

**Medway Council**  
**Meeting of Business Support Overview and Scrutiny**  
**Committee**

**Thursday, 4 November 2010**

**6.30pm to 7.05pm**

**Record of the meeting**

**Subject to approval as an accurate record at the next meeting of this committee**

**Present:** Councillors: Andrews, Avey, Kenneth Bamber (Chairman),  
Bright, Carr, Gulvin (Vice-Chairman), Griffiths, Harriott, Juby,  
Stephen Kearney, Royle and Stamp

**In Attendance:** Peter Holland, Committee Co-ordinator  
Mick Hayward, Chief Finance Officer  
Joy Kirby, Quality Assurance and Client Manager  
Andy Larkin, Finance Support Officer

**477 Record of meeting**

The record of the meeting held on 23 September 2010 was agreed and signed by the Chairman as correct subject to minute 368 (b), Support for people in temporary accommodation being replaced with the following:

(b) request that the Temporary Accommodation Task Group is re-formed to oversee the further work on the provision of temporary accommodation in Medway.

**478 Apologies for absence**

There were no apologies for absence.

**479 Urgent matters by reason of special circumstances**

There were no urgent matters.

**480 Declarations of interest**

Councillor Griffiths declared a personal interest in any reference to NHS Medway (formerly Medway PCT) on the grounds that he is a non-executive director of the trust.

**481 Work Programme (Business Management)**

**Discussion:**

The Committee Co-ordinator introduced the report setting out the current work programme and drew Members attention to the members attention to the fact that Adult Learning had been added to the Assistant Director, Organisational Service's remit and as such was now within the terms of reference of Business Support Overview and Scrutiny Committee rather than Children and Adults Overview and Scrutiny Committee. It was also noted that the Business Support Overview and Scrutiny Committee would be briefed on this new area of responsibility before holding the Portfolio Holder to account.

**Decision:**

The committee agreed:

- (a) to note the work undertaken by all overview and scrutiny committees in the last cycle and to be considered at the next cycle of meetings.
- (b) that this committee should receive a report giving members an overview of adult learning on 2 December 2010 and that the Portfolio holder for Housing and Community Services is held to account on 27 January 2011.

**482 Annual review of risk management strategy and 6 monthly review of the Council's Corporate Business Risk Register (Pre-decision scrutiny)**

**Discussion:**

The Quality Assurance and Client Manager introduced a report that set out the annual review of the Risk Management Strategy and the 6 monthly review of the Council's Corporate Business Risk Register.

It was reported that the Council's Management Team had reviewed their risks and updated them as detailed in Appendix C of the report and that the following recommendations had been proposed:

- SR05 Waste Management: **delete** as the procurement has been concluded and the contract commenced on 1 October 2010.
- SR 20 Pandemic Flu: risk rating to be **down graded** to E2 as the risk is considered very low. It will remain part of the register and be reviewed every six months but will not appear as a key risk.
- SR 14 Delivering radical innovation and SR 07 Workforce planning and capacity be **merged** to create a new risk SR 24 Managing Change (risk rated B1) to address the significant impact to the organisation of 'Achieving better for less', the White Paper on NHS Medway reforms and the plans for changes in the delivery of education e.g. free schools and academies.

## **Business Support Overview and Scrutiny Committee, 4 November 2010**

Members were concerned that SR 14, Delivering radical innovation, was not being given sufficient priority and felt that the Council should be looking at it's ability to affect change and the consequences for the Council of not doing that.

Members noted in respect of SR21.03, Create a contract register, that there was no timeline given for the monitoring of this action and wanted assurances that the contract register was being properly assessed.

Officers confirmed that a register was now in place and agreed to bring a report to the next meeting of the committee on the contract register and the forward procurement plan.

Officers agreed to despatch Members with sections of the contract register upon request.

### **Decision:**

The committee agreed:

- (a) to recommend to Cabinet the Risk Management Strategy, as set out in Appendix A to the report;
- (b) to recommend to Cabinet Management Team's recommendations on the amendments to the Council's Risk Register;
- (c) that Members are provided with a report to the next meeting of the committee on the contract register and the forward procurement plan.

## **483 Treasury Management Strategy Mid-year Review Report 2010/11**

### **Discussion:**

Immediately prior to the committee meeting the majority of the Overview and Scrutiny committee attended a Treasury Management training session for members from the consultants Sector.

The Finance Support Manager introduced a report that set out the Treasury Management Strategy Mid Year Review. It was noted that in line with the Chartered Institute of Public Finance Accountancy's (CIPFA) code of Practice for Treasury Management there should be a review of this strategy at least half yearly.

Members were informed that the Council aimed to achieve the optimum return on investments commensurate with the proper levels of security and liquidity and in the current economic climate it had been considered appropriate to keep investments short term and only invest in highly credit rated financial institutions.

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The Finance Support Manger confirmed that there had been no changes to the table at 3.4 of the report following Sector's review of the interest rate forecast following the Spending Review 2010.

Members noted that there had been one unavoidable breach of the Council's counterparty limits.

It was reported that within the Council's borrowing strategy, due to the very low interest rates being earned on investments and restrictions to mitigate counterparty risk, officers would be repaying existing and deferring taking out new debt.

The Finance Support Manager stated that interest earned on investments is currently around 0.88%, however the budget was predicated on earning 2%. This has inevitably led to a shortfall in income, however, if necessary at year end we can utilise money set aside in a rate equalisation account, mitigate that shortfall.

Members were concerned that the Council had investments in the Spanish bank Santander especially with regard to the economic problems Spain was facing.

The Finance Support Manager reassured Members that the Council had invested in Santander UK, which was a separate company within the Santander Group and that Santander only had about 17% of it's interests in Spain. It was also noted that Sector, the Council's investment advisors rated Santander UK as a UK bank as had the previous government.

### **Decision:**

The committee agreed to note the report and asked that it's comments were passed onto Cabinet and Council.

**Chairman**

**Date:**

**Peter Holland, Committee Co-ordinator**

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