



BLACKPOOL COASTAL HOUSING LIMITED

**MINUTES OF THE FINANCE, AUDIT AND CORPORATE SERVICES COMMITTEE
HELD ON WEDNESDAY 27th APRIL 2011 AT 6.00PM
IN THE BOARDROOM AT COASTAL HOUSE**

Present:

Diane Bellinger
Bill Rogers
Janet Stirling
Paul Whitehead (Chair)

Not Present

Cllr Ron Bell
Cllr Simon Blackburn
Cllr Tim Cox

In Attendance

Peter Jefferson (Chief Executive)
Neil Jack (Director of Finance & Resources)
Peter Whittaker (Company Secretary)
Doreen Wightman (Chair of the Board - ex officio as an observer)
Stephen Dunstan (Chief Internal Auditor, Blackpool Council)

ITEMS FOR APPROVAL

Item 6 (Tenant Project Fund 2010-11) requires a specific decision by the Board in respect of the recommendations made by the Committee

ITEM	
1.	Apologies None
2.	Declarations of Interest There were no declarations of interest.
3.	Minutes of Previous Meeting & Matters Arising There were no matters arising Agreed That the Minutes be agreed as a true record.
4.	Internal Audit Report – Data Quality Stephen Dunstan presented the report arising from the audit of arrangements for managing data quality that had been carried out by his team. The audit had focused on data collection of key performance indicators relating to rents and property maintenance. It was seen to be timely in view of the recent transition to the new “Orchard” housing management computer system.



	<p>In response to Directors' questions a number of points were made.</p> <ul style="list-style-type: none"> • The new system means there is less need for complementary systems and the consequent reduction in the need for reconciliations leads to greater accuracy. • Previous year financial data had been loaded in prior to the new system going live and there was no need for further data transfer. • The whole system should be fully implemented by mid-summer 2011 with the continued development of "workflow" to follow. • Recommendation R7 regarding issues logs for data quality problems had been acted upon. • The need to use spreadsheets to help manage void property processes had been removed now that the two main systems, Orchard and Connect, were able each to communicate with the other. This had not been possible during the implementation phase, hence the need for intermediate arrangements. • Live actual costings for work undertaken can now be obtained rather than needing to use average costings. <p>Agreed That the report be approved.</p>
<p>5.</p>	<p>Internal Audit Monitoring – Review of Internal Audit Report Recommendations</p> <p>Neil Jack presented the report, which provided an update on progress in implementing agreed recommendations arising from the internal audits conducted within BCH since 2007 when it took on its management agreement responsibilities.</p> <p>He confirmed that issues in respect of recommendation R5 concerning Emergency Housing management had been resolved. He also explained that the least progress had been made in implementing the recommendations from the Partnerships audit as a result of changes in the Council's structure. Although work on this was proceeding as quickly as possible, it was not possible to specify an end date because of Council resource constraints.</p> <p>In response to the Chair's concern that a close watch be kept upon the uncompleted items Neil Jack explained that uncompleted items would never be removed from the monitoring sheets. Stephen Dunstan stated that he would arrange for a compliance audit report to be presented to a future meeting at an appropriate time.</p> <p>Agreed That the report be approved</p>
<p>6.</p>	<p>Tenant Project Fund 2010-11</p> <p>Neil Jack presented the report, which reviewed the financial position of the Tenant Project Fund (TPF). It listed the projects submitted with a brief explanation of their purpose and value and identified whether they had been approved or rejected with reasons for rejection shown. Of the original funding provided, £48,378 was committed and £51,622 uncommitted.</p> <p>He explained that the report was provided partly for information but also to enable decisions to be made about funding levels for the TPF for 2011-12. The Board had previously agreed that this should be done in the light of the 2010-11 year-end position.</p> <p>Four options were proposed for consideration:</p> <ol style="list-style-type: none"> 1. Carry forward none of the 2010/11 underspend, leaving the TPF budget at £100,000. 2. Carry forward all the underspend, increasing the TPF budget to £151,622. 3. Carry forward part of the underspend. 4. Reduce the TPF budget in light of the underspend to less than £100,000



	<p>A number of points were raised in discussion:</p> <ul style="list-style-type: none"> • It was noted that many successful bids were from external organisations rather than local community groups or individuals. The manner in which the TPF was promoted was explained, as was the fact that the proportion of successful small group bids was a reflection of the low numbers of such bids received rather than their quality. • It was recognised that this would be a good time to review the promotion and awareness raising of the TPF with a view to encouraging and helping smaller groups to bid. • The potential for the Customer Involvement Team to help groups develop their often very good ideas into practical reality was noted and should be investigated. • Funding in respect of play equipment associated with the new housing development at Grange Park had been a practical necessity to support Council funding to provide facilities for the benefit of local residents and ensure that Government provided “match funding” would not need to be repaid. <p>Agreed That the Board be recommended to:</p> <p>A. Approve Option 1, thus funding the TPF for 2011-12 at the level of £100,000. B. Approve the transfer of the underspend from 2010-11 to balances.</p>
7.	<p>Lancashire Pension Scheme Valuation 2010 Neil Jack presented the report, explaining that an annual valuation of the fund is made for purposes of annual accounts but every three years a full actuarial valuation, as now being reported, is carried out.</p> <p>The report to the Committee summarised the main points of the actuarial valuation, looking at the fund itself and the BCH position within it. It explained that BCH was in a good position because it started life with no pension fund deficit and had an increasing number of contributors. The funding gap was currently small and the contribution rate required of it as an employer had fallen.</p> <p>He further commented on the Hutton Review, explaining that it appeared to imply lower employer contributions with a consequent need for increased employee contributions. There was likely, therefore, to be some future rebalancing of contributions and he undertook to keep the Board informed of developments.</p> <p>In response to questions the following points were noted:</p> <ul style="list-style-type: none"> • 123 out of BCH's 169 employees were contributors to the scheme • The scheme is more sustainable than many others because it is a funded scheme with large investment assets generating revenue from which pensions are paid. • Because of its size Blackpool does have options to challenge the actuarial assumptions should it feel the need to do so and may have the chance to phase in any required contribution increases over a period of time. <p>Agreed: That the report be noted.</p>
8.	<p>Any Other Business None</p>
9.	<p>Date of Next Meeting Tuesday 29th June 2011 at 6pm in the Boardroom at Coastal House.</p>
10.	<p>The meeting closed at 6-15pm</p>