

MINUTES OF A MEETING OF THE  
CORPORATE BUSINESS SCRUTINY  
COMMITTEE HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD  
ON TUESDAY, 19 MAY 2009 AT 7.30 PM

PRESENT: Councillor D Andrews (Chairman).  
Councillors R Beeching, R N Copping, R Gilbert,  
J Hedley, G Lawrence, J O Ranger, P A Ruffles  
(substitute for J Mayes), R I Taylor (substitute for  
M Wood), J Warren.

ALSO PRESENT:

Councillors P R Ballam, M G Carver, D Clark,  
M J Tindale.

OFFICERS IN ATTENDANCE:

Linda Bevan	- Committee Secretary
Simon Chancellor	- Head of Financial Support Services
Karl Chui	- Performance Officer
Philip Hamberger	- Programme Director of Change
Marian Langley	- Scrutiny Officer
Alan Madin	- Director of Internal Services
Paul Mitchell	- Principal Accountant
Ceri Pettit	- Head of Strategic Direction (Shared) and Performance Manager

ALSO IN ATTENDANCE:

Mark Swallow	- Sector
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15 APOLOGIES

Apologies for absence were submitted on behalf of Councillors J Mayes, M Wood and N Wilson. It was noted that Councillors P A Ruffles and R I Taylor were in attendance as substitutes for Councillors J Mayes and M Wood.

16 CHAIRMAN'S ANNOUNCEMENTS

The Chairman thanked the previous Chairman of the Committee for his work over eight years in developing the scrutiny role and Members of the Committee also added their thanks.

17 DECLARATIONS OF INTEREST

Councillor M J Tindale declared a personal and prejudicial interest in Minute 18 - Treasury Management - An Overview by virtue of his involvement with Scottish Widows Investments through work. He stayed in the meeting during discussion of the item as the details of the fund managers were not discussed.

RESOLVED ITEMSACTION18 TREASURY MANAGEMENT - AN OVERVIEW

The Executive Member for Resources and Internal Support submitted a report giving an overview of arrangements in place for the Council's treasury management. This had been requested by the Corporate Business Scrutiny Committee in order to better understand the subject and scrutinise it.

It was reported that treasury management included the management of the Council's cash flows, borrowings and investments to support the Council's policy objectives.

The Chartered Institute of Public Finance and Accountancy

ACTION

(CIPFA) had drawn up a code of practice to give guidelines for treasury management. The Code had been adopted on 5 March 2002. It was reported that guidance was that local authorities should be more concerned to avoid risks than to maximise returns. However, it was still a duty on local authorities to seek to earn as high a return as possible within acceptable risk exposures.

The Prudential Code was introduced in 2004. Under this system local authorities could determine how much they wanted to borrow within a specified annual level for each authority.

The Council had also produced a Treasury Management Policy Statement which would be reviewed in the light of recent Audit Commission guidance.

Details of the Council's handling of risk and credit ratings were given. The report also gave information on the Council's external advisors and their role.

Members noted that in future return on investments would be lower than in recent years because of the economic situation. They were assured that Officers and external advisors had allowed for this in all calculations.

In response to a question from a Member the maturity date of certain loans was given.

Members commented on their lack of involvement with fund managers and suggested more Members should be involved in the meetings with them.

It was noted that the Audit Commission had suggested Members should be more involved with Treasury Management and Members felt they needed training to improve their oversight of this.

ACTION

The Programme Director of Change suggested Members could receive regular updates at the Corporate Business Scrutiny Committee.

The Committee decided to inform the Executive of its comments now detailed.

RESOLVED - that the Executive be informed that the Corporate Business Scrutiny Committee considers:

(A) Members' oversight of treasury management should be strengthened in line with the Audit Commission's guidance;

(B) Members' training on treasury management should be prioritised and delivered in the current year with a view to improving oversight of treasury management through increased knowledge and understanding of the associated risk management issues; and

(C) the Chairmen of the Audit Committee and Corporate Business Scrutiny Committee (at least) should be involved in the regular meetings of the fund managers with Officers and the Executive Member for Resources and Internal Support.

19 2008/09 END OF YEAR SERVICE PLANNING

The Leader of the Council submitted a report on progress on service plans to the end of 2008/09. A summary was given of actions that had been achieved and those requiring a revised completion date was given. The actions were considered in relation to the Council's priorities.

Members commented on the strong response on the issue of provision for gypsies and travellers which had been provided by the Executive Member for Planning Policy and Transport. The Head of Strategic Direction (Shared) and

CE

ACTION

Performance Manager undertook to revise the wording of the paragraph concerning public consultation on this issue in the light of Members' comments and circulate it to Members of the Committee.

The Chairman commented on the high percentage (90%) of actions in the service plans which had been completed and on a successful bid for a large grant towards recycling.

The Committee decided to note the actions requiring revised completion dates and the high percentage of actions in the service plans which had been completed.

RESOLVED - that the Executive be informed that the Corporate Business Scrutiny Committee notes the actions requiring revised completion dates and the high percentage of actions in the service plans which have been completed.

## 20 2008/09 PERFORMANCE OUTTURNS

The Leader of the Council submitted a report on the outturns on performance indicators for 2008/09. A further report was circulated at the meeting on updated targets. Details of the national and local performance indicators monitored by the Council were given.

Members commented on a number of the indicators and suggested some changes as now detailed.

RESOLVED - that the Executive be informed that the Corporate Business Scrutiny Committee has the following comments on the 2008/09 Performance Outturns:

(A) the updated targets in the report circulated at the meeting should be approved subject to the target for sickness absence being considered after the forthcoming review;

ACTION

(B) the target for EHPI 204 (Planning Appeals allowed) be increased to 40%; and

(C) the target for EHPI 7.35 (Property expenditure) be slightly amended to allow for some variation in expenditure.

## 21 CORPORATE HEALTHCHECK - JANUARY TO MARCH 2009

The Director of Internal Services submitted an exception report on the performance of the key indicators relating to Corporate Business Scrutiny Committee for January to March 2009.

Members discussed the report and the Programme Director of Change undertook to provide details of the underspend on Shaping Bishop's Stortford. The reduced income from certain services eg development and building control was noted.

A Member highlighted the large variance between the estimate for capital expenditure and the actual spend. Members asked for a further report on this as now detailed.

RESOLVED - that the Executive be informed that the Corporate Business Scrutiny Committee considers that the underlying causes behind the variance between the actual capital expenditure and the estimate should be investigated and a report should be submitted to the meeting of the Corporate Business Scrutiny Committee in October to enable Members to understand how the estimate and the actual spending could be so different.

## 22 WORK PROGRAMME 2009/10

The Chairman of the Corporate Business Scrutiny Committee submitted a report inviting the Committee to review its work programme.

ACTION

The Committee noted it had agreed to add an item on the capital expenditure variance for 2008/09 to the work programme.

RESOLVED - that the following item be added to the Work Programme:

Capital Expenditure - Explanation of Variance for 2008/09 (provisional date – October 2009).

The meeting closed at 9.10 pm.

Chairman	.....
Date	.....