

PLEASE NOTE VENUE

GENERAL PURPOSES COMMITTEE AGENDA



Friday 17 August 2007

at 10.00am

in Training / Classroom Room 2,
Belle Vue Community, Sports and Youth Centre,
Kendal Road, Hartlepool

MEMBERS: GENERAL PURPOSES COMMITTEE:

Councillors Akers-Belcher, Fleming, Griffin, Henery, J Marshall, Dr Morris, Shaw,
Wallace and Wistow

1. **APOLOGIES FOR ABSENCE**
2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
3. **MINUTES**
 - 3.1 To confirm the minutes of the meeting held on 29 June 2007 (attached)
 - 3.2 To confirm the minutes of the meeting held on 25 July 2007 (to follow)
4. **ITEMS REQUIRING DECISION**
 - 4.1 Business Report – *Chief Solicitor* (to follow)
5. **ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT**

GENERAL PURPOSES COMMITTEE

MINUTES AND DECISION RECORD

29 June 2007

The meeting commenced at 10.00 a.m. at Belle Vue Community Sports and Youth Centre, Hartlepool

Present:

Councillors: John Marshall (in the Chair)
Stephen Akers-Belcher, Sheila Griffin and Gerard Wistow

In accordance with Paragraph 4.1 of the Council's procedure rules Councillor Carl Richardson attended as Substitute for Councillor Jane Shaw

Officers: Chris Little, Assistant Chief Financial Officer
Denise Wimpenny, Principal Democratic Services Officer

1. Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Fleming, Dr Morris and Shaw.

2. Declarations of interest by members

None.

3. Confirmation of the minutes of the meeting held on 23 March 2007

Members questioned whether the meeting on 23 March 2007 had been the one at which there had been a discussion of access to the contact details of school governors and, if so, why that discussion had not been incorporated to the minutes.

The minutes of the meeting held on 23 March 2007 were confirmed subject to the following addition:-

Minute 35, Page 3, third Paragraph to be added to read:-

Minute 35, Page 4, Decision, (c) to be added to read:-

- (c) That Members be provided with clarification of the current procedure in relation to access to school governor's contact details and the feasibility of publicising this information.

In view of the above, Members requested that a letter of clarification be submitted to all Members of the General Purposes Committee within the week relating to availability of school governor's details and that the issue be further discussed at the next meeting of this Committee.

4. **The 2006/2007 Statement of Accounts** *(Chief Financial Officer)*

Purpose of Report

To enable Members to approve the Council's 2006/2007 Statement of Accounts.

Issue (s) for consideration by the Committee

The report advised Members that the Council was required by statute to produce the 2006/2007 Statement of Accounts in a specified format within three months of the year-end ie by 30 June. The accounts were subject to audit prior to publication by 30 September.

The draft Statement of Accounts was attached to the report. The Assistant Chief Financial Officer gave background information and provided an explanation of the main financial statements included in the Statement of Accounts. It was highlighted that there was nothing included in the report which had not already been agreed by the Council or Cabinet. Pages 23 to 26 of the Cash Flow Statement had been amended, a copy of which was tabled at the meeting. In respect of the Council's cash flow, it was highlighted that collection rates for both Council Tax and Business Rates had increased for 2006/07 and were both above the average for all unitary councils.

Earmarked Reserves

Members expressed concerns regarding the value of the museums acquisitions reserves and the lotteries reserve. They queried whether the surplus of accumulative interest from previous years could be spent. The Assistant Chief Financial Officer explained that the lotteries reserve was governed by the Lotteries and Amusements Act 1976 and outlined the history to this reserve and the arrangements for making grants. Following questions from Members, to which the Assistant Chief Financial Officer provided information, Members requested the following further information in relation to these reserves which the Assistant Chief Financial Officer agreed to provide following the meeting:-

- (i) Details of the legal requirements of the Act relating to the lotteries reserve.
- (ii) A copy of the Acquisitions Policy.
- (iii) A summary of income and expenditure on these reserves for the last four years.

A lengthy discussion ensued relating to reserves during which the Assistant Chief Financial Officer addressed the issues raised by Members. It was highlighted that scrutiny had reviewed the reserves two or three years ago. Members considered the possibility of a further scrutiny review of reserves, following which Members felt that it was more appropriate for the information on underspends to be analysed by the Committee prior to any scrutiny review request being made.

The following questions/observations and concerns were made by Members:-

- (i) The non-attendance of the District Auditors to answer any queries from Members.
- (ii) The impact of the surplus on the setting of the Council Tax. Members were of the view that the Council Tax had been set at a higher level than would have been necessary if the surplus had been known.
- (iii) Every year outturn was better than anticipated, resulting in an increase in the level of reserves.
- (iv) The extent of Member involvement in making choices/allocating underspends compared with the process for setting the original budget.
- (v) As savings tend to be so readily achieved each year, did the initial budget targets set sufficient challenge to budget holders.
- (vi) Members requested assurances that there were sufficient links between the Financial Plan and Service Plan and that spend was linked to service objectives through a medium term (3-5 years) financial and service plan.
- (vii) That services that had been cut should have the first call on in-year savings and surpluses so that Members of the Council could determine whether to reinstate such services.

The Assistant Chief Financial Officer advised Members that the final surplus for 2006/07 had arisen as a result of actions taken in late March to manage the Council's loan portfolio. This had produced a one-off benefit, although it was not certain that this amount would be achieved when the 2007/08 budget and Council Tax was set. Therefore, this amount could not have been taken into account when setting the 2007/08 budget. Cabinet had determined to allocate this money to the Budget Support Fund and proposals for allocating this money would be put forward for consultation and scrutiny as part of the 2008/09 Budget and Policy Framework proposals.

In respect of previous years out-turns, the favourable positions had also arisen from one-off factors. These resources had been earmarked to support the budget over the next three years or to meet one-off costs. Members questioned whether the recurrence of such one-off factors suggested the emergence of a pattern, which should be understood more fully.

In conclusion, the Assistant Chief Financial Officer advised that the budget information had been submitted to Members on a number of occasions throughout the budget process. It was acknowledged that the information may not have been produced in a format that was easy to understand and that Officers may need to reconsider the format in which information was presented to Members.

Decision

1. That the contents of the report, be noted.
2. That the 2006/2007 Statement of Accounts, be approved.
3. That the issues raised at this meeting be considered at an early or special meeting of this Committee.

5. Audit Commission Report – Audit and Inspection Plan 2007/08 (Chief Financial Officer)

Purpose of Report

To inform Members of the General Purposes Committee of the content of the Audit Commission Report, Audit and Inspection Plan 2007/08

Issue (s) for consideration by the Committee

The Audit and Inspection Plan 2007/08, attached as Appendix 1 to the report, outlined the work the Audit Commission would undertake in relation to the following areas:-

- CPA and Inspection
- Work under the Audit Code of Practice
- Assessing Risks
- Work Specified by the Audit Commission
- Voluntary Improvement Work
- Certification of Grant Claims and Returns

Details of the audit and inspection fee were also included in the report.

Discussion ensued in relation to Members' role in shaping the Inspection and Audit Plan and the possibility of commissioning an independent auditor to undertake an audit on behalf of the Committee if the District

Auditor's programme could not be influenced by this committee's views.

Decision

That the Audit Commission report, be noted.

CHAIRMAN

CLLR JOHN MARSHALL