

MEETING AC.06:1011
DATE 28.10.10

South Somerset District Council

Draft Minutes of a meeting of the **Audit Committee** held in Committee Room 3/4, Council Offices, Brympton Way, Yeovil on **Thursday, 28th October 2010**.

(10.00 a.m. – 11.30 p.m.)

Present:

Members: Derek Yeomans (in the Chair)

John Calvert	John Richardson
Ian Martin	Peter Roake
Roy Mills	Colin Winder

Officers:

Amanda Card	Finance Manager
Karen Gubbins	Principal Accountant - Exchequer
Kirsty Larkins	Housing and Welfare Manager
Neil Waddleton	Section 106 Monitoring Officer
Gary Russ	Procurement and Risk Manager
Andrew Blackburn	Committee Administrator

52. Minutes (Agenda item 1)

The minutes of the meeting held on the 23rd September 2010, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

53. Apologies for Absence (Agenda item 2)

Apologies for absence were received from Cllrs. Mike Best, John Hann and Alan Smith.

54. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

55. Public Question Time (Agenda item 4)

No questions or comments were raised by members of the public.

56. Update on Homelessness Service Action Plan (Agenda item 5)

The Housing and Welfare Manager summarised the agenda report, which provided an update on the Homelessness Service Audit Action Plan. She further commented that

significant progress had been made. She also referred to the one area, which had been outstanding from the Action Plan regarding the implementation of a more robust system for managing aged debts (action 8.1) having now been completed. She also reported that the South West Audit Partnership had recently completed a further audit of the service and that their draft report indicated that generally risks were well managed. Of the risks identified, none were considered to be high and the report indicated that reasonable assurance could be given as most of the areas reviewed were found to be adequately controlled.

The Housing and Welfare Manager also highlighted the figures set out in Appendix B of the agenda report showing increased collection rates and commented that there were now better controls within the service to give value for money.

During the ensuing discussion, comment was expressed that this was a positive report and the Committee was pleased to note that action 8.1 had been completed. The Housing and Welfare Manager responded to members' questions and comments including the following:-

- in response to a question, the Housing and Welfare Manager indicated that the team was fully staffed and that she was now in a position to recruit a permanent Senior Finance Officer. She also commented on the changed culture in the housing team and to the changes made having brought a more positive outlook;
- mention was made of the changes to housing benefit announced in the Government's Comprehensive Spending Review and the impact they may have on people finding accommodation when they were introduced in 2012;
- a general discussion took place on the way that the Council supported landlords and tenants, which had changed over the years, during which reference was made to the previous rent deposit scheme having been replaced by the current bond scheme, details of which were mentioned to the Committee. Reference was also made to some landlords not being willing to rent their properties to those people on housing benefit and the impact that could have on the accommodation available in the future. The Housing and Welfare Manager indicated that the Council was trying to have a range of options so that the need to use bed and breakfast accommodation in the future did not arise;
- in response to a comment, the Housing and Welfare Manager confirmed that prospective tenants had to have specific links to this district to enable them to be considered for housing and that the policy was applied robustly.

The Committee congratulated the Housing and Welfare Manager and her team for the improvements made in debt management and financial controls within the homelessness service and was content to release her from further reporting.

- RESOLVED:** (1) that the actions and progress made in respect of the Homelessness Service Audit Action Plan, including action point 8.1 having been completed, be noted and accepted;
- (2) that the Housing and Welfare Manager be released from further reporting.

(Kirsty Larkins, Housing and Welfare Manager – 01935 462744)
(kirsty.larkins@southsomerset.gov.uk)

57. Treasury Management Practices (Agenda Item 6)

The Principal Accountant – Exchequer summarised the agenda report and asked the Committee to approve the Treasury Management Practices, a copy of which was circulated to members with the agenda.

In response to a question, the Finance Manager informed members how Treasury Management activity was monitored within the team. She indicated that standard procedures had been adopted and that staff had to sign that they had completed an activity and followed the required procedures. It was noted that this applied to the initiator of the activity, which was then checked and authorised by separate members of staff with each activity being completed in a continuous operation.

Reference was made to whether ethics were considered when investments were placed. The Principal Accountant – Exchequer commented that the Council would not knowingly invest with an unethical institution. It was also noted that the Council would not invest in any country that had less than an AA+ credit rating.

Having examined the document, the Committee indicated that it was content to approve the Treasury Management Practices.

RESOLVED: that the Treasury Management Practices be approved.

(Karen Gubbins, Principal Accountant - Exchequer - 01935 462456)
(karen.gubbins@southsomerset.gov.uk)

58. Audit Review – Section 106 Planning Obligations and Commuted Sums Update (Agenda item 7)

The Section 106 Monitoring Officer summarised the agenda report, which updated members on the position with the computer system to aid the monitoring of financial and non-financial planning obligations. The Committee noted the reasons, as detailed in the agenda report, why it had been decided to postpone pursuing the Idox planning obligation tracker system and to use an alternative fully developed system from Colchester that would provide the required functionality now and would be suitable for the Council's use.

During the ensuing discussion, the officers responded to members' questions and comments. Points addressed included the following:-

- the Section 106 Monitoring Officer reported that there would be clear processes in place, including with other relevant departments within the Council, to ensure that both financial and non-financial planning obligations were realised and to make sure that financial contributions were spent on the schemes to which they were allotted and at the right time;
- the Finance Manager commented that more information was now coming through and that officers were more proactive in drawing down monies and ensuring they were used for the allotted purpose;
- reference was made to other bodies such as Somerset County Council who may have required contributions towards highway works/improvements or educational facilities and to the need to ensure that those schemes were brought forward and the monies spent accordingly. The Section 106 Monitoring Officer indicated that there needed to be

regular monitoring in place to enable the relevant departments of the County Council to access the funding towards their schemes at the appropriate time and to make sure that the schemes were brought forward. He further commented that whether the obligation related to District or County Council provisions a trigger point would be included within the system to highlight when key matters needed to be actioned. This may also include a need to visit sites to ascertain the latest position and when certain milestones were reached;

- a member queried how members would receive feedback and the Section 106 Monitoring Officer reported that it was proposed to make quarterly reports to the Area Committees giving the latest position with Section 106 planning obligations in their area;
- although no problems had been experienced in collecting monies so far, he indicated that there may be some problems as officers went further back. In some cases where monies held by the local authority had not been spent within say, 5 to 10 years, developers may try to claim them back. Although it was the relevant departments duty to make sure that the monies were spent, the Section 106 Monitoring Officer confirmed that a trigger point would be included on the monitoring system to ensure that this was assessed and followed up at the appropriate time and the monies used for the schemes to which they were allocated;
- the Procurement and Risk Manager referred to there being a generic risk identified in the Council's risk register in respect of the possible failure to realise a Section 106 planning obligation. He suggested that the entry in the register may need to be reviewed to make it more specific;
- the Section 106 Monitoring Officer referred to developments involving affordable homes and mentioned that in some cases requests were received from developers to vary the requirements of Section 106 planning obligations when the contributions were actually sought. The Committee noted that a report was to be submitted to District Executive to enable the policy on Section 106 planning obligations relating to affordable housing developments to be reviewed;
- a member referred to circumstances whereby a subsequent planning approval may alter the requirements of a previous Section 106 agreement and sought clarification with regard to the necessity or otherwise of amending the original agreement/making a new agreement. The Committee asked that the Section 106 Monitoring Officer check the situation with the Council's Solicitor and report back to the Committee.

The Committee indicated that it was content with the report of the Section 106 Monitoring Officer and asked that a further update be made in February 2011.

- RESOLVED:** (1) that the update report and actions taken regarding the computer system to aid the monitoring of financial and non-financial planning obligations be noted and endorsed;
- (2) that a further update report be submitted in February 2011.

(Neil Waddleton, Section 106 Monitoring Officer - 01935 462603)
(neil.waddleton@southsomerset.gov.uk)

59. Date of Next Meeting (Agenda item 8)

Members noted that the next meeting would be held on Thursday, 25th November 2010 at 10.00 a.m. in the Main Committee Room, Council Offices, Brympton Way, Yeovil.

NOTED.

*(Andrew Blackburn, Committee Administrator – 01460 260441)
(andrew.blackburn@southsomerset.gov.uk)*

60. Confidential Item

RESOLVED: that the following item (Minute 61) be considered in closed session by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972, i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information) as it is considered that the public interest in maintaining the exemption from the Access to Information rules outweighs the public interest in disclosing the information.

61. Risk Management Update – Partnering Risks (Confidential Agenda item 9)

The Procurement and Risk Manager summarised the agenda report, which updated members on the partnering risks contained within the corporate risk register. The Committee was asked to consider whether the partnering risks identified in the corporate risk register needed to be reviewed and updated to reflect the current situation.

Discussion ensued regarding the management of risk in respect of the Council working in partnership with others including voluntary organisations (Third Sector partnerships) and the Council's partnership with East Devon District Council.

- RESOLVED:**
- (1) that the report of the Procurement and Risk Manager updating members on partnering risks be noted;
 - (2) that the Procurement and Risk Manager further approach the Third Sector and Partnership Manager with regard to the Council's Third Sector partners receiving risk identification and risk management training;
 - (3) that the identification of more specific risks within the corporate risk register in respect of the partnership with East Devon District Council, examples of which were identified by the Procurement and Risk Manager as set out in the confidential minute, be supported and a further update be submitted to the Committee's meeting in February 2011.

*(Gary Russ, Procurement and Risk Manager – 01935 462076)
(gary.russ@southsomerset.gov.uk)*

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Chairman