

MINUTES of the meeting of Audit and Governance Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford, HR1 1SH on Friday 9 May 2014 at 10.00 am

Present: Councillor J Stone (Chairman)

Councillors: EMK Chave, MAF Hubbard, TM James, Brig P Jones CBE and PJ McCaull

In attendance: Councillors MD Lloyd-Hayes and A Seldon

Officers: P Robinson (Chief Financial Officer), T Brown (Governance Services)

Councillor RC Hunt and Councillor PJ Watts

The Committee observed a minute's silence in memory of Councillors RC Hunt and PJ Watts.

36. APOLOGIES FOR ABSENCE

Apologies were received from Councillors CNH Attwood, PGH Cutter, NP Nenadich and DB Wilcox.

37. NAMED SUBSTITUTES

There were no named substitutes.

38. DECLARATIONS OF INTEREST

There were no declarations of interest.

39. MINUTES

In relation to Minute no 29, the Committee's role in considering the waste disposal contract was discussed. It was acknowledged that the respective roles of the Audit and Governance Committee and the General Overview and Scrutiny Committee needed to be clear. It was noted that the Solicitor to the Council would be submitting a report on the contract to the next meeting. The final value for money report by Deloitte on the decision to vary the Waste Management PFI contract with Mercia Waste Management Ltd to design, build and operate an Energy from Waste facility would also be submitted to the Committee when received. This was due to be updated following finalisation of contract negotiations with Mercia Waste Management Ltd and financial close on the contract in May 2014.

A Member referred to a document which he understood to have been circulated to Group Leaders proposing additional terms of reference for the Committee in relation to the waste contract. He questioned why this had not been submitted to the Committee for consideration and sought clarification. In response it was confirmed that there was no proposal in the report before the Committee to add to its terms of reference. If such a proposal were to be brought forward this would require approval by the Council.

In relation to Minute no 32, the Chairman proposed that resolution (b) (a report on the implications of the "2016 tipping point report" by Grant Thornton be made to the

Committee) should be amended on the basis that there was nothing at this stage to add to what had been discussed at the Committee's meeting in March and that it would be more appropriate for a report to be brought forward if it were necessary to do so.

In relation to Minute no 34 – Ross-on-Wye Community Governance Review Group the Chairman reported on progress and again complimented the officers involved on their work.

RESOLVED: That the Minutes of the meeting held on 18 March 2014 be confirmed as a correct record and signed by the Chairman, subject to Minute no 32 resolution (b) being amended to read:

(b) if the Chief Financial Officer becomes concerned about the Council's financial resilience in the light of the findings of the "2016 tipping point report" by Grant Thornton a report will be made to the Committee.

(The Chairman agreed that agenda item 7 (minute no 42 refers) would be considered first followed by the remaining items.)

40. PROGRESS REPORT ON 2013/14 INTERNAL AUDIT PLAN

The Chief Finance Officer presented the report.

He commented that the employment of the South West Audit Partnership as the Council's internal auditors would provide additional audit resource. He noted that the intention was that the new auditors would give a presentation to the Committee at its next meeting.

He drew attention to the four areas where the auditors considered "Limited Assurance" was provided: Data Protection, Income Collection, Public Health – Food Licensing, and the Gypsy and Traveller function, and the actions being taken.

RESOLVED: That the report be noted.

41. BUDGET MONITORING REPORT - JANUARY 2014

The Committee received an update on the financial position to the end of January 2014 as reported to Cabinet on 13 March 2014, including the arrangements for future budget monitoring.

The Chief Financial Officer presented the report. He commented that the expectation was that the forecast outturn for the year would be in line with projected expenditure and that there would be a break-even position.

The successful bid for a capitalisation directive for one-off expenditure on transformation was discussed. The Chief Financial Officer commented that this did increase short term borrowing but allowed for the cost of the transformation programme to be spread over the next five years.

The Chief Financial Officer also provided clarification of the efficiencies achieved in public health, adults and children's wellbeing services. In response to concern that important preventative measures would be diluted he said that this would not be the case. The efficiencies reflected the benefits of integration and joint working.

He agreed to provide clarification on what expenditure fell within the heading "other central budgets" to Councillor Hubbard.

RESOLVED: That the report and the forecast position be noted.

42. COUNCIL CONSTITUTION

The Committee was asked to note the technical amendments being made to the council's constitution under authority delegated to the Monitoring Officer, as set out in an appendix to the report, and to consider arrangements for further review of the constitution.

The Chief Financial Officer presented the report. He emphasised that the changes referred to in the appendix were technical, reflecting changes made to job titles and/or job responsibilities, and the law, and incorporating decisions taken by council.

Some Members considered that a more detailed explanation of the changes to the content of the constitution could have been given and would have been helpful, although it was accepted that the changes were being presented for information. When amendments of a more fundamental nature were brought forward it was emphasised that it would be important for the detail of the wording to be clearly set out so that Members could satisfy themselves that it was intelligible.

Members supported the establishment of a working group to review the constitution. Councillor EMK Chave expressed an interest in serving on the working group. She also requested that the need to consider amending paragraph 4.1.7 of the Constitution to provide that the time allocated for a break in proceedings at Council meetings should not be counted as part of the three hour time limit should be logged.

RESOLVED:

That (a) the technical amendments being made to the constitution summarised at Appendix A to the report be noted;

(b) a working group be established to participate in reviews of the constitution, reporting to the Audit and Governance Committee which will then make recommendations to Council on any proposed changes to the Constitution; and

(c) Group Leaders each be invited to nominate up to two representatives to serve on the working group and agree who will chair the working group.

The meeting ended at 11.00 am

CHAIRMAN