage - This risk has preliminary arisen from a change in direction, predominately moving from people to place orientated.

- IT Services

A Member enquired as to whether Melton Borough Council has a reserve for Planning. The Chief Executive confirmed that there was no planning reserve.

A Member raised a question relating the recent IT virus and what provisions are in place for the next attack.

The Strategic Director (CAM) updated the Committee on the precautions undertaken as part of the response to the virus.

A follow on question was asked by a Member enquiring whether the Authority had lost any data. The Strategic Director confirmed that fortunately no data had been lost.

RESOLVED that

- (1) The Council's Risk Management Action Plan was approved.

G.30. LOCAL GOVERNMENT OMBUDSMAN: COMPLAINT STATISTICS

The Chief Executive submitted a report (copies of which had previously been circulated to Members) on the Council's performance in dealing with complaints. Members were asked to note the attached Annual Review Letter from the Ombudsman informing the Council that they have no concerns about the authority's response time and there are no issues arising from the complaints detailed at Appendix B of the report.

RESOLVED that

- (1) Members note the Review Letter.

G.31. PERFORMANCE STANDARDS FOR ELECTORAL REGISTRATION OFFICERS

The Head of Communication submitted a report (copies of which had previously been circulated to Members) to make Members aware of a report received from the Electoral Commission regarding performance standards for Electoral Registration Officers. The Head of Communications is proposing that the Senior Democracy Officer will devote time to this area.

RESOLVED that

- (1) The report be noted;
- (2) The Terms of Reference of the Member Development Steering Group were approved.

G.32. AWARD OF MERIT TASK GROUP

The Head of Communication provided a spoken update that Members on the Award of Merit Task Group (last year's Members being Councillor Barnes, Bush, Cumbers, Freer-Jones, Holmes, Illingworth and Slater) had been contacted individually to ask if they wished to continue their role with this Task Group.

Cllr Freer-Jones despite no longer in her role as Mayor also expressed an interest in continuing with the role. Cllr Gordon in her capacity as Deputy Mayor also expressed an interest in the Group.

RESOLVED that

- (1) The Members appointed to the Award of Merit Task Group were Councillor Barnes, Bush, Cumbers, Freer-Jones, Holmes, Illingworth, Slater and Gordon.
- (2) Points on the Award of Merit Task Group need clarification at an early meeting.

G.33. MEMBER DEVELOPMENT STEERING GROUP: TERMS OF REFERENCE

The Head of Communications submitted a report (copies of which had previously been circulated to Members) which requested the Committee to consider the revised Terms of Reference of the Member Steering Group attached at Appendix A.

RESOLVED that

- (1) Report be noted;
- (2) The revised Terms of Reference of the Member Development Steering Group were approved.

G.34. CODE OF CONDUCT – UPDATE ON PROGRESS

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) to update the Committee on the latest position with regard to standards matters including the Code of Conduct, the Registration of Disclosable Interests and any complaints dealt with under the new system.

The Monitoring Officer informed the Committee that Parish Councils have been offered the opportunity to adopt the MBC Code of Conduct and Registration of Disclosable Interests form. However, some Parish Councils are favouring to utilise the NALC mode Code of Conduct or the Council's previous Code. The Council is continuing to work with Parishes to help them in lining up these documents and publishing their registration of disclosable interests forms to their or our website.

The Monitoring Officer informed the Committee of the recent appointment of the two Independent Persons Mr Ian Tempest and Mr Gordon Grimes.

RESOLVED that

- (1) Members note that the Registration of Disclosable Interests forms for Melton Borough Councillors are now available on the Borough Council's website to comply with legislation.
- (2) Registration of Disclosable Pecuniary Interest forms will be made available at Committee and Council Meeting.
- (3) Members considered the latest position on complaints, which has been applied to one complaint to date.
- (4) Further training to be commissioned to support Members in the Code of Conduct complaints process.

[The Strategic Director and Head of Communications left the meeting].

G.35. **MONITORING OFFICER ROLE**

The Chief Executive submitted a report (copies of which had previously been circulated to Members) to consider the allocation of the role of the Monitoring Officer following the advice of the current incumbent that she wishes to relinquish the role in light of her changed duties.

Members were asked to consider the options open to them and elect a course of action to enable the Council to fill the statutory role of the Monitoring Officer.

RESOLVED that

- (1) Members approved adoption of Option 5, Head of Communications as a course of action to enable the Council to fill the statutory role of Monitoring Officer, for onward referral and approval by Full Council at its next meeting.

G.36. **URGENT BUSINESS**

There was no **urgent business**.

The meeting which commenced at 6.30 p.m., closed at 7.25 pm,

Chairman