

## PERFORMANCE AND GOVERNANCE

### Minutes of the meeting held on 18 September 2012 commencing at 7.00 pm

Present: Fittock (Chairman)

Cllrs. Clark, Mrs. Cook, Davison, Dickins, Firth, Gaywood, London and Piper.

Apologies for absence were received from Cllrs. Mrs. Bayley, Grint, McGarvey and Walshe.

Cllrs. Mrs. Davison and Ramsay were also present.

#### 79. Declarations of interest.

No new declarations of interest were made.

With the agreement of the Committee, the Chairman reordered the agenda items.

#### 80. Statement of Accounts 2011/12 - Outcome of External Audit

Members were presented a report that set out the external audit findings of the 2011/12 accounts. The changes made following and since the meeting of the Finance Advisory Group in July 2012 and the commentary on the Auditor's report including the main changes highlighted in the Annual Governance Report were noted.

Andy Mack, District Auditor, presented the Annual Governance Report, accompanied by Richard Smith (Audit Manager) and Lauren Massoud (Team Manager) attended for the last time as representatives of the Audit Commission. The District Auditor explained that as of 1 November 2012 they would transfer under TUPE to the Council's new external Auditors, Grant Thornton, combining their public sector expertise with private sector efficiencies. With regards to the Financial Statements the District Auditor reported that there were some highlighted amendments but none of them had any material impact. Historically the Council had performed well with regards to Value for Money and continued to demonstrate strong medium term and robust long term financial planning in a difficult external environment and were well placed to meet the challenges ahead. It was a particular credit to the finance team when they had also recently lost a senior position to another authority.

Members considered the report in detail and asked questions of Officers.

*Action 1: A note be added to the Statement of Accounts with respect to the Landsbanki investment impairment, and a factual amendment be made with regard to the number of Sevenoaks District Council Members listed as members of the Sevenoaks Town Council and trustees of the Sevenoaks Community Arts Centre Limited.*

Members thanked the Officers for their dedication and hard work in completing the accounts.

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Resolved: That subject to the amendments above, the Statement of Accounts 2011/12 be approved.

Cllr. Cook abstained from voting as she had not had time to read the papers in detail as she had been away and only received the papers that day.

### 81. Minutes

Resolved: That the Minutes of the meeting of the Performance and Governance Committee held on 19 June 2012, be approved and signed by the Chairman as a correct record subject to Cllr. Cook's apologies being noted.

### 82. Asset Management Plan - Annual Report

The Property Services Manager presented the report which detailed the progress made against the Asset Management Plan, reported on the performance of the Council's properties and identified further improvements to be undertaken in the forthcoming year.

A Member reported that Parish Council's were having difficulty understanding why transfer of deeds took so long.

*Action 2: Officers to investigate what affects timescales for the transfer of deeds and report back.*

Resolved: That the report be noted.

### 83. Argyle Road Offices, Accommodation for Outside Organisations

Members considered the report of the Property Services Manager.

Resolved: That it be RECOMMENDED to Cabinet that capital reserves are used to provide office accommodation for Moat Housing and Kent County Council on the terms and conditions detailed in the report and to such other conditions as the Council's legal advisors consider necessary to protect the Council's interests.

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

- (a) Performance Monitoring: LPI HR 003 – Number of working days lost through long term sickness absence per FTE (>20cumulative days) (Response from Services Select Committee - 19 June 2012, referred on 13 March 2012)

The Director of Corporate Resources, Deputy Chief Executive, advised Members that figures had improved and were being reported back as part of the 'Actions from the Previous meeting' report to Services Select Committee the following week.

A Member queried whether the strategies in place would work in addressing issues of acute illness. The Director of Corporate Resources, Deputy Chief Executive, explained that many of the strategies were to prevent work related stress. Members highlighted some issues they would raise at the next meeting of Services Select Committee.

The report was noted.

85. To receive the minutes of the Finance Advisory Group for information

Members noted the Minutes of the meetings of the Finance Advisory Group held on 13 June 2012 and 25 July 2012.

86. Actions from the last meeting of the Committee (attached)

The completed actions were noted.

87. Future Business, the Work Plan 2012/13 (attached) and the Forward Plan

The Work Plan was noted.

88. Performance Monitoring

The Policy and Performance Manager's report provided the Committee with a summary of Council performance and detailed all 'Red' performance indicators for the period to the end of July 2012. It was noted that there were 13 'Red' performance indicators and not 14 as stated in the report.

A Member requested further details on what the District Council and Kent County Council were responsible for, and why some items may be left behind. A report on fly tipping had been considered at the meeting of the Environment Select Committee.

The Cabinet Member for Planning and Improvement addressed the Committee in response to a question concerning whether anything had been done to improve documentation and decision recording with regards to planning appeals. She advised that action had been taken but that the indicators before the Committee were appeals against decisions taken before these had been put in place.

A Member advised that he had requested from the Group Manager – Planning Services, a breakdown of the number of appeals against planning application refusals where Members had taken decisions contrary to Officer advice. He also asked whether this information was reported to Environment Select Committee.

Members requested more details on the number of missed green waste collections to be available at the next meeting of the Services Select Committee.

A number of Members queried the relevance of performance indicator concerning the number of domestic burglaries per 1,000 households, as it did not measure the quality of the work carried out by the District Council. The Director of Corporate Resources, Deputy Chief Executive, explained that it was an indicator of the performance of the Community Safety Partnership of which the Council was a member. It was noted that Cabinet set the performance indicators.

Resolved: That

- a) the contents of the report be noted; and
- b) LPI CD 007 number of domestic burglaries per 1,000 households, be referred to the Social Affairs Select Committee to consider whether a more appropriate target could be identified.

89. Financial Prospects and Budget Strategy 2012/14 and Beyond

The Director of Corporate Resources, Deputy Chief Executive, gave a presentation to help provide a context and understanding. The report before Members set out the major financial pressures the Council was likely to face over the next four years, together with a proposed strategy for setting a balanced and sustainable budget for 2013/14 and beyond. The report also provided the proposed timetable for the budget setting process. Members noted that a further review would be carried out once the government grant settlement had been finalised and Officers would report back to Cabinet with a revised 10-year budget, highlighting any significant variations.

One of the pressures mentioned was the assumptions of future pay awards bearing in mind the fact that there has been no national pay awards for the past three years. A Member asked what proportion of staff had received an incremental pay rise in the last year.

*Action 3: That the Group Manager – Financial Services provide details of the proportion of staff who received an incremental pay rise last year.*

In response to questions the Director of Corporate Resources, Deputy Chief Executive, pointed out that the setting of Council Tax was a Member decision and the rise was an assumption so if it remained frozen savings would need to be found. He also noted the DCLG promise of additional funding for neighbourhood plans had not been factored in.

A Member reported that with regards to Universal Credit, Lord Freud had said that the cost of the changes needed to implement Universal Credit was to be considered a new burden and therefore possibly attract funding.

*Action 4: That the Director of Corporate Resources, Deputy Chief Executive work with the Portfolio Holder for Finance and Value for Money to consider a contingency plan if the Council's council tax did not increase in line with the assumption in the 10-year budget.*

Officers were thanked for a clear report.

Resolved: That the report be noted.

90. Annual Review of the Committee's Terms of Reference

The report updated the Committee's Terms of Reference in order to reflect organisational changes and changes in statutory or regulatory requirements.

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Resolved: That the revisions be approved and it be RECOMMENDED to Council that the revised terms of reference be adopted.

### 91. Internal Audit Progress Report - Quarter 1

The report summarised the progress of the team in delivering the Annual Internal Audit Plan 2012/13 and the audits issued during the year to date.

Resolved: That the content of the report and the progress made by the audit team in delivering the 2012/13 Annual Internal Audit Plan, be noted.

### 92. Budget Monitoring July 2012

Members considered the budget monitoring figures to date and noted the favourable year end forecast.

In looking at the investment strategy a Member queried whether local authorities could go bankrupt. It was generally considered that the Government would not let this happen, but a definitive answer would need investigation.

Resolved: That the report be noted.

### 93. Annual Treasury Management Report 2011-12

The report provided the customary review of investment activity during 2011/12 as required by the Council's Financial Procedure Rules. It outlined the strategy adopted during the year, showed the position of the investment portfolio at the beginning and the end of the year and gave details of how the fund performed in comparison with previous years and against various benchmarks.

Resolved: That the Annual Treasury Management Report for 2011/12 be commended to Cabinet.

**THE MEETING WAS CONCLUDED AT 9.20 PM**

**CHAIRMAN**

