

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

Councillors Meehan(Chair) Griffith, Whyte, Williams, Khan, Amin, Watson, Solomon, Egan and Jenks

Apologies Councillor Gorrie and McNamara

Also Present: Julie Parker, Kevin Bartle, Graham Oliver, Nicola Webb, Ian Benson, Roger Melling, Michael Jones, Keith Brown, Anne Woods, Subarna Banerjee, Paul Dossett, Caroline Glitre, Hanisha Solanki and Paul Ellicott.

MINUTE NO.	SUBJECT/DECISION	ACTON BY
CC30	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Councillor Gorrie and Cllr McNamara. Attending in their place as substitutes were Cllr Solomon and Cllr Egan. The substitutes had been properly appointed according to Committee procedure rules 49, 50 and 51.</p>	
CC31	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>	
CC32	<p>DECLARATIONS OF INTEREST</p> <p>Cllr Jenks declared a personal interest as a member of the Haringey Pension Scheme and also as a volunteer with the Citizens Advice Bureau and as a friend of Cooper's croft owned by TLC, which were both admitted bodies of the Pension Fund. There was further personal declaration of interests from Councillors Khan, Whyte and Griffith as members of the Council's Pension Scheme.</p> <p>Cllr Watson declared a personal interest as a deferred member of the Haringey Pension Scheme.</p>	
CC33	<p>DEPUTATIONS/PETITIONS/QUESTIONS</p> <p>There were no deputations put forward to the meeting.</p>	
CC34	<p>MINUTES</p> <p>The minutes of the 20th June 2011 were agreed subject to the additions</p>	

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

	<p>highlighted. The minutes of the meeting held on the 21 July 2011 were agreed as an accurate record of the meeting.</p> <p>A concern was expressed about the number of key agenda items on the agenda, which were voluminous in nature and required detailed attention by Members of the Committee. It was felt that when compiling the agenda, there should be more consideration given to the time required by Members of the Committee to read through reports in order to make decisions. Suggested that additional meetings should be set if needed to allow fuller consideration of reports. The Chair explained that the Statement of Accounts for 2010/11 and Pension Fund 2010/11 required approval by the Committee before the 30th September and thought had been given to the level of attention these reports would need and hence a number of items from internal Audit and pensions related items had been removed from the agenda. The remaining reports were also time limited and required decision by the Committee in September.</p> <p>The Committee noted that the Children’s Centre’s Staffing restructure report would require decision by the Committee in October and it was agreed to hold a special meeting on the 24th October 2011.</p>	Clerk
<p>CC35</p>	<p>QUARTERLY PENSION FUND UPDATE</p> <p>The Committee considered the quarterly Pension Fund update, for the quarter ending on the 30th June 2011. This was in line with their statutory duties. The report included details on the performance of the fund, responsible investment activity, the budget management position and an update on the on the proposed reforms to the Local Government Pension scheme.</p> <p>Clarification was sought on the activities to address underperformance against targets for this quarter. Assurance was given to Members that underperformance had been discussed with the Fund Managers who had also cited the volatility of the markets as a reason for underperformance.</p> <p>In relation to the concerns raised by Amnesty international and Friends of the Earth concerning Dutch Shell, LAPFF were continuing their dialogue with the company and there would be an update, as part of the section on responsible investment activity, in due course to the Committee as part of this regular report.</p> <p>A question was asked on whether the governance issues experienced by Legal and General were ongoing. In response the Committee noted that there were lessons learned from the rejection of the remuneration levels put forward to the Board. Since then, the Board Chair had agreed to meet in advance with members to consider significant proposals such as these before a public meeting.</p>	

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

	<p>RESOLVED</p> <p>That the Information provided in respect of the activity in the quarter to 30th June 2011 be noted.</p>	
<p>CC36</p>	<p>PENSION FUND ANNUAL REPORT AND ACCOUNTS 2010/11 AND ISA 260 AUDIT REPORT</p> <p>The Committee were provided with the audited Pension Fund Annual Report and Accounts for 2010/11 and the Annual Governance report of the external auditors, Grant Thornton who had attached their annual audit of the Pensions Fund for the Committee's consideration.</p> <p>Subarna Banerjee, from Grant Thornton confirmed that the status of the Audit was complete and subsequently the Pension Fund Annual report and Accounts for 2010/11 could be recommended for approval. The Committee were asked to note that the audit had been independent and in accordance with audit practice.</p> <p>The following points in the Audit were pointed to for the Committee's information:</p> <ul style="list-style-type: none">• Following additional contributions testing there were no matters arising from this exercise.• In relation to anomalies to investment valuations a pricing error had been identified and discussed with ING. Following this there had been an adjustment to the statement which was acceptable to the auditors.• Following the adoption of the international financial reporting standards the auditors were satisfied with the disclosures made by the Council.• The auditors were pleased to note that their previous year's recommendation of a separate bank account for the Pension Fund had been acted upon.• The timeliness of contribution receipt had improved from last year and the Council were recognised by the auditors as pursuing late payments. <p>The auditor's opinion was sought on the Council's management of risk. In response it was noted that the new ISA 260 already required Council's to add information on how they were tackling risk. The auditors confirmed that Council had included information on how they manage risks in relation to the Pension Fund.</p> <p>RESOLVED</p>	

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

	<p>i. That the contents of the Audit of the Pension Fund accounts and information provided above by the Auditors be noted.</p> <p>ii. That the Pension Fund Annual Report and Accounts for 2010-11 be approved.</p>	
<p>CC37</p>	<p>STATEMENT OF ACCOUNTS 2010/11 AND ISA 260 AUDIT REPORT</p> <p>The Committee were presented with the Council Accounts for 2010/11, and the external auditors, Grant Thornton's, audit report on the accounts. Due to the nature of the audit and the need to resolve any outstanding issues before agreement by the Committee, there was a tabled paper for Members to consider which had some changes to account details. There was also an updated version of the Annual Governance Statement enclosed which included two updated paragraphs that the Head of Audit and Risk could provide advice upon if required.</p> <p>The Committee were asked to note that adherence to the new International standards for accounts had increased the volume of accounts to be included in the statement and had also led to a change in presentation of the accounts. The Committee noted that the statement of accounts also included the Alexandra Park and Palace Board accounts as required by the IFRS.</p> <p>The external auditors drew attention to the following :</p> <ul style="list-style-type: none"> • That in relation to testing on contracts, they had not had sight of the framework agreements that they were connected too. However, they had seen relevant documentation and emails to be satisfied that these were in place. • Confirmed that the Council had completed group accounts and completed the representation letter in connection with the audit of their financial statements and provided an Annual Governance Statement before the 30th September deadline as required. • Audit adjustments as set out on page 166 of the report were agreed with by the auditors. <p>Following consideration of the report ,Members agreed that the following clarifications be provided by the Head of Finance - Accounting, Control & Income</p> <ul style="list-style-type: none"> • Page 96 - Planning gains - New River Village N8 was listed as having £1m unspent - This was likely to be subject of section 106 agreement and agreed that further information is provided to Cllr Whyte on why this is still unspent and what plans there are for utilising these monies. 	<p>HOFBAS</p>

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

	<ul style="list-style-type: none"> • Page 54 - Agreed that Head of Finance - Budgets, Accounting & Systems, check what is listed as a community asset and provide information to Cllr Whyte. • Page 113 contained information on the expenditure on publicity. There was £1, 121000 listed in the category of 'other' and it was agreed that the detail around this expenditure would be provided. Comment was made about the suitability of this term to this category when the figures attached were 75% of the total spend. • In relation to the information on page 152 of the report - information was requested on what the impact of the Compete For portal had been on the local SME's. <p>The Chair, on behalf of the Committee, thanked officers in the Finance service and Grant Thornton for their work on the Statement of Accounts.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> i. That the Committee note the contents of the report, take account of the adjustments set out in the tabled papers and the information provided by Grant Thornton representatives. ii. That the Statement of Accounts 2010/11 be approved subject to any final changes required by the conclusion of the audit. This be delegated to the Director of Corporate Resources in consultation with the Chair. iii. That the Committee notes the ISA260 report of the auditors, Grant Thornton, and approves the management responses in the Grant Thornton action plan contained within the ISA260 report. 	<p>HOFBAS</p> <p>HOFBAS</p> <p>HOFBAS</p> <p>HOFBAS</p>
CC38	<p>GRANT THORNTON REPORT ON FINANCIAL RESILIENCE</p> <p>The Committee noted that as part of the external auditor's value for money assessment of the Council they had undertaken a review to determine if the Council had proper arrangements in place for securing financial resilience. This involved considering: key indicators of financial performance, the Council's approach to strategic planning, approach to financial governance and the financial control of the Council. The results of the review were presented to the Committee. Council officers were content with the findings of the auditors which showed mainly 'green' assessments with one 'amber' assessment for strategic financial planning. In relation to this the auditors explained that the financial decisions taken in 2010/2011 had put the Council in a good position to deal with the scale of reductions in government funding. The budget decision in 2010/11 had been completed in quite tight time scales but the Council were now already underway with their financial planning exercise for setting the budget for 2012/13. The Council were recognised by the auditors as having a good track record for financial governance</p>	

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

and this was still indicated to be the case. The 'amber' rating was given as impact of the budget reductions made in 2010/2011 had yet to be fully realised

The following clarifications were sought from Committee:

- In terms of the back office efficiencies made in the budget to protect frontline services, comment was made on why this had not been a recommendation of action before for the Council? In response it was noted that judgement on the financial planning of the Council was based on risk and historically the Council had been judged as having sound financial governance. However, although the back office efficiencies were being made there was still a need to wait and see what the impact of the changes would be.
- Clarification was sought on why zero based budgeting was not commonly used by the Council. It was explained that this had been a worthwhile exercise which the Council had in the past embarked upon with a couple of schemes. However, this finance exercise was a detailed process and with reduced finance staff would be challenging to do in the future.
- Page 195 provided a graph of the net cost of services for 2008/09 to 2010/11. This compared Haringey's net cost of services to the London Borough Average but with no details of the comparable boroughs attached. Agreed that more details on this be provided to members. *Grant Thornton advice after the meeting that The LB figures are the LB average, and relate to GT analysis. Page 194 relates to Audit Commission data, and is based on the Commission's nearest neighbour group (as per p. 167). Attached is the original analysis that relates to the graph on p.195. Can only assume the data seen by the Member is looking at a different comparator figures or comparator group, but would need to see the source information to be able to confirm.*

Page 196 set out a graph which compared the boroughs spending power reduction during 2011/12 with the London Borough average. The 'Findings said that Haringey has not fared well compared to the rest of London' and a question was asked about the source for this statement? *Grant Thornton since advise that as with Page 195, this relates to GT analysis of all LBs, so does not relate to the AC benchmarking group on page 167 – Grant Thornton*

- Page 169 – General Fund overspend – Officers explained that they had an overspend of £2.4m which was tackled with the following measures: spending embargo, a review of high spend articles, removal of purchase cards. These action had resulted in a complete reduction of the overspend and a surplus of £51k.

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

	<p>Following a question on how the Council were mitigating against a Children's service overspend as experienced in the previous financial year, officers outlined how they were managing the growth in budget for Children and Young People's service with a risk based approach to controlling expenditure which included monthly reviews of spending on Looked after Children.</p> <p>The Chair thanked the external auditors, Grant Thornton for their work in completing the review.</p> <p>RESOLVED</p> <p>That the findings of the review be noted.</p>	
<p>CC39</p>	<p>GRANT THORNTON PROGRESS REPORT</p> <p>The Committee considered the progress report from Grant Thornton which updated the Committee on their audit work with the Council.</p> <p>It was noted that the grants certification plan had been agreed with officers and was available from Local Democracy and Member's services. The auditors commended the Council in their efforts and actions to reduce errors in benefit claims processing and in turn getting the DWP to agree an adjustment of £80k to their subsidy claim for 2009/10, lower than the original expected adjustment of £1m.</p> <p>RESOLVED</p> <p>That the progress report be noted</p>	
<p>CC40</p>	<p>TREASURY MANAGEMENT MID YEAR REVIEW</p> <p>In line with the Committee's terms of reference, they considered a report on the update on the Council's Treasury Management activities and performance in the first half of the 2011/12 financial year. The Committee noted that the Supreme Courts in Iceland had heard the appeals of the other local creditors regarding the decision to give priority status to local authority deposits in Glitnir and Landsbanki and a decision was expected in October.</p> <p>A question was asked on whether the local authority was considering alternative opportunities for investing Council monies and getting good rates for loans. Officers confirmed that there was constant attention given to finding opportunities to invest Council money to achieve good rates, but that the security of the Council's money was paramount.</p> <p>RESOLVED</p> <p>i. That the Treasury Management activity undertaken during the</p>	

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

	<p>first half of 2011/12 and the performance achieved be noted.</p> <p>ii. That the following revised 2011/12 Prudential Indicators: Capital Expenditure £79,874k and Capital Financing Requirement £773,366k be agreed.</p>	
<p>CC41</p>	<p>BENEFITS CLAIMS QUALITY ASSURANCE UPDATE</p> <p>The Committee received a report on the progress of the further work being undertaken in Benefits and Local Taxation to reduce the rates of error in benefit claim processing. The report highlighted that the cost of completing the quality assurance work on benefit claims with the service to eradicate errors in benefit processing was effective as it had eradicated the risk of losing claim subsidy which would have been a higher cost to the Council. The Council were continuing to monitor the quality of benefit claims processed with an internal audit of claims made in 2011/12. This showed positive progress was continuing to be made by the service.</p> <p>RESOLVED</p> <p>That the report be noted</p>	
<p>CC42</p>	<p>INTEGRATION OF BENEFITS, LOCAL TAXATION AND CUSTOMER SERVICES</p> <p>Following a previous report to Corporate Committee on the integration of Benefits and Local Taxation with Customer Services a consultation process with staff had been undertaken and the resultant comments from the trade unions was enclosed along with the Council's response to the issues raised. The Committee noted that the new structure involved a reduction from 317 posts to 235.5 posts with a net reduction of 81.5 FTE posts. Following a number of voluntary redundancy requests the integrated service was 7.3FTE posts short. The service would achieve a saving of £1.7m over two years from this integration.</p> <p>Following the closure of Hornsey and North Tottenham Customer service centres concerns were raised in relation to the queuing time at Wood Green Customer services centre. Residents were speaking with Councillors about the length of time that they were waiting to be seen. The Committee were advised that current queuing times were 40 minutes. 60% of enquiries to the customer service centres related to benefits and local taxation and these contacts would take longer to process. There was a strategy being worked to encourage customers to use the web for the transactions available. It was anticipated that the parking permits and visitor permits would be available online in October. There was ongoing work to enable libraries to issue visitor permits in libraries and Members of the Committee would be advised when this facility was available.</p>	

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

	<p>In response to questions about the organisation of enquiries received by the Customer Service Centres, Members were advised that there was an initial assessment of the enquiry by the reception desk. The Customer Service centre to ascertain whether they could deal with the enquiry immediately i.e. by issuing a form or providing them with a ticket to see a customer service operative. They would be directed to the appropriate queue(benefit enquiries and parking enquiries had separate queues) It was noted that Monday was the busiest day at the Wood Green, with customers coming to the centre around 8.30am in the morning. The centre would open early if there were adequate staff in place to allow this. Staff would also seek to provide documents to customers waiting in the queue where appropriate or make appointments for them.</p> <p>In response to the suggestion to have collection boxes for returning forms, this idea had been trialled before and there had been a high proportion of documents returned without complete information causing delays in completing the enquiry and meaning that the customer needed to come back a second time to the centre to complete their transaction.</p> <p>Concern was expressed about Customer Service Centres not being able to accept cash and this was discussed along with the closure of the Cashiers centre. It was noted that there was already an agreed policy move away from cash transactions at Council buildings, including libraries. A pay card scheme had been looked at but as yet there was no working solution to be put forward.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i. That the overview of the current and proposed shape of the services as set out in Appendices 2, 3 and 4 be noted. ii. That the responses to Unison’s comments in Appendix 6 be noted. iii. That the proposals and resolutions agreed at Corporate Committee meeting 21 July be noted. iv. That the rationale and key elements of the proposed integration of Benefits and Local Taxation with Customer Services be agreed. v. That approval is given to an integrated Benefits and Local Taxation and Customer Service Division. 	<p>HOB&LT</p> <p>HOB&LT</p>
<p>CC43</p>	<p>URGENCY DECISIONS</p> <p>RESOLVED</p> <p>That the decisions taken under urgency be noted.</p>	

**MINUTES OF THE CORPORATE COMMITTEE
TUESDAY, 27 SEPTEMBER 2011**

<p>CC44</p>	<p>EXCLUSION OF THE PRESS & PUBLIC</p> <p>EXCLUSION OF THE PRESS & PUBLIC</p> <p>The following part of the minutes are exempt as they contain information as defined in Section 100a of the Local Government Act 1972; Para 3 - information relating to the business or financial affairs of any particular person (including the authority holding that information</p>	
<p>CC45</p>	<p>LEISURE MANAGEMENT CONTRACT - PENSION FUNDING ISSUE</p> <p>In considering this item the Chair asked Committee members to note that they were acting in their capacity as an employing authority. The issue under consideration was the council's approach to the funding of pension costs arising from the TUPE transfer of staff as part of the Leisure management contract, in particular how the pension risks were shared. It was advised that the item was defined as a key decision meaning the report was also to be considered by Cabinet on the 04 October 2011.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i. That negotiations should continue with the contractors, including discussions on "Cap and Collar" arrangements. ii. A further updated report should be considered by the Committee at their meeting on the 24th October. 	<p>HoTM&P</p>
<p>CC46</p>	<p>ANY NEW ITEMS OF EXEMPT URGENT BUSINESS</p>	
<p>CC47</p>	<p>ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT</p> <p>NONE</p>	

Cllr George Meehan

Chair