

**MINUTES OF THE GENERAL PURPOSES COMMITTEE
THURSDAY, 25 JUNE 2009**

Councillors Meehan (Chair), Griffith (Vice-Chair), Rahman Khan, Aitken, Bull, Davies and Williams

Apologies Councillor Bloch

MINUTE NO.	SUBJECT/DECISION
GPCO01.	<p>APOLOGIES FOR ABSENCE (IF ANY)</p> <p>Apologies for absence were received from Gerald Almeroth (Chief Financial Officer) and Councillor Bloch. Councillor Bloch was substituted for by Councillor Williams.</p> <p>Apologies for lateness were received from Councillors Bull and Davies.</p>
GPCO02.	<p>URGENT BUSINESS</p> <p>No items of urgent business were raised.</p>
GPCO03.	<p>DECLARATIONS OF INTEREST</p> <p>Mr Terence Mitchison, Legal Advisor, advised Members who were Trustees of the Alexandra Palace and Park Board that they were not required to declare an interest in Agenda Item 5, which contained accounts for the Alexandra Palace and Park charitable trust.</p>
GPCO04.	<p>DEPUTATIONS/PETITIONS</p> <p>No deputations or petitions were received.</p>
GPCO05.	<p>STATEMENT OF ACCOUNTS 2008/2009</p> <p>The Committee received the Statement of Accounts for 2008/09 and the tabled written comments from John Snelling, Employee Side Secretary.</p> <p>Kevin Bartle (Head of Corporate Finance) and Graham Oliver (Head of Finance – Accounting and Control) introduced the report which detailed the financial affairs of the Authority.</p> <p>The Committee noted that the accounts relating to Alexandra Palace and Park (AP&P) were for information only and did not form part of the Authority's accounts for approval by the Committee. Councillor Khan questioned the view that the AP&P was not controlled by the Council as the Council had funded a £2 million deficit with which AP&P closed the financial year. Mr Oliver explained that control of AP&P had been reviewed according to CIPFA (Chartered Institute of Public Finance and Accountability) guidance and it had been concluded that there was not a group relationship between AP&P and the Council; therefore the AP&P</p>

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accounts were presented to the Committee for information only. In relation to the deficit funding Mr Oliver advised the Committee that the Council had a legal obligation to fund any loss incurred by the Palace and that this funding was budgeted for and monitored throughout the year.

In response to a question about the potential loss relating to the Council investments in Icelandic banks, Mr Bartle reported that the amount that would be lost to the authority under the current predictions was £4.718 million. However, accounting regulations required the authority to account for the fact that these funds had not and would not be available for the authority's use until the future dates identified for repayment. The overall impairment loss recognised in the Income and Expenditure Account in 2008/09, £7.814 million, had been calculated, therefore, by discounting the assumed cash flows at the effective interest rate of the original deposits in order to recognise the anticipated loss of interest to the authority until monies were recovered. Adjustments to the assumptions would be made in future accounts as more information became available. The Authority had utilised the capital finance regulations (issued February 2009) to defer the impact of the impairment on the General Fund, and a sum of £9.311m had been transferred to the Financial Instruments Adjustment Account, which related to the capital sum invested. The balance of £1.497m related to interest which had been borne in full by the General Fund.

Mr Bartle went on to explain that the interest impairment of £1.497 million was based on the investments remaining with the Icelandic banks through to 31st March 2009, at the rate at which the original investments were made, which ranged between 5.44% and 6.45%. The actual loss of interest, if the deposits were returned at maturity dates, was £877k. The additional loss identified was again as required under accounting requirements which it was deemed would take account of the loss from being unable to invest the capital sums further. Mr Bartle stressed, however, that in reality this would not have happened given that interest rates had reduced significantly (down to 0.5% or lower) and it would have been impossible for the authority to have achieved the previous levels of return.

Councillor Khan (Chair of the Audit Committee) confirmed that at its meeting on 2nd June 2009 the Audit Committee had commented on the Governance Statement and the concerns/ comments made thereon appeared to have been modified in the revised version along with the Statement of Accounts but asked why, in relation to the balance sheet, cash from the "Net Current Assets" had not been utilised in the past as was the case in 2008/09. Mr Bartle explained that Treasury Management considerations were made and it had been decided to utilise some of the cash due to the uncertainty of current markets rather than borrow to help finance its capital programme.

Councillor Khan expressed concerns at the increase of expenditure on Central Services in 2008/09 and that there had been a lack of consultation on this increase. Mr Oliver explained that Property Services was included within Central Services and there had been a significant decrease in the value of the Council's assets. Mr Oliver also reminded the Committee that the Council's budget had been approved by Cabinet and subsequently scrutinised by the Overview and Scrutiny Committee.

The Statement of Accounts would be brought back to the Committee at its meeting

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	<p>on 24th September 2009 following the completion of the external audit.</p> <p>RESOLVED</p> <p>That subject to amendments to the minor discrepancy of the figures reported for the General Fund on the Balance Sheet (page 35 of the report) and the Statement of Movement on the General Fund Balance (page 33 of the report) the Council's financial statements for 2008/09 be approved.</p>
<p>GPCO06.</p>	<p>CONSULTATION FEEDBACK ON RESTRUCTURE OF ENVIRONMENTAL CRIME</p> <p>The Committee received the report on the results of consultation to proposals on the restructuring of the Environmental Crime Service to create a new Street Enforcement Service. At its meeting on the 10th March 2009 the General Purposes Committee approved restructuring proposals subject to consultation results.</p> <p>The Committee noted that overall responses to the consultation had been positive and constructive with the main areas of concern being around the unsociable hours staff would be required to work in return for a 10% supplement. Mr Robin Payne, Head of Enforcement, highlighted that responses showed staff felt that a 10% supplement was not sufficient and had raised concerns about the training and health and safety implications of working unsociable hours. Mr Payne explained that staff training days would be planned and would mean the service would not be operational during training sessions.</p> <p>In response to questioning from the Committee Mr Payne explained that the 10% supplement for unsociable hours was the maximum amount payable for single-status. The Service expected an area based grant to fund the additional costs but if funding was not provided the cost would be covered by the Service. Employing additional weekend staff, instead of changing the hours of current workers, would create a two tier system and there was not the volume of staff to enable this. There would be a total of 23 Street Enforcement staff plus a Dog Warden. There would be a loss of three unwarranted Street Wardens posts. In terms of pay scales, six officers at the top of the existing P01 grade would see a difference of £1400 less in their salaries but the 10% supplement for unsociable hours would mean staff would not lose out financially. The Service was in discussions with the Human Resources Team to consider raising officers to grade P02. Posts would be evaluated on a consistent basis and any shifts in grades would have an impact on budget plans.</p> <p>Committee Members asked what the equalities implications of the restructure were. Mr Payne explained that an Equalities Impact Assessment (EIA) would be conducted in September 2009 but the main equalities concerns arising from consultation were surrounding people with carer and family commitments and work-life balance.</p> <p>With regard to the proposed two team structure the Committee raised concerns that the North and West area was large compared to the South and commented that there would be different needs in different areas of the borough. Mr Payne explained that consideration was given to aligning the Street Enforcement Service Teams with the Children's Network Areas but funding resources would not enable three enforcement teams to be set up. The new set up of the teams was based on</p>

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	<p>enforcement intelligence and evidence of where there were problems but the intention was to retain flexibility when required and to have named contacts for each ward. Committee Members asked that Ward Councillors be given contact details of the named Enforcement Officer for their areas.</p> <p>A late written response to the consultation from John Snelling, Union representative, was tabled and included concerns about evening and weekend working, lack of flexibility of the structure to cope with annual leave and sickness, prospects of training for staff. Mr Payne informed the Committee that the points raised by Mr Snelling would be responded to.</p> <p>RESOLVED</p> <p>That the consultation undertaken and the comments from the Union are noted and the proposed steps for introducing a Street Enforcement Service that will replace the existing Environmental Crime Service be agreed.</p>
<p>GPCO07.</p>	<p>MINUTES</p> <p>RESOLVED</p> <p>That the minutes of the meeting held on 10th March be confirmed as a correct record.</p>
<p>GPCO08.</p>	<p>NEW ITEMS OF URGENT BUSINESS</p> <p>No new items of urgent business were received.</p>
<p>GPCO09.</p>	<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>RESOLVED</p> <p>That the press and public be excluded from the meeting for consideration of Agenda Items 10 and 11 as they contained exempt information as defined in Section 100a of the Local Government Act 1972; namely information that was likely to reveal the identity of an individual, and information relating to any individual.</p>

The meeting ended at 20:10 hrs

Councillor George Meehan

Chair

Councillor

Chair

SIGNED AT MEETING.....DAY

OF.....

CHAIR.....