

**MINUTES OF THE CORPORATE COMMITTEE  
THURSDAY, 27 SEPTEMBER 2012**

Councillors Adje, Amin, Diakides, Griffith, Jenks, Khan, Meehan (Chair), Whyte, Williams and Wilson

Apologies Keith Brown

Also Present: Julie Parker, Kevin Bartle, Steve Davies, Nicola Webb, Anne Woods, Anne Lippitt, Iain Low, Neville Murton, Peter Hayday, Paul Dossett, Hanisha Solanki, and Subarna Banerjee.

<b>MINUTE NO.</b>	<b>SUBJECT/DECISION</b>	<b>ACTON BY</b>
<b>CC21</b>	<b>APOLOGIES (IF ANY)</b>  Apologies were received from Keith Brown.	
<b>CC22</b>	<b>URGENT BUSINESS</b>  There were no items of urgent business put forward.	
<b>CC23</b>	<b>DECLARATIONS OF INTEREST</b>  It was noted that, following advice from the Monitoring Officer, Committee Members were no longer required to declare at meetings, that they were members of the Pension Scheme as this was not a Disclosable Pecuniary Interest.	All to note
<b>CC24</b>	<b>DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS</b>  Gerard McGrath a representative of UNISON requested to speak in relation to: Item 15(Approval of a one off lump sum payment of £250 Pro rata to staff graded below SC5, spinal point 25) and item 16,(Approval of amended employment procedures)	
<b>CC25</b>	<b>MINUTES</b>  The minutes of the 28 <sup>th</sup> June were approved as an accurate record of the meeting.	
<b>CC26</b>	<b>PENSION FUND QUARTERLY UPDATE</b>  Notably during this quarter the Pension Fund moved from active management of equities and bonds to passive management. The Committee noted that performance statistics were made up of active fund management up to May and passive thereafter. Therefore it was difficult to draw any conclusions about performance at this stage.  Committee Members were asked to note paragraph 13.2 which	

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	<p>contained the information on the distribution of the Pension Fund as at the end of August 2012.</p> <p>Since the report was distributed, the Pensions Team had received the funds owed by Mulberry school, an admitted body to the Pension Fund. The Pension Team were in the process of locating funds from Churchill, a contractor of a school that paid into the Pension Fund, and were dealing with ongoing issues concerning this organisation.</p> <p>It was agreed to add information to future reports regarding the communications that were occurring with stakeholders. It was felt that as Committee members were quasi trustees of the Pension Fund, they required an insight into this. The source for this information was Human Resources and they would be asked to keep this request in mind and provide this information to the Treasury Management and Pensions Team as and when required.</p> <p>The Committee were assured that there were mechanisms in place to detect and report any unexpected variations in the income and expenditure of the Pension Fund to the Committee.</p> <p><b>RESOLVED</b></p> <p>That the report be noted.</p>	HO HR
CC27	<p><b>PENSION FUND ANNUAL REPORT &amp; ACCOUNTS 2011/12 AND ISA 260 AUDIT REPORT</b></p> <p>The Committee considered the Audited Pension Fund Annual report and Accounts for 2011/12 with the Annual Governance report of the external auditors, Grant Thornton, which reported on their annual audit of the Pension Fund accounts.</p> <p>The audit conclusion of Grant Thornton was set out on section 1.3 at appendix 2 of the attached report. Grant Thornton had tested the payroll for members from an additional employer (CHENEL) to ensure that contributions were being deducted and paid over the correct rates. The external auditor reported that no issues arose from this audit.</p> <p>The Committee noted that there was an improvement in late payments from admitted bodies. The Pensions Team was found to take forward any late payments expediently.</p> <p>Following Committee Member questions, it was noted that the resources allocated to managing the Pension Fund was set out on page 66 of the agenda pack. This reflected the cost of salaries for staff working in the Pensions team as well as appropriate proportions of the cost of other staff spending part of their time on pensions. Information would be added to the quarterly pension's report on the how the council monitors the purchase and sales made by the fund managers which are then passed to the Custodian Bank, of the Pension Fund, Northern</p>	

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	<p>Trust.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. The Committee considered the content of the report and the verbal updates provided by external auditor Grant Thornton.</li> <li>ii. The Committee approved the Pension Fund Annual report and Accounts for 2011-12.</li> </ul>	
<p><b>CC28</b></p>	<p><b>PENSIONS AUTO ENROLMENT BRIEFING REPORT</b></p> <p>The report provided an indication on how the council would manage the auto enrolment of new employees and eligible existing employees to the Local Government Pension Scheme in 2013.</p> <p>The Committee noted that the communications strategy will be focused on encouraging employees to stay in the scheme and staff will be provided with information on the benefits of staying in the scheme.</p> <p>It was clarified that auto enrolment for new employees will begin in April 2013 and existing employees in June 2013. It was also noted that Members of the council were outside the remit of the scheme and would not be auto enrolled onto the LGPS.</p> <p><b>RESOLVED</b></p> <p>That the briefing on auto-enrolment be noted.</p>	
<p><b>CC29</b></p>	<p><b>TREASURY MANAGEMENT 2012/13 MID YEAR ACTIVITY &amp; PERFORMANCE UPDATE</b></p> <p>The Committee received an update on the council's treasury management activities and performance for the first half of 2012/13.</p> <p>The council were keeping to their existing strategy of minimising cash balances by using short term deposits with the Debt Management Office and money market fund accounts to enable a fast drawdown of funds when needed and borrowing from other local authorities, with surplus cash, at good competitive rates. The Deputy CFO advised the Committee that the Treasury Management Team were conscious that low rates, for borrowing in the short term, would not continue in the long run and they were also continuing to monitor long term rates in order to be in a position to switch to long term borrowing when it became good value for money. Taking into account the current base rate of 0.5% and the interest rates charged by the PWLB for long term borrowing, in general, long term borrowing was still at a premium rate.</p> <p><b>RESOLVED</b></p>	

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	<ul style="list-style-type: none"> <li>i. The Committee noted the treasury management activity undertaken during the first half of 2012/13 and the performance achieved.</li> <li>ii. That the midyear report on treasury management activity and performance progress to full Council on the 19<sup>th</sup> November 2012.</li> </ul>	
<p><b>CC30</b></p>	<p><b>STATEMENT OF ACCOUNTS 2011/12 AND ISA 260 AUDIT REPORT</b></p> <p>The Committee were presented with the Council’s Accounts for 2011/12, and the external auditors, Grant Thornton’s, ISA 260 audit report on the accounts.</p> <p>The Committee were made aware, that following submission of the Statement of Accounts to the auditors at the end of June 2012, the accounts underwent technical review and validation. As a result, an unusually high number of errors were discovered in the draft accounts, over and above the level normally expected at that stage in the process. (This matter was now being investigated within the council’s policies and procedures). This had resulted in the need to submit a revised Statement of Accounts to the auditors at the end of August following work undertaken by officers to correct the identified errors. This delay had resulted in the audit programme consequently also being delayed and the submission of the Corporate Committee report and the attached auditor’s report being later than the Committee submission deadline, albeit members were provided with the papers 6 days before the committee.</p> <p>The external auditors also tabled a short addendum to their ISA260 report which contained further audit adjustments and additional findings regarding internal controls for the Committee to consider.</p> <p>The Deputy CFO explained that these were a unique set of circumstances and the Finance service had been working with the external auditors intensively over the course of the last two months to ensure that a correct set of accounts were submitted and audited before the deadline of the 30<sup>th</sup> September 2012. The Deputy CFO placed on record his appreciation to certain finance staff and the external auditors who had worked additional hours to enable the resubmission of the corrected accounts.</p> <p>The Deputy CFO acknowledged that there was a need for the service to learn from the circumstances experienced and there would be an improvement plan to address the procedural issues identified. It would be solution based and would identify each aspect of the work for compiling the end of year accounts so that Members were fully aware of the process followed. The plan would further include how recommendations from the auditor, arising from this year’s audit, would</p>	

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be taken forward. This plan would be ready and appropriate for consideration in February before the start of next year's accounts submission and audit process.

Paul Dossett, external auditor at Grant Thornton, was asked to address the Committee and provided an update on the progress of completing the audit and providing an opinion on the accounts due on the 30 September 2012. He was reasonably confident that he was in a position to meet the deadline and issue an unqualified opinion. *Since the meeting, the council's accounts for 2011/12 were signed off by the auditor on Friday 28<sup>th</sup> September with an unqualified opinion.*

Following questions, the Committee were provided with a broad estimate of the cost for the additional work carried out by the external auditors and the nature of the errors. The external auditors further assured the Committee that these errors had not occurred in the previous year's accounts. The Committee were advised that the requested information required to complete the audit on the statement of accounts for 2011/12 had been provided by the council and that the letter of representation could be signed by the Director of Corporate Resources confirming the council's compliance with the required codes of practice and IFRS standards.

An area identified for improvement in the ISA 260, which was not uncommon to many other local authorities, was around the timing of when valuations were passed to the Finance team to process. This process will be reviewed and necessary improvements made in accordance with the improvement plan.

Page 41 of the agenda pack was referred to, by a Member, which contained information on governance arrangements that the council would be working to in the coming year. It was agreed to supply the Committee with information on the different deadlines being worked to in the implementation of the Localism Act 2011 and the progress being made.

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Reference was made to page 125, which contained figures relating to publicity expenditure. It was agreed to provide the Committee with a breakdown of the expenditure categorised as "other" as this was a significant part of the overall expenditure on publicity. It was explained that this was not an issue of transparency but a drawback of working to the new accounting standards which had set titles for use when setting out expenditure.

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It was clarified that the reference to Cranley Gardens (Page 207) was to one specific property and not the road as a whole.

The Chair drew the discussion to a close and advised that the

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	<p>circumstances leading up to the closure of accounts had been regrettable and he had discussed this issue with the Leader and Cabinet Member. The key issue for the Committee was to receive a report in February which took forward the learning points from this year's process. The Chair reiterated that wider finance training for all managers with responsibility for finance needed to be taken forward expediently and he would also raise this matter in the relevant officer forum. The Chair further placed on record his thanks to all the staff involved for enabling the council to be in a position to meet the required statutory deadline for submission and sign off of accounts. He thanked the external auditors, Grant Thornton, for their co-operation and support in these unusual set of circumstances.</p> <p>The Chair further stated that the expected improvement plan should be clear on the council's requirements for the submission and audit of accounts and should contain examples of what changes have been made. This will enable the Committee to be fully satisfied by June, when the accounts are due for submission, that procedures have been followed.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. The Committee considered the contents of the report and the information supplied by the external auditor Grant Thornton at the meeting.</li> <li>ii. The Committee approved the statement of accounts for 2011/12 subject to any final changes required by the conclusion of the audit, which was delegated to the Director of Corporate Resources in consultation with the Chair.</li> <li>iii. The ISA 260 report of the auditors, Grant Thornton, was noted and the management responses in the Grant Thornton action plan contained within the ISA260 report was approved.</li> </ul>	<p>Deputy CFO</p> <p>CFO</p>
<p><b>CC31</b></p>	<p><b>GRANT THORNTON PROGRESS REPORT</b></p> <p><b>RESOLVED</b></p> <p>That the update be noted.</p>	
<p><b>CC32</b></p>	<p><b>UPDATE FROM THE CHILDREN'S SERVICE ON HOW THE RECOMMENDATIONS FROM THE FINANCIAL RESILIENCE REPORT ARE BEING PROGRESSED</b></p> <p>The Committee considered a progress report on how the Children's Service was taking forward the recommendations from the external auditors report on budget management. The two key areas concerned</p>	

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	<p>school budgets and business planning support in Children and Families service.</p> <p>The Committee were advised that, although the level of school balances had increased, they were still in a better position than in previous years. From April 2013, the borough will get an additional £7.3m in DSG funding which will help address some school's overspends. The services of an experienced ex head teacher had been enlisted by the council's Finance service to work with schools that were finding it difficult to manage their budgets due to the constant changes they were experiencing.</p> <p>There were significant variances in school balances shown in appendix B and understanding was sought on the issues behind this. Factors contributing to deficits noted were sudden increases in pupil numbers which a school had to respond to by enlisting extra teachers to meet the demand. A particular school with a high deficit had seen a drop in school numbers coupled with a drop in funding.</p> <p>The Committee continued to consider information about the Children's Service transitional change programme which was about making the service focussed on every child in the borough. This would involve examining the service's offer of early help and moving balances to assist in early intervention. This would in turn reduce the number of children becoming looked after, and the cost associated with this. A fuller update on this movement in the budget and move to early help would be available to the Committee later on in the year.</p> <p><b>RESOLVED</b></p> <p>The Committee noted the actions being undertaken.</p>	Clerk
CC33	<p><b>QUARTERLY INTERNAL AUDIT REPORT UPDATE - 2012/13 QUARTER ONE</b></p> <p>As part of the quarterly update on internal audit activities, consideration was given to the audit report from Deloitte and Touche contained, at appendix A. (These were the final reports issued during the quarter together with detailed summaries of the findings and recommendations of those reports which received limited assurance ratings). The report further contained information on the work of the in-house fraud investigation team, housing benefit fraud investigation and the council wide disciplinary statistics which showed the council were down to their lowest number of days for disciplinary investigations (42 days).</p> <p>Concerns were expressed at Deloitte and Touche findings of the audit into contract standing orders and scheme of delegation 2011/12. Given the budget allocated for Procurement, Members felt that there was a need to urgently rectify information on the SAP system on which managers could authorise payments, also improve recording on</p>	

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	<p>contracts issued, and ensure that the recommended reports assigned to Procurement Committee were delegated back to the Cabinet. (The Procurement Committee no longer existed and had been decommissioned following the governance review in May 2012). The Committee noted that the Head of Procurement was already following up the recommendations from the audit report and there would be an update report, with comments on the actions taken, considered at the next meeting.</p> <p>The Committee made clear that, where audited services had received a limited guarantee, they were expected to provide a progress report to the Committee on the actions being taken to address the findings of the audit. Or Directors/Service Heads would need to attend the Committee meeting in person to answer questions from Members.</p> <p>The Committee continued to be concerned about the level of some school's deficits and audit findings into their financial management. It was felt that schools should be obligated to utilise the guidance and expertise offered by the council further, particularly if they were not showing progress to reducing their balance. It was suggested the Committee explore making use of its audit powers, to call a head teacher or Chair of governors to the Corporate Committee to explain the financial positions of their schools and to answer questions on how they are working to bring down their deficit. This exercise could also deliver a strong message to schools that managing their budget was essential and remind them that there was a mechanism in place to challenge poor financial management.</p> <p>The Head of Internal Audit and Risk Management further advised the Committee that if there was any service area or procedure which they had particular concerns about, the risks associated with this area, would be assessed, and consideration given to adding it to the audit plan.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. That the audit coverage and counter-fraud work completed during the first quarter, 2012/13 be noted.</li> <li>ii. The Corporate Committee reviewed the management responses received for those audit recommendations not fully implemented and confirmed the managers taken during the quarter to address the outstanding recommendations as appropriate.</li> </ul>	
<p><b>CC34</b></p>	<p><b>TOTTENHAM REGENERATION PROGRAMME - GOVERNANCE AND FINANCIAL MONITORING ARRANGEMENTS</b></p> <p>When approving the Council's draft Annual Governance Statement for 2011/12, at their last meeting in June, the Corporate Committee had asked for a progress report on the work towards establishing</p>	



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	<p>governance structures and financial monitoring arrangements to deliver agreed outcomes and objectives of the regeneration programme for Tottenham.</p> <p>In response to this request, the Committee were informed that Cabinet had agreed the governance arrangements for the overall regeneration programme for Tottenham, the details of which were set out in appendix 1. These arrangements were intended to help steer the regeneration work in Tottenham. At the same Cabinet meeting the revenue funding for the regeneration project had been agreed and the details of which were set out in the attached report.</p> <p>The Committee noted that £41m in capital funding had been received but little of this had been spent as the required agreements, to enable use of this funding, were in the process of being finalised. However there had been expenditure in Tottenham Green and Tottenham High Road which local councillors would have been aware of.</p> <p>The revenue funding expenditure was a little behind its profile target and this was due to the required regeneration officers not all being in post. However, this minor issue was expected to be resolved and spending target reached by the end of the financial year.</p> <p><b>RESOLVED</b></p> <p>The Committee noted and reviewed the governance and financial monitoring arrangements in place for the Tottenham Regeneration programme.</p>	
<p><b>CC35</b></p>	<p><b>APPROVAL OF A ONE OFF LUMP SUM PAYMENT OF £250 PRO RATA TO STAFF GRADED BELOW SC5 SPINAL POINT 25</b></p> <p>The Committee were asked to approve making a one off lump sum payment of £250 pro rata to staff earning below the government public sector low pay guide of £21,000. This payment would be to all staff graded below spinal point 25 grades Sc5 except to those staff in Cleaning services which had new employers and schools which transferred to Academy status in September 2012, because these staff has already been given the payment in August. This payment was authorised under urgency procedures, the details of which were set out on the later agenda item 18, significant decisions, delegated decision and urgent actions.</p> <p>Gerard McGrath, a representative of UNISON, acknowledged the payments made to schools staff transferring to academies and Cleaning staff transferring to an external contractor. And welcomed the recommendations of the report.</p> <p><b>RESOLVED</b></p>	

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	<p>That the payment of £250 pro rata to staff graded below Sc5 spinal point 25, be approved. This is excluding staff in cleaning services and Coleraine Park, Downhills, Nightingale, and Noel Park primary schools, which has already been paid.</p>	<p>Ho HR</p>
<p><b>CC36</b></p>	<p><b>APPROVAL OF AMENDED EMPLOYMENT PROCEDURES AGREED WITH THE TRADE UNIONS</b></p> <p>The Committee were asked to consider revised employment procedures for grievance, capability, disciplinary and sickness absence .The main changes to the procedures were outlined at section 5 of the report. The changes included:</p> <ul style="list-style-type: none"> <li>• Grievances reaching the third stage will no longer be heard by a panel of members but instead considered by an independent panel, consisting of Head of HR and unconnected Asst Director /Director.</li> <li>• Sickness absence procedure had been updated and reviewed to take account of the equalities act.</li> <li>• All dismissals hearings, including those related to capability, sickness absence, were proposed to be heard by 2 Member panel instead of three.</li> <li>• All disciplinary hearings to be conducted on basis of a review of the dismissal decision instead of rehearing.</li> </ul> <p>Gerard McGrath , representative of UNISON trade union, advised the Committee that the staff survey carried out with UNISON members had indicated that these proposals were acceptable to staff and therefore UNISON endorsed the changes to the employment procedures set out.</p> <p>A majority of Committee Members had difficulty accepting the proposed merits of a 2 member panel and felt that there could be issues experienced in coming to a joint agreement on a difficult case. They were not satisfied with the solution, that if an agreement could not be reached, another different set of panel members would hear the case. They acknowledged the Chair's original suggestion of having a two member panel hear the case, if one was unable to make the hearing to avoid reconvening a new meeting. However, it was felt that in this scenario, the issue of disagreement could still arise. It was further contended that , in the event that one member could not make the hearing, the appellant should be asked to make the decision on whether or not to go ahead with a two member panel instead of the council prescribing this. The Committee therefore agreed that three member</p>	<p>Ho HR</p>

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	<p>appeal panel hearings should continue and, if one member cannot attend the hearing on the day due to unforeseen circumstances, the appellant should continue to be given the choice on whether to proceed with a two member panel. Gerard McGrath advised that UNISON members would be happy with this element, to the employment procedures, remaining the same.</p> <p><b>RESOLVED</b></p> <p>The Committee approved the revised employment procedures - Grievance, Capability, Disciplinary and sickness Absences as set out in the attached appendices with the amendment that dismissal appeals considered under disciplinary procedures, capability procedures and sickness absence policy continue to be considered by a panel of three members.</p>	Ho HR
<b>CC37</b>	<p><b>VERBAL ITEM - NOMINATIONS FOR THE PAY POLICY WORKING GROUP</b></p> <p><b>RESOLVED</b></p> <p>That two nominations are received from the Liberal Democrat Group and two nominations, in addition to the Chair of Corporate Committee, are received from the Labour Group for participation in the Pay Policy working group.</p>	
<b>CC38</b>	<p><b>DECISIONS TAKEN UNDER DELEGATED AUTHORITY, URGENCY AND SIGNIFICANT ACTIONS</b></p> <p><b>RESOLVED</b></p> <p>That the delegated decisions, significant actions and urgent actions taken by directors since June 2012 be noted.</p>	
<b>CC39</b>	<p><b>EXCLUSION OF THE PRESS &amp; PUBLIC</b></p> <p>The following part of the minutes were exempt as they contained information as defined in Section 100a of the Local Government Act 1972; para 1, 2, and 5 – information relating to an individual, information likely to reveal an individual and information in respect of a claim to legal professional privilege to be maintained in legal proceedings.</p>	
<b>CC40</b>	<p><b>EXEMPT BUSINESS</b></p> <p>No new items of urgent business were received.</p>	
<b>CC41</b>	<p><b>EXEMPT MINUTES</b></p> <p><b>RESOLVED</b></p>	

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	The exempt minutes of the Corporate Committee held on the 28 June 2012 were approved. The minutes of the Employee Joint Consultative Committee held on the 06 February 2012 and Special Committee of 05 July 2012 were received.	
<b>CC42</b>	<b>APPROVAL OF A ONE OFF LUMP SUM PAYMENT OF £250 TO STAFF BELOW SCALE 5 SCALE POINT 25 RESOLVED</b>  As per CC 35.	
<b>CC43</b>	<b>ANY OTHER BUSINESS OF AN URGENT NATURE</b>  There were no items of an urgent nature.	

Cllr George Meehan

Chair