

## **Corporate Governance Committee – 12 December 2011**

Present: Councillor Denington (Chairman)  
Councillor A Wedderkopp (Vice-Chairman)  
Councillors Beaven, Coles, Hall, Hunt, R Lees, Mrs Stock-Williams and Tooze.

Officers: Shirlene Adam (Strategic Director), David Woodbury (Health and Safety Advisor), Paul Harding (Performance and Client Lead), Dan Webb (Client and Performance Lead), Chris Gunn (Internal Audit Manager), Tony Brown (South West Audit Partnership) and Natasha Williams (Admin Officer).

Also Present: Councillor Williams, Peter Lappin (Audit Commission).

(The meeting commenced at 6.15 pm)

### **61. Apologies**

Apologies: Councillors Gaines, Govier, Miss James and Reed.

### **62. Minutes**

The minutes of the meeting held on 26 September 2011 were taken as read.

### **63. Declaration of Interests**

Councillor Tooze declared a personal interest as an employee of the UK Hydrographic Office.

### **64. Health and Safety Update Report**

Considered report previously circulated concerning progress in implementing the health and safety action plan. The Corporate Health and Safety Advisor explained that overall progress was good, with no new significant risks or incidents to report.

There had been an increase in the number of injury accidents to children within the new play areas. This had been recognised as a possible outcome of the revised Play Strategy but each incident needed to be reviewed to ensure that the inspection and maintenance regime was correct.

**Resolved** that the revised Health and Safety Forward Plan be noted.

**65. Annual report of the Standards Committee.**

Mrs Anne Elder, Chairman of the Standards Committee, presented the Annual Report of the Standards Committee for 2010/2011.

The Committee had been in operation since 2000. Annual reports in the past and sought to cover only a complete year however it was intended that future reports should cover financial years – between 1 April and 31 March.

Membership of the committee was made up of a majority of independent Members and there was a requirement for the Chairman to be chosen from the independent Members.

In the last year Anne Elder had been re-appointed Chairman of the Standards Committee and Alan Cottrell had been appointed Vice-Chairman.

Members were informed that although Standards were no longer a statutory requirement, Taunton Deane Borough Council could decide to retain its Committee.

Councillors thanked the Standards Committee for their hard work and guidance to all Councillors, both at Borough and Parish level.

**Resolved** that the report be noted.

**66. Audit Commission – Annual Audit Letter 2010/2011**

Mr Peter Lappin of the Audit Commission introduced Taunton Deane Borough Council's Annual Audit Letter.

The report set out an overall summary of the Audit Commission's assessment of the Council and outlined the following:-

- A conclusion on the Statement of Accounts and Annual Governance Statement;
- A conclusion on Value for Money;
- The fees charged by the Audit Commission compared to those budgeted;
- Current and future challenges; and
- Action Plan.

**Resolved** that the report be noted.

**67. Internal Audit Plan – Progress Report**

Considered report previously circulated, which provided an update on the significant findings and recommendations since September 2011.

The report provided:

- Details of any new significant weaknesses identified during internal audit work completed since the last report to the committee in September 2011; and
- A schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority rankings of these.

Members discussed the number of identified weaknesses within the internal control environment.

Appendix B would be enhanced and the officer in charge would attend future meetings.

**Resolved** that the report be noted.

#### **68. Corporate Governance Action Plan Update.**

Considered report previously circulated, which provided details of the progress made against the Corporate Governance Action Plan.

Each year the Council received a number of reports and assessments which resulted in recommendations for improvement. Individual action plans had proved challenging to manage and monitor and, therefore, an aggregated plan provided the details of the scale of improvements required and progress against them in one place.

The Corporate Governance Action Plan had undergone a full review and has been updated to include the most recent audit recommendations. These were in addition to some actions from previous audits that remained outstanding or were still considered as priorities for improvement.

The Corporate Governance Action Plan currently listed 22 actions, details of which were submitted. The progress monitoring indicated a similar position compared to the previous report in June 2011. Currently, most actions were on course to be completed.

It was noted however that there were five 'High Priority' action items with an 'amber' status. These were:-

- Completing the Business Continuity (BC) and IT Disaster Recovery Planning (including SW1 services);
- Updating the Workforce Strategy and completing and agreeing a new workforce plan;
- Updating the IT strategies and ensuring there were clear links from these to financial planning;

- Determining spending priorities and reducing expenditure to ensure that future budgets were balanced and
- Ensuring that future budgets were balanced by closing the gap between expenditure and projected income.

**Resolved** that the report be noted.

## 69. Debt Recovery Report

Considered report previously circulated, detailing how the Council was managing the collection of its invoiced debts at the mid-way point of the 2011/2012 financial year. The report provided a comparison with the corresponding time in 2010 in order for a performance trend to be established.

Southwest One's Accounts Receivable Team provided a key service in managing the sundry debt recovery process on the Council's behalf and since 1 April 2009 the majority of the Council's sundry debts had been administered using the SAP computer system.

The Council's Performance and Client Team regularly monitored the level of sundry debt arrears and the level of sundry debt arrears in SAP was reported quarterly to the Executive and the Corporate Scrutiny Committee as part of the Council's quarterly corporate scorecard.

The audit opinion on how we managed sundry debts was reported in the 'Annual Statement of Governance' published with the annual accounts.

The following tables showed the current Council performance with regard to debt collection compared to the position in the previous financial year:-

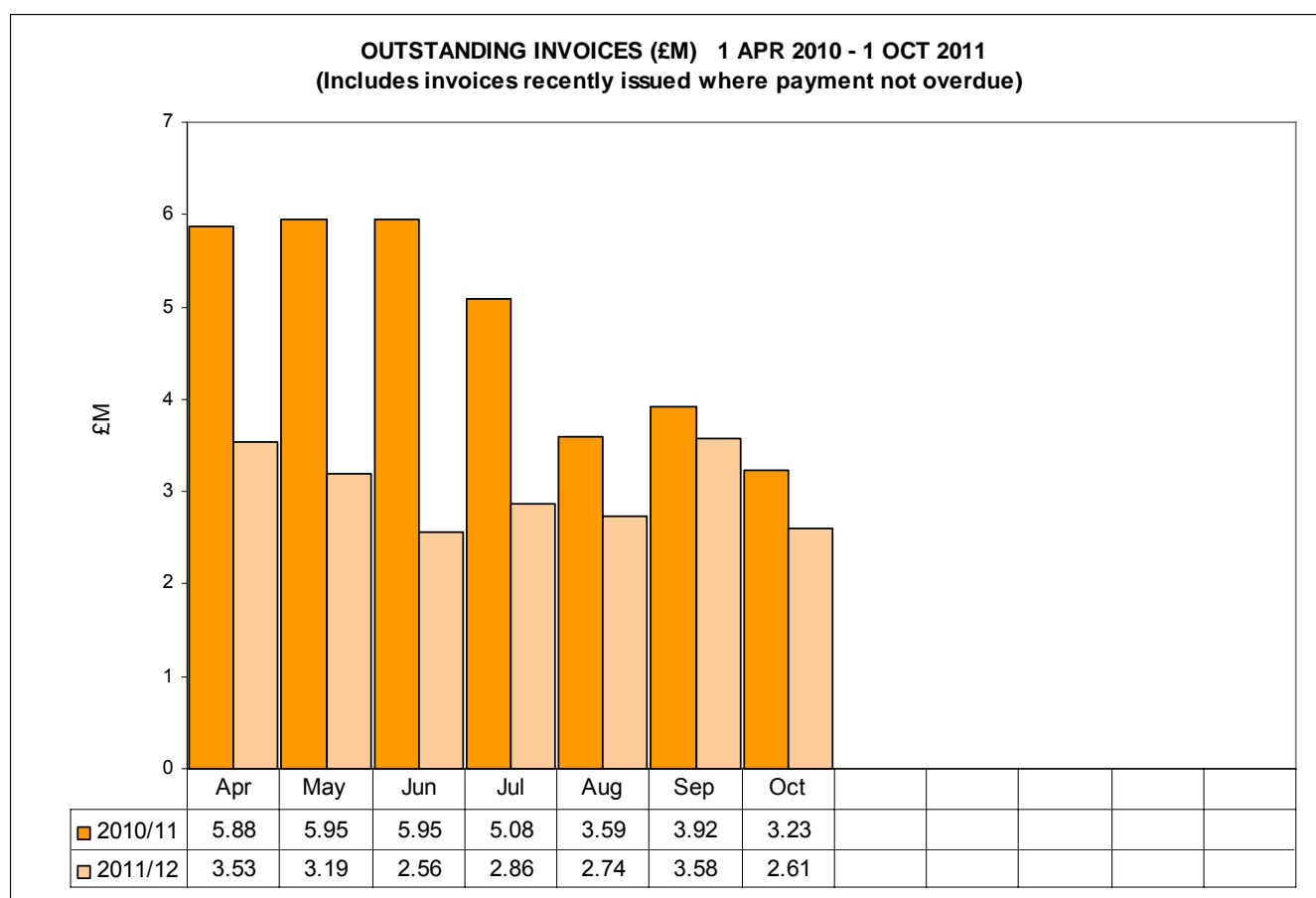
### Sundry Debts

Debt Type	Responsibility	1 Oct 2010	1 Oct 2011	Performance Trend at mid point 2011/12
<b>Sundry Debts in SAP</b>	Southwest One Accounts Receivable Service and TDBC Services	<b>Overdue:</b> £ 2.64m	<b>Overdue:</b> £ 2.23m	↑

Tables 1 and 2 below provided some further insight into the direction of travel relating to sundry debt collection for the first half of the financial year.

Table 1 showed the overdue balance at the beginning of each month between 1 April 2010 and 1 October 2011.

**TABLE1**

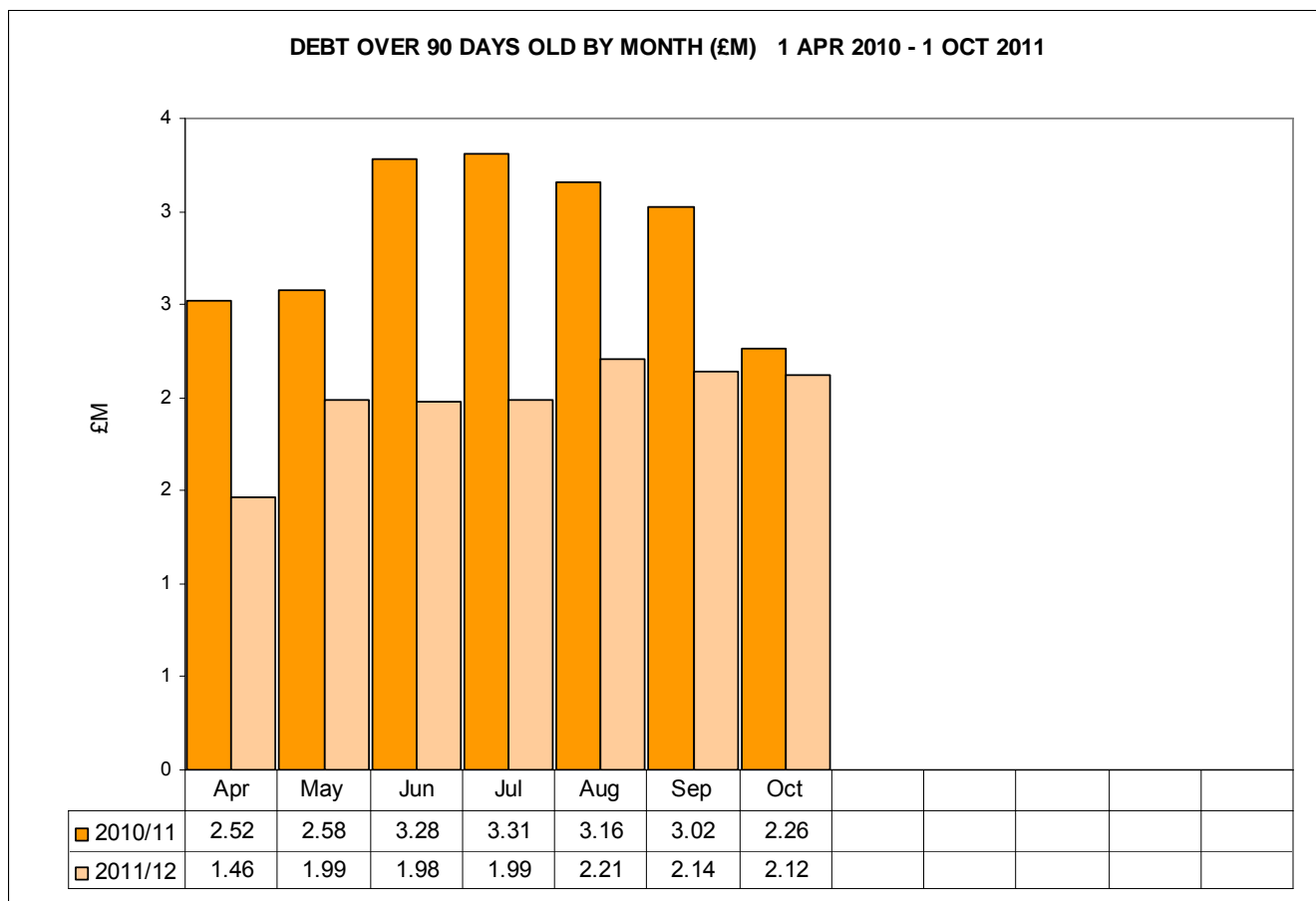


The value of overdue balances at 1 October 2011 was 15% (or £410K) lower than at the corresponding time in 2010. As can also be seen, the overdue sum for each month so far of the 2011/12 year, has been significantly lower than the corresponding month in 2010/11.

Table 2, provided a month by month analysis of the value of debts in SAP which were more than 90 days old.

The latest set of figures available showed that £2.37m was outstanding (£3.25m was due at 1 December 2010).

**TABLE 2**



The value of debt more than 90 days old at 1 October 2011 was 6% (or £140K) lower than at the corresponding time in 2010.

It could be seen that the level of debt over 90 days old, for each month so far of the 2011/12 year, had been lower than the corresponding month in 2010/11.

The latest set of figures available showed that £1.85m debt over 90 days old was outstanding (£1.51m was due at 1 December 2010).

**Council Tax**

<b>Debt Type</b>	<b>Responsibility</b>	<b>30 Sept 2010</b>	<b>30 Sept 2011</b>	<b>Performance Trend at mid point 2011/12</b>
<b>Council Tax (In-year)</b>	Southwest One Revenues and Benefits Service	Billed for year: <b>£50,800,667</b>	Billed for year: <b>£51,556,012</b>	↓
		<b>63.93%</b> Collected at 30/09/10.	<b>63.53%</b> Collected at 30/09/11.	

Council Tax was a key source of income to the Council and consequently Council Tax collection was a key performance indicator within the Southwest One contract. Collection performance at the end of the first half of 2011/12 showed a slight dip from the corresponding point in 2010/11.

The target for the year was 97.8% to be collected at 31 March 2012.

## Business Rates

Debt Type	Responsibility	30 Sept 2010	30 Sept 2011	Performance Trend at mid point 2011/12
<b>2. Non-Domestic Rates</b> (In-year)	Southwest One Revenues and Benefits Service	Billed for year: <b>£35,226,078</b>	Billed for year: <b>£38,141,221</b>	↓
		<b>64.92%</b>  Collected at 30/09/10.	<b>64.55%</b>  Collected at 30/09/11.	

Reported that unlike with Council Tax, the collection of Non-Domestic Rates had no direct financial impact on Taunton Deane as any shortfall on collection was met by the central Non-Domestic rating pool. However, poor performance would have a negative impact on the Council's reputation. For this reason, Non-Domestic Rate Council collection was a key performance indicator within the Southwest One contract.

The latest set of figures available showed that 78.47% of the years Rates had been collected. The Revenues and Benefits service was confident that based on collection performance so far they would achieve the collection target which had been set.

Collection performance was monitored monthly by the Client and Performance team. The collection target for the year was 98.4% at 31 March 2012.

## Recoverable Overpaid Housing Benefit

Debt Type	Responsibility	30 Sept 2010	30 Sept 2011	Performance Trend at mid point 2011/12
<b>Recoverable Housing Benefit Overpayments</b>	Southwest One Revenues and Benefits Service	<b>Outstanding 30 Sept 10:</b>  £939,482.05	<b>Outstanding 30 Sept 11:</b>  £989,402.34	↑
		<b>Collection rate*</b> 22.5%	<b>Collection rate*</b> 24.33%	

The overall value of debt outstanding would inevitably increase given that this was a cumulative debt and the maximum weekly amount that could be recovered from individuals still receiving benefit was very limited.

Collection performance was monitored quarterly by the Client and Performance Team through Performance Indicators measuring the recovery of in-year and all year Housing Benefit overpayment debt. The next quarterly figures would be available at end December 2011.

The collection target was 37.5% of all Housing Benefit overpayments to have been recovered within the financial year at 31 March 2012.

## 2.4 Housing Rent

Debt Type	Responsibility	30 Sept 2010	30 Sept 2011	Performance Trend at mid point 2011/12
Housing Rent (current tenancies)	TDBC Housing Services	£333,708.62 Arrears	£391,181.17 Arrears	← →
		96.63% collected	96.59% collected	

The Target for 2011/12 was to close the year with £300k, or less, in rent arrears. The latest set of figures available showed that rent arrears stood at £348,382. The Housing Estates Team was confident that they would reach the target by the end of financial year.

**Resolved** that the report be noted.

## 70. Anti-Fraud and Error Policy Report

Considered report previously circulated, which had been refreshed in line with best practice and continued to clearly outline the Council's position on fraud and error in services administered and delivered by the Revenues and Benefits Service.

Annual expenditure on Housing and Council Tax Benefit in 2010/11 was in excess of £35m. The Council had a duty to protect the public purse and the Anti-Fraud and Error Policy would assist in minimising potential loss to the Council.



In Somerset, the cost of Council Tax collection and fraud investigation was borne by District Councils. The County Council received a larger share of the Council Tax and would therefore receive the greatest part of the additional income that arose from identifying single person discount fraud. However, the County Council did not contribute financially to the cost of identifying any fraud.

Members discussed the importance for employees of the Revenues and Benefits Service to undertake a Criminal Records Bureau check. The Strategic Director, Shirlene Adam, undertook to liaise with auditors in order to determine the risk to staff if a CRB check was not conducted.

**Resolved** that the report be noted.

#### **40. Forward Plan**

Submitted for information the proposed Forward Plan of the Corporate Governance Committee.

**Resolved** that the Corporate Governance Committee Forward Plan be noted.

(The meeting ended at 8:05 pm).