

## PERFORMANCE AND GOVERNANCE

Minutes of the meeting held on 13 November 2012 commencing at 7.00 pm

Present: Cllr. Fittock (Chairman)  
Cllr. Walshe (Vice-Chairman)

Cllrs. Walshe, Mrs. Bayley, Clark, Mrs. Cook, Davison, Dickins, Firth, Gaywood, Grint, London, McGarvey and Piper

Cllrs. Mrs. Davison and Ramsay were also present.

### 94. Minutes

Resolved: That the Minutes of the meeting of the Performance and Governance Committee held on 18<sup>th</sup> September 2012 be approved and signed by the Chairman as a correct record.

### 95. Declarations of interest

There were no declarations of interest.

### 96. Audit Manager Questions (with no management present)

By way of introduction, the Audit, Risk and Anti Fraud Manager outlined the arrangements that were in place to enable Officers within the Council to raise concerns. The Council also had a Whistleblowing Policy and Procedure which enabled Officers to raise concerns anonymously. All whistleblowing concerns raised with internal audit were investigated and the results of the investigations reported to the Performance and Governance Committee.

Any financial concerns identified by the audit process were reported to the Section 151 Officer or the Chief Executive, as appropriate. If it was not appropriate to report to either of these two Officers a report would be made to the Monitoring Officer. The Audit, Risk and Anti Fraud Manager also had direct access to the Chair of the Performance and Governance Committee and could raise concerns if and when necessary. He also had a duty to report single incidents involving £10,000 or more to the Audit Commission.

The audit planning process was informed by risk and materiality of the key processes within the Council. All key financial systems were reviewed annually. The Audit Plan was presented to the Performance and Governance Committee annually and Members of the Committee could request that specific concerns be investigated, as they see fit.

In response to a question, the Audit Risk and Anti Fraud Manager reported that the audit review process was designed to identify issues of concern with an audit of key systems being undertaken on a yearly basis.

A Member queried whether auditors had complete professional free reign in drawing conclusions and the Audit, Risk and Anti Fraud Manager reported that the assurance

process enjoys professional independence and if service managers disputed facts within audit findings and conclusions, further evidence would need to be provided by managers before the opinion could be altered. Once agreement had been reached between all the parties regarding the facts, the final opinion was that of the Auditor. He also confirms that he personally reviews and endorses all audit opinions.

Following the discussion the Committee considered whether it would be necessary to invite the Audit, Risk and Anti Fraud Manager to future meetings. Members considered that it was a valuable exercise, although Councillor Gaywood reported that he considered that he had not heard anything that should have prevented Managers being present throughout the discussion.

A Member suggested that it may be more efficient if this exercise was conducted at a time when the Audit Risk & Anti-Fraud Manager brought reports to committee, rather than for him to attend specially for this purpose.

Resolved: That the Audit, Risk and Anti Fraud Manager be invited to address the Performance and Governance Committee without Managers present on an annual basis.

97. Formal Response or Consultation Requests from the Cabinet and/or Select Committees following matters referred by the Committee:

The report was noted.

98. To receive the Minutes of the Finance Advisory Group for information.

Members noted the Minutes of the meeting of the Finance Advisory Group held on 24 October 2012.

In response to a question regarding the Forward Programme, the Portfolio Holder for Finance and Value for Money reported that the Group regularly invited Heads of Service to the meeting to give Members the opportunity to review the financial performance of individual services.

99. Actions from the last meeting of the Committee

The completed actions were noted. The Chairman reported that he had asked Officers to provide further information regarding contingency planning surrounding Council Tax increases when the budget setting process was considered by the Committee in January 2013.

*Action 1: Officers to provide further information regarding contingency planning surrounding Council Tax increases in January 2013.*

100. Future Business, the Work Plan 2011/12 (attached) and the Forward Plan.

The work plan was noted.

101. Annual Complaints Monitoring Report

The Committee considered a report providing an update regarding customer complaints and feedback monitoring for the year 2011/12. The report also included information from the Local Government Ombudsman's Annual Letter.

The Chairman reported that local ward Members were made aware of any complaints if complainants provided consent.

The Deputy Chief Executive and Director of Corporate Resources reported that this area had previously been managed by the Head of Finance and Human Resources but early in 2012 the service had transferred to the Head of Information and Customer Services.

The Head of Information and Customer Services reported that the number of complaints in 2011/12 had reduced across all stages.

In response to a question surrounding when compensation would be paid and how levels of compensation were calculated, the Head of Information and Customer Services gave an example of Local Tax and explained that levels of compensation would reimburse any costs incurred.

The Committee considered issues surrounding when Members were notified of complaints and the outcome of any investigation. Some Members suggested that whilst they had been notified that a complaint had been received they had not been notified of the outcome of the investigation. Officers agreed to review the processes that were in place to ensure that Members were kept informed throughout the complaints process where appropriate authorisation from the complainant had been given.

A Member suggested that it would be useful for the Committee to be provided with more detailed information regarding complaints that were referred to the Local Government Ombudsman.

In response to a query regarding complaints against elected Members, the Committee was notified that these complaints would be handled through the Standards process.

Resolved: That

- a) the Annual Complaints Report 2011/12 and the reduction in the number of complaints be noted; and
- b) more detail regarding complaints to the Local Government Ombudsman be included in future reports.

102. Performance Report

The Committee considered a summary of Council performance along with details of all 'Red' performance indicators for the period to the end of September 2012.

The Vice-Chairman stressed the need to ensure that the targets that were set were realistic and achievable. The Portfolio Holder for Planning and Improvement reported

that targets were reviewed by Heads of Service and where necessary targets were adjusted so that aspirations remained high.

Following discussion, it was agreed that the Performance and Governance Committee would review targets immediately prior to Cabinet approving targets for the year, with a view to lowering any targets that were considered to be unrealistic and unachievable.

A Member suggested that LPI Waste 004 – Number of missed green waste collections - should be amended to enable the number of missed collections per month to be recorded. This would add more meaning to the Performance Indicator as currently, even if no collections were missed for the remainder of the year the target would not be achievable as it was currently worded. This would be reviewed.

Another Member suggested that it would be beneficial to add more data to the charts in order to add more meaning to the indicators and assist Members in identifying the extent of any problems that may be arising.

Officers agreed to provide the Committee with a definition of a major planning application.

*Action 2: That a definition of a major planning application be provided to the Committee.*

Turning to performance indicators surrounding development control, a Member suggested that it would be helpful for the Committee to be provided with comparative data for neighbouring planning authorities to enable Members to compare performance with other local authorities. The Chief Executive reported that there was no longer an obligation for Local Authorities to collect data and provide it in a consistent way and as a result of this it may not be possible to compare like-with-like. However, Officers would do their best to identify comparative data.

Resolved: That

- a) the report be noted; and
- b) the Committee review suggested performance indicators before they are approved by Cabinet in the new municipal year.

103. Property Review - Cobden Road Centre, Cobden Road, Sevenoaks

The Committee considered a report recommending to Cabinet that the Cobden Road Centre in Sevenoaks be sold on the open market by auction.

The Professional Services Manager introduced the report and explained to the Committee that the cost of the property to the Council in terms of maintenance and security was increasing each year. It was unlikely that voluntary organisations would be able to afford the level of rent that would be required and putting the property on the market opened it up to a much wider market.

Following discussions Members agreed that that the most appropriate way forward was to sell the property on the open market as soon as possible. The Committee was told

that a reserve price would be placed on the property and that the legal pack for auction would details any constrains imposed as a result of the conservation area.

Resolved: That it be RECOMMENDED to Cabinet that the Cobden Road Centre, Sevenoaks be declared surplus to the Council's requirements and sold on the open market by auction.

104. Treasury Management Update

The Committee considered a report which provided details of recent developments in the financial markets and changes to credit ratings. In February 2012, Members approved the Investment Strategy as part of the budget setting process. During consideration of the Strategy Members were advised that, given the economic climate, the Strategy would need to be monitored and reviewed during the year.

The Portfolio Holder for Value for Money asked the Committee to consider widening the database of counterparties to include building societies as this would widen the investment opportunities open to the Council. Following discussion the Committee agreed that Officers should be asked to investigate widening the database of counterparties to include leading Building Societies.

A Member noted that the report covered the period to the end of September 2012 and that seven of the investments had matured since September. The Member asked if an updated list of investments could be circulated to the Committee with the minutes.

*Action 3: That an updated investment list be circulated to the Committee with the minutes.*

The Chairman thanked the management team for overachieving and contributing favourably to the Councils revenue budget position.

Resolved: That

- a) the report be noted;
- b) the use of Money Market Funds as outlined in paragraphs 17 to 20 of the report be increased;
- c) when setting the investment strategy for 2013/14, consideration be given to increasing the counterparty limits for Lloyds Banking Group and the Royal Bank of Scotland Group to £8 million each; and
- d) the possibility of widening the database of counterparties to include leading Building Societies, be investigated.

105. Budget Monitoring September 2012

The Committee considered a report setting out the budget monitoring position up to September 2012. Six months into the year the results showed a favourable variance of £14,000 with the year end position forecast to be £20,000 better than budget.

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The Group Manager – Financial Services introduced the report and explained that the expected year end forecast was a favourable position of £20,000. The pressure on several income budgets such as Planning pre-app advice, Land Charges and Car Parks remained as these income streams were particularly affected by external economic factors and continued to be closely monitored by officers.

Due to the relatively small favourable forecast together with the known risks such as the liquidation of the market operator, Heads of Service together with members of the Finance Team had been carrying out a more in-depth analysis of the budgets for the October monitoring to give confidence that the Council's financial position would remain positive at the end of the year.

A Member queried why income from car parking was not considered to be a risk. In response the Group Manager – Financial Services explained that the reduced income had been built into the budget forecast and it would be considered a risk if the reduction had not been built in.

Resolved: That the report be noted.

THE MEETING WAS CONCLUDED AT 9.14 PM

CHAIRMAN