

Audit & Governance Committee

Wednesday 21 November 2012

At 7:00 pm in the Council Chamber, Corby Cube, George Street, Corby.

Present: - Councillors Addison (Chair), Butcher, Caine, Chaudhury, Eyles and Stanbra

Also present:- Neil Bellamy, Trevor Croote – Audit Commission

19. Apologies for Absence

Apologies for absence were received from Cllr McKellar.

20. Declarations of Interest

Members were asked to declare any personal interests they may have in the business to be discussed and/or indicate whether these were prejudicial or non-prejudicial, the nature of any interest, and whether they intended participating in the relevant agenda item. No such declarations were made.

21. Minutes of Previous Meetings

The Committee was requested to approve the minutes of the meeting held on Wednesday 26 September 2012, copies of which had been circulated.

RESOLVED that:-

The minutes of the meeting held on 26 September 2012, copies of which had been circulated, be agreed as a correct record.

22. Internal Audit Update 2012/13

The report before Members provided a mid-year update on the progress made by the Welland Internal Audit Consortium in delivering the 2012/13 Audit Plan up to and including week ending Friday 26 October 2012.

Five audits for 2012/13 had been finalised and the outcomes and recommendations were included in Appendix A to the report. Six audits from the 2011/12 Plan had also been completed and outstanding recommendations were included in Appendix A.

Work was underway on a further six audits and the outcome of these would be presented at a future meeting. In addition to planned work, the Head of the Consortium was also looking into the disposal of land at St James Industrial Estate and a report would come forward in due course.

Staffing difficulties had been reported previously and these were being addressed via recruitment and use of contract auditors for specialist services and backfilling. The number of days deliverable in 2012/13 was being recalculated and action would be taken as necessary to ensure delivery of an appropriate level of assurance.

RESOLVED that:

The report be received and the work carried out by Welland Internal Audit Consortium be noted.

23. Corporate Complaints Handling

The Committee received an update on Corporate Complaints Handling. The complaints analysis report attached at Appendix 1 detailed the complaints received from April to September 2012.

A total of 412 communications had been received during the reporting period, of which 161 were classified as complaints against 170 received in the previous period. The remaining communications were categorised under eight other headings, as follows:

- Comment – 9
- Compliment – 45
- First report of fault – 7
- First request for service – 59
- Matter for which there is a right of appeal – 1
- Matter which requires a legal solution – 2
- Request for explanation of policy – 56
- Request for information – 72

The complaints received related mainly to the three most customer facing service areas, ie Housing & Neighbourhood Services (36%), Culture & Leisure (18%) and Planning & Environmental Services (31%), with the remainder split across Corporate Services (14%) CB Property (2%) and Chief Executive (4%).

The risk of duplication was raised. Officers confirmed that complaints co-ordinators did their best to weed out duplications but if the complaint was repeated at a later date it would count again.

The issue of bins being left on roads after emptying was raised. This was an ongoing problem and it was asked if steps were taken to deal with issues which were not resolved. It was explained that service areas were responsible for identifying trends and dealing with ongoing issues.

Concerns were raised in respect of complaints which were not dealt with within the required timescales, most of which related to Housing Services and Planning & Environmental Services. It was suggested that further information should be sought, including an action plan. The Policy & Strategy Officer was aware that the relevant Heads of Service were looking into this and a report on the outcome would be provided to Members.

It was asked if complaints relating to Housing Associations were included in the figures. It was explained that matters which did not relate to CBC areas of responsibility would not be counted as complaints but would be included within the total number of communications. The number of these was low.

Concerns were raised about complainants receiving timely feedback and the Officer confirmed that letters were sent out as soon as possible. A problem had been identified in relation to the Depot where complaints were being kept open until jobs were complete which could take some time. It had been agreed that the complaint should be closed once the decision was made to carry out work and this would ensure the complainant was informed much sooner.

It was suggested that Heads of Service be asked to attend meetings on a cyclical basis as previously. Comment was made that this should only be required where there were significant issues, eg high numbers of out of time complaints. This was considered a reasonable approach.

RESOLVED that:

- i) The Complaint Analysis Report be noted;
- ii) A section be included in future reports to identify how many of the complaints received are upheld in each service area;
- iii) Heads of Service be required to attend meetings where data is indicative of significant issues.

24. Corporate Performance

Members received a report detailing the Council's performance against a group of 29 performance indicators, selected by Senior Management Team as being the business critical measures in their respective areas. Performance information had previously been

presented to Members via Signals of Success at One Corby Policy Committee but the practice had ceased in recent months and this report sought to fill this gap.

Audit & Governance Committee was considered to be the appropriate forum to receive a performance report and it was suggested that this be brought forward every six months to provide a picture of performance halfway through the year and at the end. The current Performance Matters report showed the position from April to September 2012.

Currently, 17 indicators were on or above target, three showed a negative variance of less than 5% and 8 showed a negative variance of more than 5%. Members were asked to consider whether A&G Committee was the most appropriate forum to receive performance reports, whether six monthly reports was reasonable, the preferred style of reporting and whether any additional information was required.

Members commented that this was an important report and should be brought forward more frequently than every six months. It was suggested that it should be brought to each scheduled meeting, at least to begin with. This could then be adjusted as considered appropriate.

It was asked why the summary contained 28 indicators while the report contained 29. It was explained that there were currently no figures available for NI185 (CO2 reduction) due to a staff vacancy. The post was expected to be filled in January and figures should be available from February.

The following queries/responses on specific measures were noted:

- NI191 (Residual Waste) – it was asked if this indicator was seasonal each year and it was confirmed that the indicator was subject to seasonal variations and was also linked to NI192;
- NI195a (litter) and c (graffiti) – it was asked what the percentage related to/what was being measured and it was explained that these indicators related to street inspections and the number of instances of litter and graffiti, ie the percentage was the amount which had failed to meet the required standard;
- NI181 (processing benefit claims) – comment was made that performance had dipped although the target was not particularly challenging based on the previous year's output. It was explained that this indicator had been affected by reduced staffing and increased claims but the target would be met by the year end;
- FS38 (call waiting time) – again, an explanation of the percentage was requested. It was confirmed that this was the percentage of calls answered within 15 seconds which was the corporate standard;
- HR1 (Sickness) – a separate report was requested.
- EQEPI (Empty Homes) – it was asked if this included private sector homes and it was confirmed that this figure should include the private sector but this would be double checked.

RESOLVED that:

- i) The contents of the Corporate Performance report be noted;
- ii) The Corporate Performance report be presented to A&G Committee at each scheduled meeting;
- iii) A separate report on sickness absence be brought forward;
- iv) The report be presented in the current Performance Matters format.

25. Treasury Management Half Yearly Activity Report as at 30 September 2012

Members received a report on the activity of the Treasury Management function for the first half of 2012/13. The Council's debt and investment half yearly position was shown at Appendix 1.

At 1 April 2012, the Council had total borrowing of £115,046m (£44.4m Non HRA Self financing debt and £70.646m HRA Self financing debt). At the end of September 2012 the total debt stood at £113.546m following repayment of £1.5m of Non HRA Self Financing Debt in July. The Council had paid a further £1m of Non HRA Self Financing Debt in October and was reviewing the position going forward as to whether further debt could be repaid.

The plan was to reduce Non HRA Self Financing debt to £31.8m by using capital receipts when received. The following table showed how the Council doing against this plan:

Year	Debt on Non HRA Self Financing	Debt Repayment	Net Borrowing Balance
2011/12	£47.4m	£3.0m (Achieved)	£44.4m
2012/13	£44.4m	£2.7m (on target)	£41.7m
2013/14-2014/15	£41.7m	£9.9m	£31.8m

There was no plan to repay HRA Self Financing debt until the first maturity date in 9.5 years, however, funds would be put aside for this over coming years.

Arlingclose (Treasury Management Advisors) had indicated that interest rates in the short-term would remain low with steady increases after 2015.

It was asked if the Police Crime Commissioners would be able to influence borrowing arrangements. Officers did not believe so but, in any case, changes could not be made to existing loans as these were contractual arrangements.

The position on cash reserves was queried and it was explained that more was being held to meet cashflow needs, eg cover for capital projects in case of delays to income receipt. Some monies were placed in money market funds to enable speedy draw down and to spread risk.

RESOLVED that:

The contents of the report be noted.

26. Risk Management – 2012/13 Six Monthly Review

Members received a six monthly update and review of the current most significant risks identified during 2012/13. The Council was obliged, as part of good governance and internal control arrangements, to ensure that risks were managed. Appendix 1 to the report detailed the most significant risks facing the Council and Appendix 2 detailed the controls in place to minimise the risks where possible.

The following changes identified as part of the six month review were detailed within the report:

Additional Risks

- Major Capital Schemes Report from the Audit Commission;
- Land Charges;
- Safeguarding Children and Vulnerable Adults;

Changes to Risk Categorisations

- Interest Rate Increases – the likelihood of this had now reduced from medium to low for the next 18 months or so.
- Major Capital Schemes – the likelihood of this had now reduced from Medium High to Medium and the impact had also reduced from Significant to Moderate.
- C&L not achieving income levels – the likelihood of this had increased from Medium Low to Medium High.

- Investment Portfolio Income – as trading conditions continued to be difficult the likelihood had increased.
- Further expenditure on Cube to achieve water fastness of roof – the likelihood of this had increased from Medium High to High.
- Non Delivery of HRA Business Plan – this had been delayed pending the approval of transfer of garages to the General Fund but should still be completed within the year.
- Non Delivery of new Council properties – this had been delayed following site issues.
- Special Events – as most of these had been completed successfully the likelihood has been reduced to low and the impact minor.
- Management Team/Staff Resilience – the likelihood of this risk had been upgraded to medium following the instigation of several grievance issues within the authority.

Changes to Risk Criteria

There were no changes to the criteria of risks as originally presented in Appendix 1.

It was asked if the receipt of final payment of capital receipts was awaited before figures were included in budgeting reports, etc. The Corporate Services Director explained that assumptions had to be made and contingencies built in as part of forward planning arrangements.

The risk of bad debt increasing as a result of changes to benefit schemes in 2013 was raised and it was confirmed that this was very likely, particularly in relation to Housing Benefit as monies would no longer be paid direct to landlords. The arrangements for DWP to take over administration of benefit payments were still not clear and deadlines could slip.

RESOLVED that:

The contents of the report be noted and the Remedial Action Plans set out in Appendix 2 be approved.

27. Close of Meeting

Meeting closed at 7.55 pm.