

FINANCE AND AUDIT SCRUTINY PANEL

26 JUNE 2012

Present :- Councillor Dennis Willetts (Chairman)
Councillors Ray Gamble, Glenn Granger,
Scott Greenhill, Marcus Harrington, Julia Havis and
Gerard Oxford

Substitute Members :- Councillor Lesley Scott-Boutell
for Councillor Theresa Higgins
Councillor Michael Lilley for Councillor Cyril Liddy
Councillor Nick Cope for Councillor Jon Manning

3. Minutes

The minutes of the meetings held on the 28 February 2012 and 23 May 2012 were confirmed as a correct record.

4. Work Programme

Mr. Robert Judd, Democratic Services Officer, presented the draft Work Programme for 2012/13, explaining that the majority of items schedule are periodical and annual financial performance, audit, capital expenditure and risk reports reviewed by the Panel on a regular basis.

The exception was the Service Level Agreement to manage Abbots Centre, scheduled for the September meeting and following on from the review of the original decision in November 2011. Mr. Judd confirmed that the item Localising Council Tax Support, scheduled for a July review had now been withdrawn from the work programme, and would be reviewed by the Policy Review Panel before being submitted to the Strategic Overview and Scrutiny Panel for pre-Cabinet scrutiny.

Mr. Judd confirmed that following the briefing on the previous Thursday, he would carry forward from 2011/12 the uncompleted review of the financial impact of a new Park and Ride Scheme. Mr. Judd said he would inform the Panel once a review date was confirmed.

The Panel was informed of a call-in to the decision on 'Proposals for the Council to support Colne Housing in the establishment of "Hythe Forward" with a £30,000 funding contribution'. The hearing would hopefully be held within the next two weeks by a scrutiny Panel and at a venue to be agreed. The likely date was the 11th of July, but Mr. Judd would confirm this to all Members later this week.

Members discussed the item raised by Councillor Gerard Oxford, the review of the High Woods Country Park charges. Councillor Oxford agreed with Councillor Willetts that officers should provide advance information, a scoping report detailing all the income and expenditure, for Panel members to decide if the information warrants full scrutiny at a Panel meeting. Members would take a view once the information is to hand, though it was envisaged that a review would not be undertaken until early 2013.

Councillor Greenhill asked the Panel to consider a review of the contractual arrangements for the development of Firstsite now the legal action had been concluded. Following lengthy discussion between Councillor Smith, Portfolio Holder for Business and Resources, Mrs Ann Hedges and Panel Members it was concluded that Mrs Hedges would speak to Mr. Ian Vipond about the possibility of bringing an item around Firstsite to FASP, and to see if it was possible to include information not previously discussed at any of the many scrutiny reviews. Officers would consider a review taking in 'a summary of previous scrutiny', 'the possibility of including partners' and a 'comparison of the experience with the first contractor and the second, and the lessons learnt. Officers agreed to report back to the Panel once a proposal could be put to the Panel.

RESOLVED that the Panel agreed to the draft Work Programme for 2012/13, the suggested amendments and additional items for review.

5. Financial Monitoring Report - End of year 2011/12

Mr. Sean Plummer, Finance Manager, introduced the Financial Monitoring Report for 2011-12, an overview of the financial performance of the General Fund Services and the Housing Revenue Account.

The year-end account may still be subject to some minor changes and all figures are reported prior to the external audit process. The accounts were due to be signed off by the 30 June 2012. Details of this report are reflected in the Statement of Accounts.

Mr. Plummer spoke about the General Fund – End of Year position as shown in paragraph 4 which showed a net underspend of £196k after allowing for approved carry forward requests and other adjustments shown in. Mr. Plummer said the 2011/12 Budget included almost £3.6m of savings or additional income which had been required mainly due to Government spending cuts.

The Housing Revenue Account was a separate account to the General Fund, and showed an adverse variance of £77,000, slightly worse than forecasted.

Members and officers discussed in length Car Parking Charges, given the large variance in car parking income. Councillor Harrington did suggest that the variance could be attributed to the charges being too high, and that these could be reduced until the Park and Ride Scheme was introduced.

Councillor Smith said car parking charges are under constant review. The actual number of people using car parks is constant, so the loss of revenue was in the main due to the fall in contributions, with many motorists taking up the special offers. As part of addressing congestion busting, motorist visitors are encouraged to visit the town centre during off-peak times, but this is less profitable. Councillor Smith said this was a tactic now being used by National Car Parks (NCP). Mr. Plummer said Car Parking Charges are a risk item, reviewed on a regular basis. Councillor Smith confirmed to Councillor Granger that the Council does undertake regular formal modelling on price

sensitivity. In general this modelling is accurate though it can be distorted by unpredicted spells of bad weather.

Given the high level of interest in the modelling work, the Panel agreed to Councillor Willetts suggestion that if it proved possible, this work should be included as part of a joint review, with the Financial Impact of Park and Ride, provided both items could be reported within a reasonable timeframe.

Mr. Plummer confirmed to Councillor Cope that Community Alarms was basically the Helpline Service. This item showed a large net variance, however, this was now subject to a new marketing campaign to try to increase the take-up of the service.

RESOLVED that the Panel noted the financial performance of the General Fund Services and the Housing Revenue Account for the year 2011/12.

6. 2011-12 Capital Expenditure Management Report

Mr. Steve Heath, Finance Manager, introduced the report on the 2011-12 Capital Expenditure, requesting Members to note the level of capital spending during 2011/12 and forecasts for future years.

The report identified a rolling programme of major capital projects that can take more than one year to complete. The programme had significantly increased since it was last reported in February 2012, which was mainly as a result of the HRA reform payment. Mr. Heath confirmed that excluding this amount capital spending had totalled £14.2m representing 91% of the projected spend for 2011/12.

Mr. Heath brought the projected variances against current schemes to Members attention. The variances, as identified in paragraph 4.5 of the report, will be reported to Cabinet in July 2012.

Aside from the capital report, Mr. Heath confirmed to the Panel that the Council had received a further payment of £500,000, from the Icelandic Investments. The overall repayments now represent around 40% of the original claim. Mr. Heath reiterated that these payments did not amount to new money and had been accounted for within the Council's accounts.

It was confirmed that as a result of the new Housing Investment Programme (HIP) 2012/13, the substantial loan of £73m would be paid over a period of 25-30 years at an interest rate of approximately 3.5%, and this would equate to a positive net result to the Council.

Councillor Smith confirmed to Councillor Oxford that the Town Hall DDA Sensory Project would commence in 2012 and would progress to a completion sometime towards the end of 2012.

RESOLVED that the Panel noted the level of capital spending during 2011/12 and forecasts for future years.