

FINANCE AND AUDIT SCRUTINY PANEL

28 JULY 2009

Present :- Councillor Dennis Willetts (Chairman)
Councillors Christopher Arnold, Wyn Foster,
Martin Goss, Dave Harris, Theresa Higgins,
Jackie Maclean, Jon Manning, Gerard Oxford,
Lesley Scott-Boutell and Nick Taylor

8. Minutes

The minute of the meeting held on 30 June 2009 was confirmed as a correct record.

In reference to the response to the panel from the Head of Corporate Management in regards to the request under minute number 6, Capital Monitor, to provide a note on the plans during phase II of the Town Hall Disability Discrimination Act (DDA) project up to the completion of works, Councillor Scott-Boutell requested a further note on Sensory Access, such as hearing impairment, and the cost of any future works.

9. Have Your Say!

Councillor Harris (in respect of being a member of the Colchester Credit Union) and Councillor T Higgins (in respect of being a member of Essex County Council) both declared a personal interest in the following item.

Have Your Say

Mr. Cording addressed the panel to speak about his concerns for the Colchester Credit Union (CCU). Mr. Cording, a member of CCU said the main purpose of the union was to provide co-operatives dedicated to giving savings and loan facilities to the disadvantaged. The CCU was supported by the Council and the Guinness Trust and commenced in 2002, operating from the Greenstead Resource Centre, and was staffed by two part-time workers and volunteers. Mr. Cording said the CCU was regulated by the Financial Services Authority and had many hundreds of local members, both adult and young people.

Mr. Cording said that Essex County Council were to provide £100,000 of funding to credit unions throughout Essex though it is understood that this money will be channelled through the Chelmsford Credit Union. Mr. Cording

felt that there should be a fairer equitable distribution of funding to all Essex Credit Unions and asked the Council for assistance in obtaining a share of this money.

Councillor Harris said he was dismayed about this funding issue, saying he believed all credit unions should be equally supported and urged the Council to ask Lord Hanningfield to reconsider this decision. Councillor Oxford later concurred with the words of Councillor Harris.

Mr. Cording said the CCU had already been in existence for 7 years, why reinvent the wheel, and rather than start a new union why not provide some much needed additional funding to the current credit unions in Essex.

Councillor Willets and Arnold agreed that this was an issue that could be examined further by the panel, whereby the panel could invite the County Council Portfolio Holder and officers to a meeting to discuss the issues and at the earliest opportunity.

Councillor Offen, Portfolio Holder for Business and Resources addressed the panel to say the Cabinet fully supported the CCU, and this issue did need to be considered further, especially given the current economic downturn and the threat of loan sharks to vulnerable local people.

The panel agreed to consider this for future review on the Work Programme item.

10. Items requested by members of the Panel and other Members

In light of the recent announcement to stop growth funding for the Haven Gateway Partnership, Councillor Arnold requested that the panel agree to a review of the Haven Gateway funding programme and the impact on Colchester's regeneration programme, to be reported to the August meeting or as soon as possible thereafter. Councillor Arnold said the Chairman should be kept informed of all progress on this issue with a need to keep in the public eye. Councillor Offen agreed that it would be useful to have a report on the situation drafted as soon as possible for Cabinet and scrutiny, and to the next meeting was not an unreasonable request.

Councillor Willets concurred with Councillor Arnold and Offen, saying he would track the work being requested and bring back to the panel at the earliest opportunity.

11. Treasury Management - Annual Report 2008-09

Mr. Steve Heath, Finance Manager attended the meeting for this item and introduced the Treasury Management annual report for 2008-09.

Mr. Heath confirmed to the panel that the Local Government Association (LGA) had recently informed all Councils involved in the Icelandic Banking Crises that the recovery rate on investments could be lower than previously thought.

In response to Councillor Willetts, Mr. Heath said there was reasonable confidence in the level of refund built into the Council's accounts, and based on the best estimates provided by the LGA and CIPFA. Mr. Heath said he would update the panel if there was any change to the present assumptions.

In response to Councillor Arnold, Mr. Heath said the request to the panel to agree in the future to a quarterly Treasury Management monitor was at the advice of CIPFA and reflected a need to be vigilant given the economic downturn.

Councillor Higgins said members should be guided to the LGA current arrangements and future changes on treasury management.

In response to Councillor Taylor who said the Council's treasury advisors are only mentioned in brief in paragraph 3.8 of the report so are they still needed, Mr. Heath said they do provide advice on request and it was an invaluable role that gave good value for money. The Council's advisors 'Sector', had recently successfully retendered for this work and had a good relationship with the Council.

RESOLVED that the panel:

- i) Noted and considered the performance of the activities relating to Treasury Management for 2008-09.
- ii) Noted the performance of the Council's treasury management advisors.
- iii) Agreed to the scrutiny of future quarterly Treasury Management monitors. Following the meeting, officers agreed for the first report to be heard at the November meeting.

12. Risk Management

Have Your Say

Councillor Lissimore addressed the panel to say that at a Risk Assessment training session organised by officers for councillors last week she was dismayed that no councillors from any of the Administration's groups were represented at the session. Councillor Lissimore said those present at the session learnt a lot about risks, risk assessment and risk management, including e.g. The Swine Flu Pandemic, and continuity plans for all Council services. Councillor Lissimore thanked the Risk and Resilience Manager, Ms. Hayley McGrath for facilitating the session but wished other group members had taken the time to attend, and asked for a follow up session to be organised in September.

Both Councillor Higgins and Oxford said they took great exception to the suggestion that non attendance at the aforementioned training session on risk management was due to member apathy. Councillors Higgins, Oxford and Harris said they had on that evening attended previously arranged events and it was not always possible to attend all invitations.

Review of Risk Management

Ms. McGrath, Risk and Resilience Manager attended the meeting for this item and introduced the 2008-09 year end review of Risk Management.

In response to the panel, Ms. Ann Wain, Executive Director said that in regards to the Swine Flu Pandemic, two weekly updates are being given to the Cabinet. There are a limited number of cases within the Council, but not at a level that was of a risk to service delivery. Ms. Wain said that an internally formed Flu Management Team comprising of officers from e.g. Human Resources and Health and Safety was meeting on a regular basis and was tracking current cases and anticipating where service provision could be affected. Officers were also developing a Council wide skills analysis to more effectively plan resources as and when required. Councillor Offen concurred with the response by Ms. Wain, saying he was also appreciative of the progress that has been made with risk management over the last year.

Ms. Wain, further to the above, and in response to Councillor Manning, said no service area had been significantly affected by Swine Flu to a level that would affect service delivery, with all cases generally spread across the Council services.

In response to Councillor Arnold, Ms. Wain said that Ms. McGrath had confirmed to her that a skills matrix of all Councillors might be useful to the Council, to be considered, if necessary, to maintain service provision. Ms. Wain said Human Resources had been asked to consider this offer, which should not be ruled out, acknowledging the problems that Councillors are not employees and issues around insurance.

Councillor Arnold said it would be useful if the Risk Matrix could in some way indicate in what direction the risk was travelling.

Ms. McGrath said that generally, the Council's high risks remain quite static, but officers are looking to change the register to show pre-risk scores as well as post-risk scores.

Councillor Taylor congratulated officers on the report and the achievements and progress that have been made in the last year. Councillor Taylor also said that as the bar set by the Audit Commission on risk management performance is raised year on year, it is an achievement to retain the same level of score for the use of resources assessment. In response to Councillor Arnold, Ms. McGrath said risk tolerance line will not move, but the risk scores will change and that whilst the probability of risk may reduce, equally it could be affected by other issues.

In response to Councillor Arnold, Ms. McGrath said there will be movement in risk assessment, but in terms of the matrix not so quarter by quarter, progress would be more gradual. Ms. Wain said sometimes external factors were out of the Council's control and these can affect the risk, but procedures ensure immediate reaction by officers. Ms. McGrath also confirmed that the Performance Management Board (PMB) comprised of the Chief Executive, Executive Officers, Heads of Service and reporting officers.

In response to Councillor Harris's enquiry about the need for Succession Planning, Ms. Wain said the Council has a very robust Performance Appraisal System in place, with a personal development plan for all staff in their current job, plus development and promotional opportunities, and a skills audit was currently being undertaken e.g. HGV Licence Holders. Ms. McGrath confirmed that Succession Planning would be identified in the Operational Risk Register.

In response to Councillor Goss, Ms. Wain said Colchester have been challenged by the Audit Commission to come up with examples of innovative, risk taking initiatives. Ms. McGrath said Colchester was already innovative and risk taking in comparison with other neighbouring authorities. Whilst it was accepted that assessments are subjective, making comparison scoring difficult, senior officers are learning lessons from what has happened in the past.

RESOLVED that the panel:

- i) Noted the risk management work undertaken during 2008-09, including the fourth quarter Strategic Risk Register.
- ii) Considered and commented on the proposed risk management strategy 2009-10.

- iii) Considered and noted the intended work plan 2009-10.
- iv) Congratulated officers on the report and the achievements and progress that have been made in the last year.

13. Work Programme

RESOLVED that the panel:

- i) Noted the work programme for 2009-10.
- ii) Agreed to review at the earliest opportunity, the funding of Colchester Credit Union.
- III) Agreed to review at the earliest opportunity, the Haven Gateway Funding Programme.