

Annual Report of the Audit Committee for 2012/2013

The first meeting of the year took place on the 8th May 2012, when the committee kindly re-elected me as Chairman for the forthcoming year and Councillor Binks was elected as Vice Chairman.

At this meeting the committee received feedback from Councillor Evans following a meeting he had had with the Head of Housing and Property Services. This was in relation to concerns raised from the internal audit report. Thankfully the committee was re-assured that issues were being monitored satisfactorily. It was agreed that it would be more helpful to the Audit Committee if the relevant facts and figures had been included in the report. The Audit Commission also reported that there had been a number of failures which had been identified for the interim External Audit report for 2011/2012; however it was satisfied that these were being picked up by the Council's internal audit. The Committee were advised that the Audit Commission would provide an unqualified opinion at this stage if required. It was also announced at this meeting that Grant Thornton would act as the Council's new external auditors. Throughout the year it has really helped that the Audit Committee has been in receipt of the Internal Audit reports prior to each relevant meeting. This has meant that the contents of the reports could be digested and the appropriate comments/actions made at meetings. The Committee agreed that some target dates on the payroll report should be sooner than the suggested date because it was a question of human accuracy rather than a process.

The Committee took the opportunity to have an interim meeting prior to the June meeting to receive a detailed explanation of the Annual Governance Statement for year 2011/2012. This proved very beneficial and greatly helped the understanding of the committee members of how having good governance arrangements and an effective internal control environment is a fundamental element of being a well-managed Council.

At the meeting 26th June it was agreed that the Head of Finance could sign off the draft accounts.

The key messages in the accounts were:

1. The overall General Fund balance as at 31/3/2012 was £2,455K
2. The final year end position on the Housing Revenue Account was showing an under spend of £643K
3. The Housing Revenue Account made a one off self-financing payment of £46.59m to the DCLG associated with the abolition of the current housing subsidy system
4. Capital expenditure had amounted to £4173K, the majority of which had been spent on the Council's housing stock. During the year the Council had also carried out a major project to fit 1175 HRA properties with solar panels
5. The overall pension Scheme deficit increased by £11,843K due to a number of changes in Actuary assumptions underlying the present value of the scheme liabilities
6. Heritage assets of £925K were now included on the Balance Sheet due to a new accounting changed implemented

The Annual Governance Statement and action plan for 2011/2012 was approved. The Committee was disappointed to learn that the Systems audits had fallen behind due to staff shortages, it was confirmed that the team would be able to catch up on the planned work load. Concerns were raised over the debt recovery internal report and it was agreed that the management team would address the issues raised. It was pleasing to hear that housing rent arrears were currently at their lowest, but it was felt this should be carefully monitored due to the benefit reforms which are due.

Our September meeting was the first to deal with both Audit and Standards issues. This also meant that the Committee's size increased from 4 to 5. Councillor Holloway was welcomed to the newly formed Committee. It was decided to run the meetings going forward in 2 parts. Firstly Audit matters, followed by any Standards issues.

At the meeting it was very encouraging to hear that the Audit Commission's Annual Governance Report for 2011/2012 confirmed the continued trend of improvement. An unqualified opinion was issued which was excellent news. It was also resolved that the letter of representation be signed by the Head of Finance. The final accounts for year end 2011/2012 were approved and the Audit Commission confirmed that it would be issuing an unqualified opinion on the accounts. At this meeting the Committee expressed its deep concern regarding the Leisure Services Audit Report and in particular the technology/software systems plus staffing. It was agreed to invite the Head of HR and the Leisure Facilities Manager to the next meeting to discuss the issues and the Committee requested that a follow up audit be conducted as soon as possible in the New Year.

At this meeting a recommendation was put forward to the Cabinet, that it recommends to Council that the Personnel Panel be abolished and deleted from the Constitution. It was also recommended to Council that it supported Councillor Pugsley's motion 460 regarding the Personnel Panel.

The Committee was updated regarding on going complaints and a complaints procedure for the assessment and determination of allegations of breaches of the Members Code of Conduct was approved .

At the November meeting concerns were raised regarding the Income & cash Collection audit because there had not been reconciliation since June 2012. The committee were reassured that this was not unusual at this time of year due to the work involved with the Council's end of year accounts. The reconciliations were will now be bought up to date. Following concerns at the previous meeting regarding the Leisure services Audit Report, the Head of ICT attended the meeting to discuss the Leisure Services computer system. It was agreed from these discussions to, at the next meeting:

1. Receive an update report on the Leisure ICT system
2. Receive a copy of the ICT work programme
3. A leisure services member of staff attended, to report on their experience of using the system on a day to day basis

Councillor Pugsley requested further information regarding the staff disciplinary appeals process. This was explained by the Head of HR and to back this up a flow chart showing the appeals process was circulated to all members

The Committee received a report from the Head of Finance regarding the progress towards publishing a new revised of Financial Regulations. It was agreed that the full document, once ready should be reviewed by the Audit Committee and then circulated to all members for information purposes.

An updated constitution report was received following the removal from the establishment of the Head of Legal & Democratic Services post. After much discussion it was recommended to council that a. the Head of Communities and Governance became the new Monitoring Officer and has full legal support as necessary and b. constitutional changes be made to Articles 12, 14 & 15 and the scheme of delegation to reflect the changes to the Monitoring Officer.

The meeting also resolved that the revised hearing procedure following allegations of breaches to the Members Code of Conduct be approved and the listed dispensations under the new code of conduct for Mid Devon District Councillors and co-opted members be approved for the period 2012 to 2015. The committee was also informed as to which members were to be part of the working group to look at updating the constitution.

In January the Audit Committee welcomed Grant Thornton as the new external auditors to the meeting. It was confirmed that the planned Audit fee for 2012/2013 would be 40% less than the previous year because national research was not required and only the work for local audit would be charged. It was also confirmed that Grant Thornton would be the external auditors for a further 4 years. After this the contract would go out on an open tender.

The Head of ICT presented a very interesting and comprehensive report on the ICT work programme including the implementation of the Leisure Centre System. Discussions included the current internal intranet and website improvements. The Leisure Services Manager was also in attendance and confirmed whilst there were many teething problems with the XN Leisure System many had now been resolved and the system was much more efficient.

It was reported that the internal audits were progressing well with 85% of the core audits completed. The meeting raised concerns regarding the Payroll report, but with a new payroll system being implemented on 1st April 2013, many of the issues will be eliminated.

Much discussion was held regarding Councillor Roach's motion 467 'this Council recognises that it has on numerous occasions acted illegally and/or in breach of its own Constitution'. The Committee felt that the wording ought to be amended to say 'This Council recognises that it has on occasion acted in breach of its Constitution'. Therefore it was resolved that Council be recommended to reject the motion.

There has been much concern regarding spouse and civil partner information on the internet. It was confirmed that none of the District Council Register of Interest forms had been loaded on to the website yet. Further work is to be carried out to see if they can be password protected to prevent them being copied or printed. It was agreed further guidance would be circulated concerning the definitions of spouse and civil partners to all Members.

I would like to thank both Andrew Jarrett and Amy Tregellus and their respective teams for all their hard work throughout the year. It is very encouraging to see the continued trend of improvement in the Council's performance. I must also thank Sarah Lees for all her help as Committee Clerk, it is much appreciated. Finally I would like to thank the Committee members for all their hard work and support over the past year. It has certainly aided my enjoyment of the role – thank you.

Cllr Sarah Fox
Chairman of the Audit Committee

Scrutiny Committee Annual Report 2012/2013

The General role of the Scrutiny Committee as expressed in the Constitution is to review and /or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions. In particular it scrutinises the performance of the Cabinet and the Council in relation to policy objectives, performance targets and/or particular service areas, and makes recommendations. It may also review other public bodies where appropriate.

The four principles of scrutiny were set out in the Local Government Act 2000 as

- Provide a critical friend challenge to the Executive as well as external authorities
- Reflect the voice and concerns of the public and its communities (engaging the public as active citizens)
- Take the lead and own the scrutiny process on behalf of the public (facilitation of community leadership and effective representation)
- Make an impact on the delivery of public services (contributing to performance/quality assurance)

Quite a challenging and demanding responsibility for the ten Members of the Scrutiny Committee to live up to, particularly as the majority of its Members are representatives of the majority party. However it is refreshing to report that party politics have not been evident in any of our deliberations, as demonstrated by careful and open minded discussion, with all Members operating as the watchdog of the Council's performance. The contribution of non-Committee Members to our proceedings has also been a welcome asset. The matters under consideration have been extensive and diverse, reflecting the full spread of the Council's activities, (without trespassing on the responsibilities of the Policy Development Groups.) Many policy areas were explored and challenged, including whistleblowing, communication with tenants, emergency planning (flood relief), procurement , Customer First, car parking, community safety, exclusion of press and public, and support for targeted families to name but a few.

External investigation was represented via an oral presentation by the then Chairman of the Police Authority, Mike Bull, explaining the reason for a 2% increase in the Police precept. Similarly, Neil Parish MP attended to respond to a series of searching questions proposed by Members covering Localism, government grants to local authorities, improving local skills, transport issues, high street trading, housing, rural crime and health reforms.

An issue of considerable public criticism which challenged the Committee was the initial Lords Meadow Leisure Centre redevelopment. Members, mindful of the need to acknowledge public concern at the proposed project and apparent lack of effective consultation, recommended that no action be taken until alternative provision for badminton had been secured and committed at Queen Elizabeth Academy. The project was subsequently withdrawn for review and later revised to a successful outcome.

A developing consensus that the Council should be more transparent and accessible to the public in its proceedings led to a pilot examination of the electronic recording of the Scrutiny Committee, subsequently extended to other Committee and Cabinet meetings, after initial investigation of the cost and technical implications by a small task group. Acknowledging the relatively modest cost, Council accepted the virtue of recording our proceedings and making them accessible to the public via the website.

Other working groups have been established in respect of the effectiveness of Council communications and consultation, economic regeneration, health reform and Ageing Well, some of which have yet to be completed. However Scrutiny suffers to a degree from the limited time some Members are able to devote to working groups, and capacity issues in respect of the time of Officers, despite best intentions, to engage in in-depth research. However, this has not prevented our Clerk, Sarah Lees, from chasing up, to considerable effect, external public agencies such as Devon County Council and R.D.&E to secure a response to our enquiries.

In terms of holding to account the Leader, Portfolio Holders and Officers, a preliminary briefing report is prepared. Scrutiny Members are then able to question, explore and challenge them in respect of their responsibilities. A primary duty, of course is the scrutiny and review of the budget, and Members were able to reassure themselves that the report to the Council was

appropriate, thanks to the very full information and responses provided by the Finance Manager.

In conclusion, despite constraints of capacity and time, I believe that Scrutiny is fulfilling its constitutional obligations, thanks to the commitment of Scrutiny Committee members, the cooperation of Portfolio Holders and Officers, and not least, the efficient support of Sarah Lees. My thanks to them all.

Frank Rosamond
Chair of Scrutiny
April 2013

Annual Chairman Report. Policy Development Group.
Managing the Environment. April 2012-March 2013.

As Chairman of the above Group, I wish to submit report to Council for the year April 2012-March 2013.

During the last 12 months, this group has been engaged on a number of projects, that due to the current and continuing economic position, take on a more important role in the future policies of this Authority.

Play Areas

Due to that economic restraint, an important undertaking by the Group was to look into the financial shortfall in the maintenance of play areas in the District. The remit was to look into the current situation where-in the 103 play areas in the district, were to be maintained to Health and Safety standards, based on the fact that initial fundings to maintain such were reaching the end of the line, and further funding was not available to continue such action. In May 2012 a Working Group was set up to look into this matter, and report back with findings to the PDG, so that a recommendation could be made to Cabinet as to future policy.

In November 2012 following many meetings by the Play Area Working Group, the PDG received report of a proposed strategy for future Play Area provision. The Play Area Working Group had investigated, following consultations with Town/Parish and other interested bodies, play area stock, both condition and amount, the availability of S106 commuted sums (to allow for future upkeep of equipment) problems in collecting such monies along with play areas lacking some equipment, and the general upkeep and maintenance of 104 play areas linked to ever diminishing budgets to maintain same. Further report on possible costings and savings was requested by the PDG at this time, before a final recommendation would be made to Cabinet. In January 2013 following this requested report, recommendation was made to Cabinet as to the future policy on Play Areas, this was accepted by them later in the month.

Waste Programme

During the course of the last 12 months, continuing progress of Waste Management was undertaken. The main thrust was towards re-equipping waste fleet, to enhance our collection capabilities with increased standards and objectives, to that end the fleet was enhanced with the arrival of 4 new vehicles, that gave MDDC more flexibility and greater safety features for crews. In line with the purchase of vehicles, a new optimisation programme (I.T.) was also purchased to produce programmes that would enable MDDC in the long term to give more

value for money to the public. In order to obtain the best results from this I.T. programme, the PDG also set up a new Waste Efficiency Group to study collected data, and report back to the P.D.G. later in 2013 with such findings that should show much benefit to the Authority and the community over the coming years as the collated information is broadened out and implemented across the service. Currently, county wide, Devon County Council are having discussions with all Local Authorities in Devon on a Municipal Waste Management policy, this hopefully will result in a clearer picture and understanding of recycling matters, MDDC are making a positive input into these discussions. On a local note, MDDC are putting more resources (with the aid of "The Star") into consumer awareness of recyclable items, as it is felt that extra publicity will bring better results, during the course of the year, the PDG will monitor results.

Dog Control Orders

The Clean Neighbourhood and Environment Act of 2005 gave local authorities the opportunity to introduce Dog Control Orders, which would strengthen current policies. Therefore, the PDG taking note of the issues felt by the general public (as expressed in a survey early in 2012), and following a report to them in September 2012, made various recommendations to Cabinet that was approved by them in the same month, resulting in the new policy being active from December 2012.

Tree/Hedge Policy

A report was submitted to the PDG regarding current MDDC Tree/Hedge policies, following which it was decided that certain changes should be made in respect of Tree policy that referred to MDDC by bringing it into line with latest information concerning management of Mid Devon owned trees and woodlands. Recommendation was made to Cabinet and accepted in September 2012. In the case of High Hedge policy, there was no need to alter current policy, therefore the status quo remained.

Climate Change/Environmental Strategy

This is an on-going matter to progress a climate change policy which will bring about alterations under a large umbrella of subjects. A report was submitted to the PDG in January 2013, which was discussed and debated with amendments sent back to the officer's for further consultation. As the year continues so will the PDG look at the revised report, prior to making any recommendations to Cabinet.

Whilst the above subjects have played a major role in the PDG's being in the last 12 months, and will so remain, other matters have been and will continue to be discussed/debated by the Group.

Finally my sincere thanks to the Members , who during the last 12 month's have offered me encouragement, advice and their expertise, along with keeping me on track to the subject matter in hand.

Allied to this must be my sincere thanks to all the officer's who have had to put up with me again!!. I do believe that because of the manner in which we all conduct ourselves at all times, this PDG meets the exacting standards required. My thanks to each and all.

M.A.Lucas
Chairman
March 2013

Decent and Affordable Homes Policy Development Group Chairman's Report February 2013

The PDG enjoyed a busy year, discussed ways of addressing many issues including the Budget Forecast, and took positive decisions.

Greater input from the Scrutiny Improvement Group (SIG) would be welcomed at meetings to keep up with housing and tenant policies, which help the Council make improvements.

Due to the new Benefit System it is likely that controlling rent arrears will be a challenge.

More investment in building our own housing stock is planned.

We aim to make greater investment in heat pumps and continue to give value for money all round.

Policies

- Introductory Tenancies Policy
- Neighbourhood Management Policy
- Fire Risk (with particular focus on Communal Areas) Policy
- Cash Incentive Scheme Review
- Tenancy Inspection Policy
- Housing Services Anti-Social Behaviour Policy
- Management of Asbestos in Council Properties
- Strategic Tenancy Policy
- Private Sector Housing Renewal Policy
- Review of Landlord Tenancy Policy

Other issues

- Performance and Risk
- Wellparks, Crediton – New Council Houses
- Reinvigorating the Right to Buy and one for one replacement
- Introduction of flexible tenancies

- Homelessness Strategy 2008-13
- HRA Business Plan
- Financial Outturn 2011/12
- Financial monitoring
- Government Rough Sleeper Initiative
- New affordable housing schemes
- Changes to Sheltered Housing Services
- Performance of Building Maintenance Contractor
- Budget 2013/14
- HRA Medium Term Financial Plan 2013 – 2017
- HRA Budget 2013/14
- Improved income management
- Proposed review of Tenancy Agreements
- Installation of air source heat pumps in MDDC stock

My sincere thanks to Committee members, to everyone who has had an input and contributed to a successful year also Cabinet Member for Housing, Cllr. Ray Stanley for his regular attendance, his expertise and assistance. To Nick Sanderson, Claire Fry, Fran Custance and team members for their contribution to ongoing improvements within the Housing service. Special thanks to those who have been at the sharp end of rent recovery and void turnaround times, to everyone for dealing with the wide variety of housing needs, sometimes facing challenging conditions and finally to Simon Coombs for his valuable assistance and guidance.

John Berry
 Chairman
 Decent and Affordable Homes Policy Development Group

COMMUNITY WELLBEING POLICY DEVELOPMENT GROUP

CHAIRMAN'S REPORT 2012/13

We are all facing unprecedented cuts and reforms within a very short timescale and as a committee we are not immune from these changes. We face difficult decisions regarding grant allocations and absorbing the enormous amount of information we receive during the year.

This year we have had many reports from our officers starting with one detailing the proposed changes to the council tax benefit scheme which we will have to implement from 1st April with less money. For instance, the bedroom tax," highly controversial, will reduce the housing benefit for those with more bedrooms than they can justify. There is a hardship fund being provided by government but this is not considered adequate. By autumn the universal credit should be introduced for new claimants but many tenants will have difficulties coping and rent arrears are expected to rise, presenting yet more problems for our council.

Police and Crime Commissioners are now installed and ASBO's have morphed into CRIMBO's – the police authority has gone. Only time will tell if all these changes amount to anything that the public will really notice.

An update on the much heralded localism act followed – with visions of communities exercising their right to build, challenge, bid and draw up neighbourhood plans which we still await.

On a more positive note we suggested a rural issues workshop which identified and discussed the problems common to most of our wards and maybe it would be a good idea to do this annually.

Lords Meadow continued to haunt us. It was an object lesson in how not to go about things:- Initial lack of consultation, a fait accompli which removed the badminton courts from the plans, an arrangement with QE College which wasn't there. The objectors were not mollified and many councillors and members of this committee were besieged by emails. At the August meeting of Full Council it was wisely realised that the proposals could not go forward in their current form.

At the December PDG we were given details of the new scheme; a more modest plan, one which retains two badminton courts and refurbishes the pool area and gives more space for gym activities. So most people will hopefully be happy, the cost will have been reduced and we shall be quite bereft without LM updates at every meeting.

Still with Leisure, in September, we looked at the ongoing problem of stemming the loses that this service makes despite the dedication of the staff at all three centres. It will be interesting to see if more business results from the LM improvements. In December we recommended to Cabinet that the leisure pricing strategy for 13/14 be accepted. The increases were in the main modest, or not at all in the case of Loyalty Memberships taken out in 2012. It remains to be seen whether the £53 K increase in income is deliverable in the current economic climate.

Now turning to grants and their allocation for the financial year 13/14, considered at the special meeting on 30th October 2012. This is never an enjoyable task, cutting any organisation's funding. However economic reality dictates we must. The enormous and thorough amount of work that our officers have done prior to committee ensures there are few surprises and fewer objectors than in the past. Grants must now align with our corporate priorities so Age UK , CHAT, CAB, Community Housing Aid Nightstop, remain unchanged in recognition of their much valued contribution to our community. This does not mean that those who have seen their grants cut are any less valued and those in groups 1 and 2 will be reconsidered for the 2014/15 budget. Hopefully for some not necessarily downwards.

The Seed Funding introduced 2012/13 providing start-up capital for three years is proving popular. Amongst the first recipients were the Tiverton Museum with a much needed grant to improve its shop, The Friends of the Grand Western Canal received money towards a new amenity picnic site, orchard and reed bed. I was pleased to attend a joint meeting of Age UK and Unite, which was the result of this funding, that aimed at combating rural isolation and they were very grateful to have received this help. The Committee have asked to be regularly updated on the latest recipients. The total grant budget for years 12/13 was £250 K of which £32325 was the seed fund. Years 13/14 will see the overall budget reduced to £233, 650 but seed funding will increase to £42 k .

Although it was not a decision that involved us I think we would all agree with our leaders pledge of finance to the Grand Western Canal to help repair the calamitous breach at Halberton in November in time for the 200th anniversary of the canal and the National Trail boat Festival in 2014.

Finally we are awaiting in our March meeting an update on Town and Parish funding standing at £66,504 informing us about the projects which have been put forward.

In July we were told about the Targeted Family Support Project (a government funded initiative) whereby problem families would be identified and the various agencies would work proactively together to help them. This scheme was not greeted with the enthusiasm one had hoped for as councillors remembered past schemes they thought had failed. But we have to give such schemes our support, if only a few families are helped it will be worthwhile.

We have been updated on environmental health and the High Street Innovation Fund and all look forward to seeing rickshaws in Tiverton !. Lets hope the weather is appropriate.

Throughout the year we have assiduously studied the financial monitoring reports, the quarterly performance and risk reports, and have learnt that savings have been made within this PDG remit although perhaps not quite as we would have liked, as some are the result of grant cutting.

We wanted a clear picture of local youth unemployment and were visited by Job Centre Plus. We were left with plenty of statistics but no real idea of what was happening. We hope they will return when the benefit reforms have settled down.

When I look back over the year there seems to be a gap in information about health in the district but I suppose this is not surprising as health care has been in such a state of flux .

Finally we resolved to support Councillor Roach's motion that: - the council recognises the problems associated with negative stereotyping .

I conclude this report with the wish that our local press would do likewise. In addition I thank the committee members and officers for all their hard work and support over the past year.

Heather Bainbridge