

FINANCE AND AUDIT SCRUTINY PANEL
23 FEBRUARY 2010

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

Substitute Member :- Councillor Terry Sutton
for Councillor Christopher Arnold

45. Minutes

The minute of the meeting held on the 26 January 2010 was confirmed as a correct record, subject to the following amendment, a new paragraph inserted between paragraphs seven and eight, on item 40, 'One Place Managing Performance', to read "Whilst it was agreed that Colchester had a history of understating its achievements, Mr. Davidson concluded the discussions by congratulating Colchester Borough Council on what it had achieved in the last year".

46. Have Your Say!

Mr. Andy Hamilton addressed the panel saying he suggested that Colchester Borough Council should give an award to the Gazette for its magnificent support and promotion of the Town's iconic Roman Circus. Mr. Hamilton also said he would like to congratulate Councillor Harris for his support of 'Colchester in Bloom'. Mr. Hamilton hoped Councillors would attend the forum at the Officers Club this Saturday, between 10 a.m. and 4.00 p.m.

Mr Hamilton commented on the departure of Mr. Paul King, District Auditor for Colchester, believing that the rating of 2 out of 4 by the Audit Commission was unacceptable, and hoped that the incoming District Auditor Ms. Hanson would be more competent. In conclusion, Mr. Hamilton said he admired the success of the Mercury Theatre who had reported 121,000 paying customers, 76% of capacity, and hoped the theatre would not be penalised by financial cuts in 2010-11.

47. 3rd Quarter Risk Management Progress Report

Ms. Hayley McGrath, Risk and Resilience Manager, attended the meeting and presented the 3rd Quarter Risk Management Progress Report, setting out the areas to be agreed by the panel.

In response to Councillor Manning, Ms. McGrath said that in respect of risk 4e a reduction in public spending, level 3 of probability suggested that officers understand this may well happen, though they are not sure. It is on the 'radar', and as a key risk, will be considered at each review stage.

Ms. McGrath confirmed to Councillor Goss that she would update the risk report to include a column noting when the risk entry was last updated. In reference to risk 2b political awareness, Ms. McGrath confirmed the July 2009 date will be addressed and revised at the next review.

RESOLVED that the panel commented on, and noted, the risk management issues, the performance relating to implementing the 2009-10 Risk Management Action Plan and the Strategic Risk Register.

48. 2009-10 Finance Monitor - April to December

Mr. Sean Plummer, Finance Manager, attended the meeting and presented the Financial Monitoring Report for April to December 2009. Mr. Plummer explained in detail the projected outturn for the General Fund, currently a net underspend of £620,000 and the Housing Revenue Account, a net underspend of £470,000. The General Fund forecast reflected a number of variances including the current situation in regards to LABGI and HPDG grants. Mr. Plummer explained that one of the assumptions in the 2010/11 budget was that there would be an underspend of £699,000.

In terms of risk around budget prediction, Mr. Plummer confirmed to Councillor Willetts that there is always risks around budget forecasting and predictions, but in so far as this year's budget was concerned, officers are working towards the projected 2010/11 budget underspend of £699,000, and were expecting to be there or close to this figure.

Following the comments from Councillors Harris, Oxford and Smith, Portfolio Holder for Resources, Diversity, Culture and the Arts, the panel were unanimous in their compliments and gratitude to the staff within Revenues and Benefits and the Customer Services Centre, thanking them for their dedicated hardwork and performance during a time of economic downturn, which had seen a significant increase in the number of benefit payments processed, and due to the complexity of many new claims from an ever increasing number of claimants in part time employment, the associated workloads.

Councillor Smith also confirmed to the panel that the recent harsh weather had resulted in a drop in anticipated income from car parking charges and planning

applications, that had a subsequent knock-on effect to budgets. It was however anticipated that planning application income would pick up as the weather improved.

RESOLVED that the panel noted the financial performance of General Fund Services and the Housing Revenue Account (HRA) in the first nine months of 2009-10.

Councillor Theresa Higgins (in respect of his-her membership of Essex County Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

49. 2009-10 Capital Monitor

Mr. Steve Heath, Finance Manager, attended the meeting and presented the Capital Expenditure Monitor 2009-10. Mr. Heath explained in detail the 2009/10 position to 31 December 2009, a spend to date of £7,000,000, representing 45.4% of the projected spend for 2009/10. Whilst appearing low, this was mainly due to significant expenditure expected in the last quarter of 2009/10, as well as the position to date not including accrued spend. Mr. Heath confirmed to Councillor Willetts that this was not a typical position, but reflected the increased activity against a number of large projects such as the Visual Arts Facility, Decent Homes Programme and ICT Strategy in the last few weeks of the year.

In response to Councillor Harris, Scott-Boutell and Oxford, who said they were dismayed at the length of delays in Essex County Council Social Services in determining OT recommendations in respect of Mandatory Disabled Facilities (MDF) Grants, were assured by Mr. Heath that the capital money will not be lost at year end, but will be rolled forward to 2010/11. In response to Councillor Smith, the panel were unanimous in their agreement that the Portfolio Holder for Neighbourhoods should be requested to write to the Essex County Council Portfolio Holder to urge an improvement to the delays by Essex County Council in informing the Council of the MDF required at each property.

RESOLVED that the panel noted the level of capital spending during the period April to December 2009 and forecasts for future years.

50. Work Programme

RESOLVED that the panel noted the work programme 2009-10.