

**MINUTES OF FINANCE AND AUDIT COMMITTEE MEETING - THURSDAY, 29 JANUARY
2015**

Present:

Councillor Callow (in the Chair)

Councillors

I Coleman
Galley

Hunter
O'Hara

Smith
L Taylor

In Attendance:

Neil Jack, Chief Executive

Steve Thompson, Director of Resources

Carmel McKeogh, Deputy Chief Executive

Trevor Rees, KPMG

Bernadette Jarvis, Senior Democratic Services Adviser

1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

2 MINUTES OF THE LAST MEETING HELD ON 27TH NOVEMBER 2014

The Committee agreed that the minutes of the last meeting held on 27th November 2014 be signed by the Chairman as a correct record.

3 STRATEGIC RISK REGISTER - RETENTION OF STAFF OF THE RIGHT CALIBRE AND MAINTAIN MORALE

Ms McKeogh, Deputy Chief Executive, updated the Committee on actions taken to retain high calibre staff and maintain morale within the Council.

Ms McKeogh reported on the current labour turnover percentages for the Council and highlighted the positive and negative impact of labour turnover. She informed Members that the main reasons for staff voluntarily leaving the Council were linked to salary and lack of promotional opportunities. She reassured Members that generally there were no significant concerns in terms of managing risk to the Council from the labour turnover rates and that the figures were low in comparison with other industries. Ms McKeogh informed Members of the increasing difficulty however in recruiting and retaining certain staff, particularly senior leaders in schools and experienced and senior staff within certain occupational areas such as Childrens Social Care and reported on the ongoing activities being undertaken to address this issue.

Ms McKeogh reported on the significant number of initiatives within the Council to support staff and emphasised the importance of these, particularly in the current financial climate. Members were informed of the positive views of employees from a recent staff survey and Investors in People Assessment (IIP) that had demonstrated an increase in

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staff receiving praise and recognition, improved links with the Council's vision and a strong sense of social responsibility and civic pride. Ms McKeogh reported that the main issues highlighted in the IIP Assessment were consistency and concerns that staff felt dominated by the continuing budget cuts.

Responding to concerns raised by the Committee on the impact of the continued redundancies on staff morale, Ms McKeogh reported on the numerous support packages that were available for employees, the voluntary redundancy incentive that had been introduced to reduce the number of compulsory redundancies and the acceleration in the timescale for the redundancy process to reduce the period of uncertainty for staff. She also reported on the positive feedback that had been received from staff following the relocation to Bickerstaffe Square and the increased flexibility for staff as a result of the roll out of the new IT equipment.

Following requests from the Committee, Ms Keogh agreed to provide Members with the results of the employee opinion survey and the policies for managing capability and performance.

The Committee agreed to note the report.

Background papers: None

4 ENGAGEMENT OF CONSULTANTS MONITORING REPORT

Mr Thompson, Director of Resources, reported that there had been one engagement of a consultant in excess of £25,000 for the period 1st August to 31st October 2014. He advised that this was a short term appointment within the Community and Environmental Services Directorate.

The Committee was advised that the next report to the Committee would be at its meeting on 25th June 2015.

The Committee agreed to note the report.

Background papers: None

5 EXTERNAL AUDIT PLAN 2014/2015

Mr Rees, KPMG, presented Members with the Council's External Audit Plan for 2014-2015. He explained KPMG's primary responsibilities to report on the Council's financial statements and use of resources.

Mr Rees advised the Committee of the four key stages of the financial statements audit process and the timetable for each stage. He reported on requirement to consider two standard risks for all organisations which were Management override of controls and fraudulent revenue recognition although the latter was not considered a significant risk for Local Authorities due to the nature of their business.

He also informed Members of three areas where additional audit focus would be applied

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had been identified although they were not considered to be of significant risk. These areas were payroll, fixed asset balances and bank and loan balances.

The Committee was advised of a potential Value for Money risk that had been identified during an assessment of the Council's key business risks which was the additional savings of £25 million in 2015/16. Mr Rees reassured Members that there were no current concerns in relation to the Council's ability to meet this challenge.

Mr Rees reported on the Audit timeline and advised Members that the ISA 260 report was due to be presented to the Committee at its meeting in September 2015.

Mr Rees completed his report by advising that the planned Audit Fee for 2014/15 was £146,870 which was the same amount as in 2013/14.

The Committee agreed to note the report.

Background papers: None

6 FINANCIAL MONITORING AS AT MONTH 7 2014 - 2015

Following a request by Mr Thompson, Director of Resources, the Committee agreed to consider the Financial Performance Monitoring as at Month 7 2015/2015 under Agenda item 7, Financial Performance Monitoring as at Month 8 2015/15 as this represented the most up to date budgetary position.

Background papers: None

7 FINANCIAL MONITORING AS AT MONTH 8 2014 - 2015

Mr Thompson, Director of Resources presented the Financial Performance Monitoring Report as at Period 8. He reported on an improving pattern in relation to the variance in the budget forecast since it was initially reported in May and outlined the main reasons for this. He advised Members that the forecast outturn overspend as at period 8 was £988,000 which although a significant amount, it was less material when considered within the context of the gross revenue budget of approximately £5 million or the Net Requirement of £141 million. Further progress on reducing the overspend had been made in period 9 and although it was not anticipated that the financial year end target of £6 million working balances would be achieved it was predicted that it would be closer to this figure.

The Committee was informed of the main areas that accounted for the overspend in period 8. These areas included Children's Services which was mainly attributed to the planned reduction in the number of Looked After Children not being met and car parking where a strategy was being developed to improve accessibility and ease of payment for car parks.

Mr Thompson confirmed that a review to verify the recharge figures for concessionary fares was underway as they appeared to be higher than anticipated but the overall impact of the concessionary fares would not be known until the review had been

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completed.

Responding to a request from the Committee, Mr Thompson agreed to request a detailed report on Parking Services be presented to the Committee at a future meeting. He also agreed to provide information to Members on the percentage of business rates that were paid in full at the beginning of the year rather than in instalments throughout the year. Mr Thompson advised that the impact of the entitlement of Business Rate payers to elect to pay by 12 monthly instalments instead of over 10 months would be known be fully known until the end of March 2015.

Responding to concerns relating to the delay in the demolition of the Syndicate building, Mr Thompson reported that he understood that the issue regarding the telephone mast had now been resolved. However, the remaining issue regarding the relocation of the electricity substation was taking longer than originally anticipated.

The Committee agreed to note the report and to receive a detailed report from Parking Services at a future meeting.

Background papers: None

8 DATE OF NEXT MEETING

Members noted that the next meetings of the Committee will be taking place on Friday 13th February 2015 as follows:

9.30am - Finance and Audit Committee and Unions Budget Consultation

11.30am - Finance and Audit Committee and Non-Domestic Ratepayers Budget Consultation

Chairman

(The meeting ended 7.00 pm)

Any queries regarding these minutes, please contact:
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