



**BLACKPOOL COASTAL HOUSING LIMITED**

**MINUTES OF THE FINANCE, AUDIT AND CORPORATE SERVICES COMMITTEE  
HELD ON WEDNESDAY 9th MARCH 2011 AT 6.00PM  
IN THE BOARDROOM AT COASTAL HOUSE**

**Present:**

Cllr Simon Blackburn  
Cllr Tim Cox  
Alan Marsh  
Bill Rogers  
Janet Stirling  
Paul Whitehead (Chair)

**In Attendance**

Neil Jack (Director of Finance & Resources)  
Maggie Cornall (Director of Housing Services)  
Doreen Wightman (Chair of the Board - ex officio as an observer)  
Stephen Dunstan (Chief Internal Auditor, Blackpool Council)  
Keith Ward (Baker Tilly, BCH External Auditors)  
Sam Fowler (Minutes)

ITEM	
1.	<p><b>Apologies</b> Cllr Ron Bell, Diane Bellinger</p>
2.	<p><b>Declarations of Interest</b> There were no declarations of interest.</p>
3.	<p><b>Election of Chair</b> Cllr Simon Blackburn proposed that Paul Whitehead be the Chair of the Committee. This was seconded by Bill Rogers and Janet Stirling. Paul Whitehead agreed to take the role of Chair for the Committee.</p> <p><b>Agreed</b> That Paul Whitehead will Chair the Finance, Audit &amp; Corporate Services Committee.</p>
4.	<p><b>Minutes of Previous Meeting &amp; Matters Arising</b></p> <p><b>4A. Finance &amp; Audit Committee</b> There were no matters arising.</p> <p><b>Agreed</b> That the Minutes be agreed as a true record.</p> <p><b>4B. Human Resources Committee</b> Under Matters Arising and in respect of Item 4, Health &amp; Safety Report, Alan Marsh asked that the minutes be amended to refer to Connaught Environmental.</p> <p><b>Agreed</b> That the minutes be agreed as a true record subject to the requested amendment being made.</p>



5.	<p><b>Terms of Reference</b></p> <p>Neil Jack presented the report asking the Committee to consider draft Terms of Reference for its operation. He explained that they were based on an amalgamation of the previous Terms of Reference for the Finance &amp; Audit and Human Resources Committees.</p> <p><b>Agreed</b></p> <p>That the Committee approves the proposed Terms of Reference and recommends that the Board formally approves them.</p>
6.	<p><b>Financial Position Update</b></p> <p>Neil Jack presented the report on the latest financial position for both the Housing Revenue Account (HRA) and BCH's own accounts and gave an outline of the impact on BCH staffing levels. The main financial issues affecting the HRA and BCH were the future levels of Decent Homes Programme Funding and the introduction of the HRA Self Financing Regime.</p> <p>In response to an enquiry about the how the position had changed since the previous self-financing proposals in March 2010, it was confirmed that the overall debt settlement for Blackpool had increased from £26.6m to £34.9m. This meant that Blackpool would have to take on an additional £8.3m in debt. Half of this was due to higher inflation levels and therefore higher rent levels than assumed in the March 2010 figures presented by the Government and the other half was due to the removal of the 10% minimum increase in allowances. It was explained that BCH and the Council had already jointly made representations to the Government on this matter and further efforts would be made.</p> <p>In the ensuing discussion a number of points were raised and comments made:</p> <ul style="list-style-type: none"> <li>• It appeared that Blackpool, in common with other local authorities, was being given the ability to make more local decisions but insufficient funding was being made available to give practical effect to those decisions.</li> <li>• There may be little scope to change the two funding settlements and effective management of the situation would therefore crucial.</li> <li>• The £60 per property allocated for Aids and Adaptations was considered totally inadequate because Blackpool has much higher levels of need for that type of work.</li> </ul> <p><b>Agreed</b></p> <p>That the position be noted.</p>
7.	<p><b>External Audit Plan 2011-12</b></p> <p>Keith Ward from Baker Tilly presented the proposed External Audit Plan for 2011-12, which also set out the proposed level of the External Auditors' remuneration.</p> <p>In response to a question as to whether disbursements were in line with the previous year it was explained that BCH are not charged for disbursements.</p> <p><b>Agreed that:</b></p> <ol style="list-style-type: none"> <li>A. The External Audit Plan for 2011-12 be approved.</li> <li>B. The Board be recommended to approve External Auditors' remuneration of £16,750.</li> </ol>
8.	<p><b>Internal Audit Plan 2011-12</b></p> <p>Stephen Dunstan presented the proposed Internal Audit Plan for 2011-12, which addressed the areas of risk identified in the Blackpool Coastal Housing Risk Register.</p> <p><b>Agreed</b></p> <p>That the Internal Audit Plan for 2011-12 be approved.</p>



<p><b>9.</b></p>	<p><b>Internal Audit Report – Decent Homes Contract Management</b>  Stephen Dunstan presented the report, which considered the arrangements within BCH for managing the Decent Homes Capital Programme.</p> <p>The scope of the audit work had been to review whether contract performance and contract monitoring of the Decent Homes Programme were of the required standard with adequate controls in place. This had included a review of the contract monitoring database, asset register and partnering arrangements with the contractors undertaking the decent homes work.</p> <p>The report concluded that the service was adequately controlled to address the level of business risk, while testing had revealed a satisfactory level of compliance with the controls.</p> <p>The Committee asked that Internal Audit ensure that Recommendation 5 (R5) on the action plan is carried out. This related to the question of liaison between the Stock Investment Manager and the Service Accountant to establish the potential for developing a process to monitor the timeliness of payments to contractors.</p> <p><b>Agreed that:</b></p> <ul style="list-style-type: none"> <li>A. The report be approved.</li> <li>B. Internal Audit should ensure that R5 on the action plan is carried out.</li> </ul>
<p><b>10.</b></p>	<p><b>Internal Audit Report – Anti-social Behaviour</b>  Stephen Dunstan presented the report, which considered the arrangements for managing value for money in the Anti-social Behaviour (ASB) Service.</p> <p>The scope of the audit had been to review the value for money of BCH's ASB interventions and the report concluded that the existing range of ASB interventions is provided in such a way as to adequately address value for money concerns.</p> <p>In discussion, the point was made that money spent on measures to control ASB is money well spent but that the ASB service cannot be considered just in relation to its cost because the actions taken can prevent people's lives being seriously and adversely affected.</p> <p><b>Agreed</b>  That the report be approved.</p>
<p><b>11.</b></p>	<p><b>Internal Audit Report – Financial Controls</b>  Stephen Dunstan presented the report, which considered financial controls at BCH.</p> <p>The scope of the audit had been to:</p> <ul style="list-style-type: none"> <li>▪ Establish the progress made in implementing previous audit recommendations</li> <li>▪ Review recent changes to the Cedar Creditors module and their impact</li> <li>▪ Review the new procedures for issuing decoration payments to tenants</li> </ul> <p>The report concluded that the financial controls in BCH were sufficient to address the level of business risk.</p> <p>In discussion the point was made that the purpose of Internal Audit was to challenge BCH.</p> <p><b>Agreed</b>  That the report be approved.</p>



<p><b>12.</b></p>	<p><b>HR Balanced Scorecard Quarter 3 2010-11</b>  Neil Jack presented the report, which described and reviewed the performance of BCH in respect of its Human Resources operations and activities.</p> <p>The report compared the actual performance of BCH in 2010-11 against the various targets for the current year and the level of performance in the previous year, 2009-10.</p> <p><b>Agreed</b>  That the report be noted.</p>
<p><b>13.</b></p>	<p><b>HR Sickness Absence Statistics 2010-11</b>  Neil Jack presented the report, which described and reviewed the levels of sickness absence for BCH staff in the first three quarters of 2010-11.</p> <p>Following the high levels of sickness absence in 2009-10, it had been agreed at the previously existing Human Resources Committee that a detailed report on sickness absence would be reported at the end of each quarter in 2010-11.</p> <p>In discussion the comment was made that the figures are good and show a significant improvement on the previous year's levels.</p> <p><b>Agreed</b>  That the report be noted.</p>
<p><b>14.</b></p>	<p><b>Any Other Business</b>  None</p>
<p><b>15.</b></p>	<p><b>Date of Next Meeting</b>  Wednesday 27<sup>th</sup> April 2011 at 6pm in the Boardroom at Coastal House.</p>
<p><b>16.</b></p>	<p><b>The meeting closed at 8-00pm</b></p>