

MINUTES OF A MEETING OF THE OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE HELD IN THE COUNCIL CHAMBER, COUNCIL
OFFICES, CORKS LANE, HADLEIGH ON TUESDAY, 12 JULY 2011

PRESENT: Mr D M Busby – Chairman

Mr S R Barrett	Mr J M Nunn
Mr J R B Cave	Mr B Riley
Mr D G Grutchfield	Mr C A Roberts
Mr R E Kemp	
Miss D L Kendall	

11 DECLARATION OF INTERESTS

None declared.

12 MINUTES

RESOLVED

That the Minutes of the meeting held on 14 June 2011 be confirmed and signed as a correct record.

13 PETITIONS

None received.

14 QUESTIONS FROM MEMBERS

None received.

15 EXTERNAL AUDIT FEE

The Director of Finance reported that letters ([Paper L45](#)) have been received from the Council's external auditors (PKF) setting out Babergh's proposed audit fee for 2011/12 which will cover the statement of accounts, value for money conclusion, the whole of Government accounts and grant claims work.

The proposed fee for 2011/12 (excluding grant claims work) represents, as stipulated by the Audit Commission a 5% reduction on the previous year. The Audit Commission has indicated that it will also (subject to affordability) make additional rebates of up to £7.2M to audited bodies in total in 2011/12, which is not reflected in the proposed PKF fee. Since the agenda had been prepared the additional rebate has now been notified as 8%.

Richard Bint, Senior Partner from PKF, was present at the meeting to advise Members further on the proposed fee and answered questions.

The Director of Finance advised that Mid Suffolk District Council and Babergh had submitted a joint response outlining that the proposed reduction of 5% did not go far enough as it did not reflect the reduction in work associated with the ending of the comprehensive area assessment.

Discussions had also taken place between PKF and the Director of Finance on the fee and that this is higher than some other Councils in Suffolk, particularly Mid Suffolk. However PKF did not feel that their fee could be reduced further. They have suggested, however, that internal audit could do grant claims work if that was agreed and that such an approach would reduce fee/costs overall. They also indicated their willingness and desire to look at ways of achieving further fee reductions in future years.

During consideration of this matter it was proposed and seconded that the audit fee should be set at £100,000 and that this be cash discounted by payments being made in instalments. Upon being put to the vote this proposal was lost.

RESOLVED

That the proposed external audit fee for 2011/12 of £106,970 (excluding the estimated cost of grant claims work and the additional rebate of 8% only just notified) be accepted and that the work undertaken by PKF would also include work on the Babergh, Mid Suffolk Integration (BMI) Project.

16 REVIEW OF COUNCIL PROCEDURE RULE FOR SUBSTITUTES AT STRATEGY AND OVERVIEW AND SCRUTINY COMMITTEES

The Director of Corporate Services submitted a report ([Paper L46](#)) advising that at Annual Council on 19 May 2011, Members requested that a report be brought forward via Overview and Scrutiny (Stewardship) Committee to consider whether the Councils Constitution should be amended to allow Members of Strategy Committee to substitute for Members of Overview and Scrutiny Committees, and vice versa. In addition Article 7.02 of the Constitution states that all Group Leaders shall be Members of the Strategy Committee subject to political balance requirements and Deputy Group Leaders shall be named substitutes for Group Leaders unless a Deputy Group Leader is already a Member in his/her own right in which the Group Leader may appoint another substitute.

The Committee gave consideration to the amendment of the Constitution and did not agree to Members of Strategy Committee being able to substitute for Members of Overview and Scrutiny Committees and vice versa or felt it appropriate to remove the requirement in Article 7.02 of the Constitution that Deputy Group Leaders must be named substitutes for Group Leaders on Strategy Committee.

RECOMMENDED TO COUNCIL

- (1) That Council Procedure Rule 5.5 which prohibits Members of Strategy Committee substituting for members of Overview and Scrutiny Committees or vice-versa be not changed.**

- (2) That Article 7.02 of the Constitution which states, subject to political balance requirements, that Group Leaders shall be Members of Strategy Committee and Deputy Group Leaders their substitutes be not changed.

17 ANNUAL REPORT ON THE COUNCIL'S PROCUREMENT STRATEGY ACTION PLAN (2008 – 2011)

The Head of Contract and Asset Management submitted a report ([Paper L47](#)) providing an update on progress of the third year of the Procurement Strategy Action Plan included in the Council's Procurement Strategy and Framework document (2008/11). It was noted that further work is being undertaken with Mid Suffolk District Council and the Countywide Procurement Group on future plans and that these would be reflected in subsequent updates.

It was noted that the 2010/11 financial target of £50,000 savings generated through procurement initiatives has been exceeded as has the three year accumulative target of £150,000.

During consideration of this matter it was agreed that the Procurement Task Group be requested to ensure that when local companies are requested to sign up to the Suffolk B2B web site companies are asked relevant questions or that where questions are not relevant to them a response can be provided indicating so.

RESOLVED

- (1) That the progress made against the actions in the original Action Plan, and new targets introduced (bearing in mind that, as a 'live document', new targets are introduced whenever new opportunities or initiatives appear) as contained in Appendix 1 to Paper L47 be noted.
- (2) That the level of procurement savings achieved as contained in Appendix 2 to Paper L47 be noted.

18 2010/11 ANNUAL GOVERNANCE STATEMENT (AGS)

The Director of Finance introduced [Paper L49](#) reviewing the Council's Corporate Governance Arrangements as required by the Accounts and Audit (Amendment) (England) Regulations 2011 and seeking approval to the Annual Governance Statement that has been prepared. The proposed AGS in Appendix A to Paper L49 was to be revised to further reflect the integration of our governance arrangements with Mid Suffolk in 2010/11 and beyond and a revised recommendation was circulated to that effect.

Members were also advised of proposed changes to the Council's existing Code of Corporate Governance as outlined in Appendix B to Paper L49.

RESOLVED

That the Annual Governance Statement in Appendix A of Paper L49 be approved, based on the evidence in supporting Annex A, subject to the Director of Finance, in consultation with the Chairman of this Committee, being authorised to amend the Statement to further reflect the integration of our governance arrangements with Mid Suffolk in 2010/11 and beyond. Subject to that approval, the Chief Executive and Chairman of the Strategy Committee sign the 2010/11 Annual Governance Statement on behalf of the Council.

RECOMMENDED TO STRATEGY COMMITTEE

That the revised Local Code of Corporate Governance in Appendix B to Paper L49, which incorporates recent changes as a result of the Chartered Institute of Public Finance and Accountancy's "Statement on the Role of the Chief Financial Officer in Public Service Organisations" be approved.

19 **STATEMENT OF ACCOUNTS 2010/11**

The Director of Finance submitted a report ([Paper L48](#)) highlighting key issues relating to the 2010/11 Statement of Accounts which has been approved by the Director of Finance by the due date of the 30 June 2011, and updated the Committee on the financial outturn for the year.

Members were requested to scrutinise the statement of accounts and raised the following issues:-

- Pension fund – further details required on age, salary and valuation basis
- HRA - Rental figures and increase in average rent needed clarifying
- Asset Valuations – clarification required on individual assets.

The Director of Finance undertook to provide Members with additional information on these points and indicated that the annual 'Summary of Financial Information' that is produced will aim to provide a much more understandable and concise summary of the Council's financial position for 2010/11. Members also indicated that a workshop on the Statement of Accounts should be organised to consider these further and that a report on the Pension Fund should be submitted to a future meeting of the Committee.

RESOLVED

- (1) **That the updated final financial outturn for 2010/11 and the new arrangements for approving the Statement of Accounts as contained in Paper L48 be noted.**
- (2) **That further consideration be given to asset valuations and HRA rental before the Statement of Accounts are audited.**

(3) That it be noted that the Annual Governance Statement (AGS), will be published alongside and to accompany the Statement of Accounts.

20 WORK PLAN

The Director of Corporate Services submitted a report ([Paper L50](#)) providing details of the Committees anticipated work for 2010/11. It was noted that the Work Plan had recently been amended to incorporate the revised Committee dates approved by Council on 27 June. The following amendments/updates were noted:-

- Date of joint meeting with Overview and Scrutiny (Community Services) Committee to be 13 December
- Item on Pension Funds to be submitted to 15 November meeting
- Item on the Shared Revenues Partnership to be included on the Agenda for a relevant meeting.

RESOLVED

That the Work Plan submitted as Paper L50, as amended as above, be noted.

Note: The meeting adjourned for refreshments between 11.10 a.m. and 11.30 a.m.

The business of the meeting was concluded at 12.40 p.m.

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Chairman