

LICENSING AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 30th March, 2015 at the Council Offices, Farnborough at 7.00 p.m.

Voting Members

Cr. M.J. Tennant (Chairman)
Cr. A.M. Ferrier (Vice-Chairman)

Cr. Liz Corps	Cr. B. Jones	Cr. L.A. Taylor
Cr. A.H. Crawford	a Cr. M.D. Smith	Cr. Jacqui Vosper
Cr. Barbara Hurst	a Cr. M. Staplehurst	a Cr. D.M. Welch

Apologies for absence were submitted on behalf of Crs. M.D. Smith, M. Staplehurst and D.M. Welch.

25. MINUTES –

The Minutes of the Meeting held on 26th January, 2015 were approved and signed by the Chairman.

26. REVIEW OF CONTRACT STANDING ORDERS –

Before considering the Solicitor to the Council's Report No. LEG1506, the Committee received a presentation by the Solicitor to the Council on various case studies highlighting procurement problems experienced by local authorities in Hampshire and the Isle of Wight. The Committee then considered the Report which sought approval for a revised version of the Contract Standing Orders for recommendation to the Council for adoption. The Committee was advised of some minor typographical changes.

The Report advised Members that, by law, all local authorities had to have a set of Contract Standing Orders that regulated the manner in which a local authority undertook its procurement. These standing orders were part of the Council's Constitution and had been last reviewed in 2006. It was noted that better procurement had been identified as a project to assist the Council in meeting its budgetary challenges and formed one point of the Council's 8-Point Plan. Reviewing the Council's Contract Standing Orders formed part of the projects within the review of Procurement Policy and Practices. The Council's Procurement Strategy would also be reviewed as part of this work and an extensive training programme would be rolled out for all officers involved in procurement.

The Report set out the revised Contract Standing Orders, a draft version of which had been approved by the Standards and Audit Committee on 9th March, 2015 and subsequently had been the subject of an internal consultation with all Heads of Service.

The Contract Standing Orders set out the rules that would apply to officers when making purchases on behalf of the Council. The rules had three main purposes:

- to comply with the obligations that governed spending of public money such as the EU Procurement Directives as implemented into UK law by the Public Contract Regulations 2015
- to ensure that the Council obtained best value in the way that it spent money, thereby offering better and more cost effective services to the public; and
- to protect the Council and its officers from undue criticism or allegations of wrongdoing.

It was noted that the Contract Standing Orders applied to: the supply or disposal of goods; the hire, rental or lease of goods or equipment; the provision of works and supply of works materials; the provision of services, including consultancy services; the granting of works concessions or services concessions; and, the selection of sub-contractors by the Council where these were nominated under the main contract.

During discussion, a question was raised regarding the monitoring of contract performance, particularly in respect of the Council's major service contracts. It was felt that in this instance the issue would be for the Environment Policy and Review Panel to examine.

The Committee

- (i) **RECOMMENDED TO THE COUNCIL** that the draft Contract Standing Orders be approved for adoption as part of the Council's Constitution; and
- (ii) **RESOLVED:** That authority be delegated to the Solicitor to the Council to keep the Contract Standing Orders under review and to make any necessary amendments to reflect good procurement practice or consequent to the new Public Contract Regulations 2015.

27. **DRAFT FOOD/HEALTH AND SAFETY SERVICE PLAN 2015/16 –**

The Committee considered the Head of Environmental Health and Housing's Report No. EHH1505 which sought comments on the draft joint Food/Health and Safety Service Plan 2015/16. The Committee's comments would be reported to the Cabinet on 31st March, 2015 in order that the draft Plan could be approved for consultation with local businesses and business organisations, with any substantial changes to be considered by the Head of Environmental Health and Housing in consultation with the Cabinet Member for Safety and Regulation.

The Committee was advised that the Service had responded to the developing 8-Point Plan for financial sustainability and had reviewed opportunities for income generation and cost recovery. The Plan reflected a linkage to the Council's purpose and themes recognising the Service's wider aim to work with others to improve the quality of people's lives.

The Report set out a review of the Health and Safety Service and Food Safety Service in 2014/15 and set the priorities for each for 2015/16.

The Environmental Health Manager also gave a presentation on the highlights and lowlights in food hygiene and health and safety over the previous year, including a summary of enforcement action taken by the Food/Health and Safety Team, food hygiene ratings and the services provided to the Farnborough International Airshow in 2014.

During discussion, Members expressed their satisfaction with the services provided by the Health and Safety and Food Safety Service and raised questions regarding health and safety inspection visits and the methods by which residents could report unsatisfactory businesses.

RESOLVED: That the Cabinet be recommended to approve the draft combined Food/Health and Safety Service Plan for 2015/16 for consultation.

28. **EXTERNAL AUDIT UPDATES –**

The Committee received the Head of Financial Services' Report No. FIN1506 which summarised the results of the audit work on the Council's major grant claim under the Housing and Council Tax Benefits Subsidy Scheme for the financial year 2013/14 and introduced the Audit Plan for 2014/15, both of which had been prepared by Ernst & Young, the Council's appointed auditors. The Chairman welcomed Mr. Paul King, Director at Ernst & Young, and Mr. Alan Gregory, Engagement Manager at Ernst & Young, to the meeting.

In respect of the 2013/14 Certification of Claims and Returns Annual Report, the Report summarised the results of the audit work on the Council's major grant claim under the Housing and Council Tax Benefits Subsidy Scheme for the financial year 2013/14. Members were advised that, after additional clarification with the auditor, the Department for Work and Pensions would not be amending the Council's subsidy claim and would be awarding the full value of the claim (£37,073,555). Although the errors that had been reported were of negligible value and had not resulted in any financial loss to the Council, steps would be taken to ensure that these errors were not repeated. This included additional training for assessors and a review of processes around archiving and filing.

The 2014/15 Audit Plan set out the proposed audit approach and scope for the 2014/15 audit and summarised the auditor's assessment of any key risks to be considered as part of the opinion work. The Plan covered the areas of:

financial statement risks; economy, efficiency and effectiveness; the audit process and strategy; independence; and, audit fees for the 2014/15 audit.

Members were also advised that the Chartered Institute of Public Finance and Accountancy (CIPFA), as part of its work on business rates, had asked an independent auditing panel to recommend authorities that they felt were good examples in this field. Rushmoor had been put forward by Ernst & Young as having a sophisticated model and Rushmoor would be working with CIPFA to produce a short good practice piece that could be shared with other local authorities.

The Committee considered the documentation and discussed various issues associated with the Certification of Claims and Returns Annual Report and the Audit Plan.

RESOLVED: That the Head of Financial Services' Report No. FIN1506 be noted.

29. **APPLICATION OF ACCOUNTING POLICY – NEW DE-MINIMUS LEVEL FOR ACCRUALS –**

The Committee considered the Head of Financial Services' Report No. FIN1509, which sought approval for the application of an amended accounting policy in respect of accruals and, in particular, the de-minimus level at which accruals were applied.

The Committee was advised that new regulations had come into force which would bring forward the existing date for accounts being signed and certified by the Responsible Financial Officer from 30th June to 31st May and for their approval and publication from 30th September to 31st July. These changes would become effective for the 2017/18 financial year. It was noted that the proposals were likely to create major challenges for authorities in meeting the new deadline due to both the length of the current statements and their complexity. It would be necessary to review existing procedures, the contents of the existing statements and the accounting policies required and would be the subject of future consideration by the Committee. In order to meet the new deadline it would also be necessary to place greater reliance on the use of estimates and reduce the number of accounting adjustments, with due regard to materiality, impact on the financial statements and the overriding requirement to present a true and fair view.

It was noted that one of the ways it might be possible to reduce the number of accounting entries would be to increase the de-minimus level for accruals. There were two types of accrual: accruals for income that had been earned but not yet received; and, expenditure that had been incurred but not yet paid. The Council currently had an accrual level of £1,000, which meant that adjustments were usually only put through for amounts over this amount. Following an analysis of transactions in 2013/14, 305 individual accrual adjustments had been identified. Based on this, increasing the de-minimus level to £2,000 would reduce the number of transactions by 80 (- 26%) with a net

impact of £3,000 on the financial statements. It was felt that adopting the new higher level early would be a simple and positive first step in meeting the challenging new deadline in 2017/18. The impact of increasing the de-minimus level would continue to be reviewed and any proposed changes in future years would be reported back to the Committee for consideration.

RESOLVED: That

- (i) approval be given to the application of a new de-minimus level for accruals of £2,000 for the preparation of the financial statements for the 2014/15 financial year, as set out in the Head of Financial Services' Report No. FIN1509, but that accountants be still given discretion to enter accruals for smaller amounts where material to the service; and
- (ii) the Head of Financial Services be authorised to review the impact of increasing the de-minimus level and report any proposed changes in future years to the Committee for consideration.

30. **EXCLUSION OF THE PUBLIC –**

RESOLVED: That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the undermentioned item to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against such item:

Minute No.	Schedule 12A Para. No.	Category
31	1	Information relating to an individual

**THE FOLLOWING ITEM WAS CONSIDERED IN THE
ABSENCE OF THE PUBLIC**

31. **COMMUNITY AWARD 2015 – NOMINATIONS –**

The Committee considered the Head of Democratic Services' Report No. DEM1502, which provided details of nominations received for Rushmoor's Community Award. The Report set out how the scheme had been publicised and gave details of the criteria against which nominations had been assessed and compared. The Report explained that the purpose of the scheme was to recognise outstanding achievements in the Borough by local people and particularly to mark long-term commitment.

Members discussed the merits of the nominations, which had been set out in an exempt Appendix to the Report, taking account of the advice from the Head of Democratic Services. After careful consideration of the nominations

received, the Committee agreed that Mrs. Joy Cross should be selected for the Award. This was in recognition of Mrs. Cross's voluntary work and fundraising carried out over many years.

RESOLVED: That Mrs. Joy Cross be selected for the Rushmoor Community Award 2015.

The Meeting closed at 8.34 p.m.

M.J. TENNANT
CHAIRMAN
