

**MINUTES OF A MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE
HELD AT THE COUNCIL OFFICES, STATION ROAD, WIGSTON ON TUESDAY, 28 MARCH
2017 COMMENCING AT 7.00 PM**

<u>IN ATTENDANCE:</u>		
Chair - Councillor Mrs S B Morris Vice-Chair - Councillor D A Gamble		
COUNCILLORS (10):		
L A Bentley	M L Darr	
Miss A R Bond	B Dave	K J Loydall
G A Boulter	R E Fahey	R E R Morris
J W Boyce	J Kaufman	
OFFICERS IN ATTENDANCE (3):		
S J Ball	M Hone	A Thorpe
OTHERS IN ATTENDANCE (3):		
T Crawley	S Gill	A Persaud

Min Ref.	Narrative	Officer Resp.
74.	<p><u>APOLOGIES FOR ABSENCE</u></p> <p>The Chair expressed her gratitude to Members of the Committee for their assistance and contributions to debates throughout the municipal year.</p> <p>An apology for absence was received from Councillors G S Atwal, E R Barr and Mrs L Eaton.</p>	
75.	<p><u>APPOINTMENT OF SUBSTITUTES</u></p> <p>Councillor Miss A R Bond substituted for Councillor E R Barr.</p>	
76.	<p><u>DECLARATIONS OF INTEREST</u></p> <p>None.</p>	
77.	<p><u>MINUTES OF THE PREVIOUS MEETING HELD ON 31 JANUARY 2017</u></p> <p>In respect of 'Internal Audit - Progress Report 2016/17' (Minute Ref: 60):</p> <p>(a) at paragraph 6, Councillor J W Boyce requested that 'June 2016' be corrected to '<i>June 2017</i>'.</p> <p>(b) at paragraph 8, the Vice-Chair requested that 'March 2016' be corrected to '<i>March 2017</i>'.</p> <p>RESOLVED THAT:</p> <p>The minutes of the previous meeting of the Committee (as amended) held on 31 January 2017 be taken as read, confirmed and signed.</p>	
78.	<p><u>ACTION LIST ARISING FROM THE MEETING HELD ON 31 JANUARY</u></p>	

	<p><u>2017</u></p> <p>The Interim Chief Finance Officer (Section 151 Officer) reported that all items had been duly actioned.</p> <p>RESOLVED THAT:</p> <p>The Action List be noted by Members.</p>	
79.	<p><u>PETITIONS AND DEPUTATIONS</u></p> <p>None.</p>	
80.	<p><u>INTERNAL AUDIT PROGRESS REPORT 2016/17 AND AUDIT PLAN 2017/18</u></p> <p>The Committee gave consideration to the report and appendices (at pages 15 - 44) as jointly-delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) and Audit Manager at CW Audit Services, Mr Anand Persaud, which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Finance Officer reiterated that Members at the previous meeting of the Committee (held on 31 January) resolved to award the contract for Internal Audit Services. He added that the Internal Audit Plan for 2017/18 consisted of 273 days of work to be charged at 250 days, in addition to a one-off payment of £3,000 to off-set the contract letting process. This was said to represent good value for the Council.</p> <p>Internal Audit Progress Report 2016/17 (“the Report”)</p> <p>The Audit Manager summarised the contents of the Report in turn (at pages 16 - 30).</p> <p>He highlighted that since the last Report in January 2017, one full review for 2016/17 Debtors had been completed and awarded full assurance representing a significantly marked improvement from the previous year. He stated that five reviews were ongoing. The Audit Manager added that further assurances had been received on 27 April from the Interim Corporate Resources Manager that all recommendations in relation to Health and Safety (<i>‘High Risk’ outstanding issues, Part 4 of the Report at pages 19 - 20</i>) had since been implemented. It was said that there were still a relatively high number of 33 outstanding recommendations which required attention.</p> <p>Councillor J Kaufman enquired into the revised and, or, past deadlines or no update having been provided in respect of the following recommendations:</p> <ul style="list-style-type: none"> (a) 15/16 Main Accounting (at page 20); (b) 15/16 Housing Register and Allocations (at page 21); (c) 13/14 Equalities (at page 22); and (d) 15/16 Council Tax and Business Rates (at pages 26 - 27). <p>The Interim Chief Finance Officer and Audit Manager jointly-advised, accordingly:</p> <ul style="list-style-type: none"> (a) This head of work had not yet been completed due to a pre-requisite to remove the IT infrastructure allowing remote systems access to 	

	<p>former Council employees. The issue was said to be under the current joint-consideration and investigation by the new IT Manager, Finance Accountancy Manager and Senior HR Advisor;</p> <p>(b) An update was to be circulated to Members in due course;</p> <p>(c) The necessary workforce profile data had since been captured as part of the Investors in People (IiP) assessment in December 2016; and</p> <p>(d) All recommendations subsisted on the Report until resolved and, or, removed by the Internal Auditor.</p> <p>The Chair requested that an update be circulated to Members on the revised deadlines, the reasons therefor and any additional commentary in respect of the outstanding recommendations aforementioned in the Report.</p> <p>With reference to recommendation '14/15 Private Sector Housing/Disabled Facilities Grants' (at page 22), Councillor G A Boulter requested that '31/10/16' be corrected to '31/10/17'.</p> <p>Councillor J W Boyce stated that under clear targets to be set by management, the Council should aspire to have no 'critical' (1), 'high' (2) or 'medium' (3) recommendations outstanding for more than 6 months and no recommendations outstanding for more than 12 months.</p> <p>Operational Internal Audit Plan 2017/18 ("the Plan")</p> <p>The Audit Manager summarised the contents of the plan in turn (at pages 31 - 44).</p> <p>Councillor J W Boyce enquired as to how the Internal Audit Progress Report (2016/17) was to inform and flow into the Operational Internal Audit Plan (2017/18).</p> <p>The Audit Manager advised that the Plan for 2017/18 would allow for the Internal Auditors (IA's) to follow up any outstanding reviews and, or, recommendations from 2016/17 ('Follow Up / Contingency', Part 5 of the Plan at page 40). This was said to include the ability of IA's to come into the Council and investigate accordingly.</p> <p>The Chair moved the recommendations <i>en bloc</i> as set out at paragraph 2 of the report (at page 15).</p> <p>The Vice-Chair seconded the recommendations.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>(i) The Internal Audit Progress Report for 2016/17 (at Appendix 1) be noted; and</p> <p>(ii) The Operational Internal Audit Plan for 2017/18 (at Appendix 2) be approved.</p>	<p>MHo CR</p>
<p>81.</p>	<p><u>EXTERNAL AUDIT REPORT ON GRANT CLAIMS, RETURNS FOR 2015/16 AND AUDIT PLAN FOR 2017/18 ACCOUNTS</u></p> <p>The Committee gave consideration to the report and appendices (at pages 45 - 72) as jointly-delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer), the KPMG Director, Mr Tony Crawley, and the KPMG Audit Manager, Mr Sundeep Gill, which should be read together with these minutes as a composite document.</p>	

The Interim Chief Finance Officer added that the revised timetable for external audit submission(s) was to be trial-ran in the upcoming financial year (2017/18) and no difficulties were envisaged at the present time to meet all revised deadlines.

Annual Report on Grants and Returns 2015/16 (“the Report”)

The Audit Manager summarised the contents of the Report in turn (at pages 47 - 56).

He highlighted that three minor errors on Housing Benefits Claims (“the Claims”) totalling approximately £5,000 (in the context of a £9m claim) and one minor error on the Pooling of Housing Capital Receipts Return (“the Return”) were made resulting in the a qualification letter and the necessary adjustments having to be made (*‘Summary of Certification Work Outcomes’ at pages 51 and 52*). He stated that the Chief Finance Officer was working in partnership with the Interim Community Services Manager in respect of the latter to ensure the error did not re-occur in accordance with the prescribed recommendation in relation to use of retained capital receipts (at page 55).

Councillor L A Bentley enquired as to why ‘limited information on the working paper file’ in relation to the Return was provided and how the prescribed recommendation was to be implemented to ensure compliance (*‘Recommendations’ at page 55*).

The Interim Chief Finance Officer advised that limited information was provided due implications stemming from a temporary dislocation of personnel in April 2016. He gave Members assurances that the recommendation together with greater resilience was to be implemented to ensure that the error did not re-occur in future years.

Councillor M L Darr enquired as to the frequency of the errors made in relation to the Claims for 2015/16 *vis-a-vis* errors (or lack thereof) made in the previous year.

The Audit Manager advised that the errors identified were based upon a random sample/selection of claims as opposed to a systematic review of all claims made.

Councillor J W Boyce sought further clarification upon the inconsistency of housing stock records (*‘Recommendations’ at page 54*).

The Member stated that the revised timetable for the trail-run of the external audit submission(s) was a challenging one and that a contingency plan was required if the initial deadline was not met (on 26 July 2017).

The Interim Chief Finance Officer advised that the Fixed Asset Register did not correspond with the Housing Stock Repairs Register at the present time. He acknowledged that a contingency plan for audit submission(s) was required.

External Audit Plan 2016/17 (“the Plan”)

The Director summarised the contents of the Plan in turn (at pages 57 - 72).

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He highlighted several risks and areas of focus that required specific external audit attention in the Plan, namely:

- (a) The risks associated with the changes in the pension liability due to the Local Government Pension Scheme (LGPS) Triennial Valuation (at page 61);
- (b) The risks associated with key financial statements and analyses to comply with Code of Practice on Local Authority Accounting (at page 61);
- (c) The Authority's arrangements to continue to build financial resilience in an increasingly-austere public-sector economic climate (at page 67); and
- (d) The Authority's arrangements to continue to implement change to address the issues raised in the Independent Investigator's Report ("the Penn Report") (at page 67).

Councillor J W Boyce questioned the feasibility of the proper, independent and co-harmonious arrangements for the commission of external audit work when 'working with partners and third parties', in notable relation to the proposed establishing of a Combined Authority for Leicester and Leicestershire ("the Combined Authority") (*Value for Money Arrangements Work (Cont.)*) at page 64). He further enquired as to whether a conflict of interest arose by virtue of a single external auditing firm auditing all the constituent authority members of the Combined Authority.

The Director advised that the overall criterion was reviewed and applied to any given public body, which assesses the arrangements in terms of cost-effective outcomes and benefits for taxpayers, local people and stakeholders, and extended to all public, private and voluntary-sector entities with whom partnership work was or may be undertaken. He stated that no conflict arose owing to a duty to objectively-assess.

Councillor K J Loydall sought acknowledgement within the Plan of the £1.4m budget gap inherited by the Council as a result of the Government's Financial Settlement.

The Director advised that the Council continued to face similar financial pressures and uncertainties to those experienced by others in the local government sector and that, via its Medium Term Financial Strategy (MTFS), the Council needed to have in place effective arrangements for managing its annual budget, generating income and identifying and implementing efficiency-savings required to balance the same until 2020.

The Director stated that the Plan provided a summary of the Council's present position and an update would be subsequently reported and, if necessary, a qualification issued. There was nothing to warrant a qualification at the present time. He further advised that the Chief Finance Officer (Section 151 Officer) was equally responsible to notify Members of any budgetary concerns on a regular and periodic basis.

The Chair sought to clarify that the Council was not operating on a "budget deficit" and that the Council had a robust, financial strategy to bridge the budget gap.

The Chair moved the recommendation(s) as set out at paragraph 2 of the report (at page 45).

	<p>The Vice-Chair seconded the recommendation(s).</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>(i) The Annual Report on Grants and Returns 2015/16 (at Appendix 1) be noted; and</p> <p>(ii) The External Audit Plan 2016/17 (at Appendix 2) be noted.</p>	
82.	<p><u>COLLECTION AND WRITE-OFF OF MISCELLANEOUS DEBTORS</u></p> <p>The Committee gave consideration to the report (at pages 73 - 74) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Finance Officer added that the outcome of this report was reflected in the Internal Audit Progress Report 2016/17 (at Agenda Item 7 and Minute Ref. 80) in respect of the completed 2016/17 Debtors review. He stated that miscellaneous debts continued to fall under a robust debt management strategy and was pleased to announce that there were no debt write-offs in the final fourth quarter of 2016/17.</p> <p>Councillor L A Bentley commended Officers for their efforts in debt(s) collected. He further enquired as to how the remaining c. £153,000 of debt was being managed. With reference to paragraph 3.3 (at page 74), the Member requested that ‘the second quarter’ be corrected to ‘<i>the fourth quarter</i>’.</p> <p>The Interim Chief Finance Officer advised that debt management was a fluid process under which not every debt owed any given time was in a critical position. The c. £153,000 was said not be “under management” insofar the collection of those debts had not reached the formal stage of enforcement, however informal, pre-enforcement action (viz. debtor re-repayment plans) was being taken in relation to the same.</p> <p>Councillor G A Boulter requested that feedback be provided on the newly-appointed debt enforcement agency contracted by the Council. He noted the important distinction to be made between debtors who “could not” and “would not” pay.</p> <p>The Interim Chief Finance Officer advised that the Council was satisfied with the debt enforcement services provided by the newly-appointed agency who were said to operating on the basis of taking a percentage of the debt(s) collected rather than any direct form of payment tendered by the Council. He reported that the agency employed a robust but fair operation, attempting to understand and to be empathic towards the difficulties and hardship faced by debts, and enforced accordingly.</p> <p>The Chair moved the recommendation as set out at paragraph 2 of the report (at page 73).</p> <p>The Vice-Chair seconded the recommendation.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The contents of the report be noted by Members.</p>	

83.

RESIDENT FORUM OUTTURN BUDGET POSITION AND ALLOCATION REQUESTS

The Committee gave consideration to the report and appendices (at pages 75 - 79) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.

Councillor J W Boyce stated that the allocation of additional funding of £73,000 ought to be fairly and consistently allocated in proportion to the original allocation at paragraph 3.5(i) (at page 76).

The Chair and Councillor J W Boyce jointly-requested that a review of the regulations governing grant allocations, including the funding of voluntary organisations and “on-the-night” grants allocation at Forum meetings without supporting paperwork, be undertaken.

Councillor G A Boulter enquired as to whether the additional allocation funding was for revenue and, or, capital schemes.

The Interim Chief Finance Officer advised that the additional allocation was to be made available for both revenue and capital schemes, subject to account of annual ongoing revenue costs if used in respect of the latter.

Councillor Miss A R Bond stated that it was important for all three Borough town centres to have at least once defibrillator device installed and made available for use on-site.

The Chair advised that such requests were to the responsibility of residents to raise.

Councillor J Kaufman welcomed the use of grant allocations for pump-priming purposes (i.e. the stimulation of economic activity by investment) however opined that ongoing, revenue costs ought to be borne by the grant recipients themselves.

The Chair stated that grant allocations for (voluntary) organisations ought to be managed different to grant allocations for residents.

Councillor J W Boyce stated that the initial lump allocation for the Forums originated from significant capital receipts generated from land in South Wigston and subsequently supplemented by the award of New Homes Bonuses (NHB's). It was said that the grant allocations were designed as “one-off” spends and to benefit the greatest number of people. He opined that ongoing revenue funding of projects was unacceptable and ultimately a matter reserved unto the Council and not the Forums.

Councillor J W Boyce moved:

- (i) The recommendations as set out at paragraphs 2.1 and 2.2 of the report (at page 73) and;
- (ii) That the additional allocation of funding of £73,000 be allocated in proportion to the original allocation as set out at paragraph 3.5(i) (at page 76).

The Chair seconded the recommendations (as amended).

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	<p>UNANIMOUSLY RESOLVED THAT:</p> <ul style="list-style-type: none"> (i) The position(s) of the Forums' budgets be noted by Members; (ii) The allocation(s) requested by the Forums (as set out at paragraph 3.4) be approved; and (iii) The additional allocation of funding of £73,000 be allocated in proportion to the original allocation as set out at paragraph 3.5(i). 	
84.	<p><u>ANNUAL REVIEW OF HEALTH AND SAFETY</u></p> <p>The Committee gave consideration to the report and appendices (at pages 80 - 96) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Finance Officer added that the outcome of this report was reflected in the Internal Audit Progress Report 2016/17 (at Agenda Item 7 and Minute Ref. 80) in respect of all recommendations in relation to Health and Safety (H&S) having since been implemented.</p> <p>With reference to 'Table 1: Staff Accidents via Location' and 'Table 2: Public Accidents via Location' (at Appendix 1 at pages 84 - 85), Councillor G A Boulter stated that information did reflect well in the data breakdown depicted most notably in respect of the locations marked 'Elsewhere' and 'Brocks Hill', respectively.</p> <p>The Interim Chief Finance Officer advised that the 'Elsewhere' marker incorporated manual-trade employees (viz. refuse collectors, sweepers) working on the Borough's streets and the 'Brocks Hill' marker incorporated public visitors (viz. minor injuries to children) but excluded volunteers.</p> <p>Councillor J W Boyce requested that the Annual Health and Safety Plan (2016/17) ("the Plan") should include some examples of investigated and signed-off accidents for the Council's own learning processes.</p> <p>The Interim Chief Finance Officer advised that the Senior Management Team (SMT) was to work in close partnership with the H&S Staff Group so to better inform Members of the H&S situation at the Council as of when it develops.</p> <p>Councillor L A Bentley stated that it should be the Council's aspiration to have zero accidents. He further requested that "near-hit" reporting be incorporated into the Plan and the Health and Safety Policy ("the Policy") as a valuable assessment tool and the responsibility of all employees to report, accordingly.</p> <p>The Interim Chief Finance Officer advised that "near-hit" reporting was to feature as part of operational implementation of the Policy via risk assessments undertaken.</p> <p>Councillor K J Loydall welcomed the report and the extensive work undertaken by Officers, however raised a number of concerns and recommendations for subsequent inclusion into the Plan and, or, Policy, amongst other things namely:</p> <ul style="list-style-type: none"> (a) A "high-to-low" risk-ranking system (to be systematically worked through) so to give effect to this Committee's governance role in 	<p>AC KP PE</p>

	<p>ensuring progression, highlighting defined structures as to the exact designations of responsibility and operating standards and the importance of a duty to investigate accidents ;</p> <p>(b) A more meaningful breakdown and exposition of how accidents are categorised and recorded, why the accidents have occurred (viz. training issues), and the outcomes, progress made and lessons learned;</p> <p>Councillor J W Boyce moved:</p> <p>(i) That the Annual Health and Safety Plan (at Appendix 1) be noted, subject to further inclusions and improvements being made at a later date and the Plan being reviewed at a subsequent meeting of the Committee; and</p> <p>(ii) The recommendation as set out at paragraph 2.2 of the report (at page 73).</p> <p>The Chair seconded the recommendations (as amended).</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>(i) The Annual Health and Safety Plan (at Appendix 1) be noted, subject to further inclusions and improvements being made at a later date and the Plan being reviewed at a subsequent meeting of the Committee; and</p> <p>(ii) The Health and Safety Policy (at Appendix 2) be approved.</p>	
85.	<p><u>ASSET OF COMMUNITY VALUE NOMINATION FOR HIGHCROFT PARK, OADBY</u></p> <p>The Council gave consideration to the report and appendices (at pages 97 - 106) as delivered and summarised by the Planning, Development and Regeneration Manager which should be read together with these minutes as a composite document.</p> <p>Councillor J W Boyce stated that, if Members were minded to approve the nomination of Highcroft Park, Oadby as an Asset of Community Value (ACV), this would not otherwise fetter the discretion of the Development Control Committee and that the ordinary planning rules and procedures would apply where necessary.</p> <p>The Planning, Development and Regeneration Manager advised that by approving the nomination, the Council was said to be merely discharging its obligations under the regulations governing the Council's decision-making in respect of Nominated Assets (NA's) and in managing and maintaining the ACV Register. The nomination, if approved, would not fetter the discretion of the Development Control Committee whatsoever and did not afford NA's any form of extraordinary planning protection.</p> <p>Councillor L E Bentley enquired as to whether the NA was to 'further the social wellbeing or social interests' of the whole Borough community <i>vis-a-vis</i> the local community in terms of permitting wider public rights of access to the land in question.</p> <p>The Planning, Development and Regeneration Manager advised that it was beyond the Council's jurisdiction to insist upon public access rights over, what is, privately-owned land. The matter of legal proprietorship was said to be incidental as opposed to material to the Council's obligation to effectively</p>	

<p>administer the ACV process only.</p> <p>Councillor J Kaufman sought further clarification as to the compensatory risks and implications that would beset the Council if the nomination were to be approved, and the consideration given to preparing a locally adopted procedure for the same.</p> <p>The Planning, Development and Regeneration Manager advised that a risk did exist and asset owners did enjoy a right to claim compensation attributable to an approved listing against the Council: however, the Department for Communities and Local Government (DCLG) would meet the costs of any compensation payments. It was said that the authority's standard procedures had been considered and followed in lieu of a local adopted procedure which satisfied the Council's own requirements.</p> <p>Councillor M L Darr moved the recommendation as set out at paragraph 2 of the report (at page 97).</p> <p>The Vice-Chair seconded the recommendation.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The Nominated Asset known as Highcroft Park, Oadby be confirmed as an Asset of Community Value on the basis that it has been made by a qualifying community group and that the nominated asset "furthers the social wellbeing or social interests of the local community" and, therefore, the asset be included on the Council's Assets of Community Value Register and be entered on the Local Land Charges Register.</p>	
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THE MEETING CLOSED AT 8.33 PM



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CHAIR
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TUESDAY, 11 JULY 2017
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