

MINUTES OF THE GENERAL PURPOSES COMMITTEE
Thursday, 29th June 2006 at 7.00 pm

PRESENT: Councillor John (Chair), Councillor R Blackman (Vice-Chair) and Councillors Bessong, Beswick, Castle, Colwill, D Long, Lorber, J Moher, Tancred (alternate for D Brown) and Wharton.

Apologies for absence were submitted on behalf of Councillor D Brown

1. Declarations of Interest

None

2. 2005/06 Statement of Accounts

It is a requirement under the Accounts and Audit Regulations that the Council's Annual Statement of Accounts be approved by this Committee. Members had before them the covering report, which set out the legal and accounting requirements relating to the approval and publication of the accounts. A supplementary report providing further detail on the accounts, the Statement of Accounts 2005/06 and the Group Accounts 2005/06 were despatched within three days of the meeting following the agenda. The Chair certified the item as urgent as:

“Under the Accounts and Audit Regulations, the General Purposes Committee is required to consider and approve the Statement of Accounts by 30th June. The Statement of Accounts has only recently been completed and it was not possible to send this supplementary report out with the original Committee papers”.

Copies of the Brent Council Statement of Internal Control 2005/06 and an amendment to the recommendations contained in the covering report were also circulated to those present.

The Committee heard that following the formation of an Executive at the meeting of Full Council on 26th June 2006, Councillor Lorber had now signed the 2005/06 Statement of Internal Control in his capacity as Leader of the Council.

Duncan McLeod (Director of Finance and Corporate Resources) introduced the item and reminded those present that the Council had a statutory duty to prepare accounts in accordance with the Accounts and Audit Regulations 2003. It was noted that for the last four years the deadline for the submission of accounts had moved forward by a month each year. Thus, whilst last year's deadline had been 31st July 2005, the present set of accounts had to be approved by the Committee no later than 30th June 2006. Despite this challenge, the

Council had been successful in meeting the stipulated deadline for this year, as previously. Once approved, the accounts would be forwarded to PricewaterhouseCoopers (PwC) for audit. Members were advised that balances and other items in the accounts might be subject to change during the audit process. Any material amendments would be reported back to the General Purposes Committee in line with the Accounts and Audit Regulations. Following this, the Committee would be asked to sign off the final Statement of Accounts by 30th September 2006. Those present were also advised that further details of the outturn on the revenue account and capital programme would be reported separately to the Executive on 17th July 2006.

Duncan McLeod reported that the Consolidated Revenue Account for the financial year 2005/06 showed a small surplus of £48k, demonstrating the effectiveness of the financial controls in place within the Council. It was also noted that the Government and the Audit Commission placed an increasing responsibility on councils to be accountable to their local residents. Consequently, a summary 'plain English' version of the accounts would be combined with the Council's Annual Review and distributed throughout the borough.

Further to questions regarding the Brent Council Statement of Internal Control 2005/06, it was confirmed that each service area had been required to produce a statement on the effectiveness of the principal controls in their area. The Statement of Internal Control had already been examined by internal auditors who had identified target areas for action, and these actions would be monitored through a number of channels, including the Performance and Finance Select Committee. Members enquired about the significant control issues identified in Section 5. They were advised that all major systems had back up plans in place. The issue raised in the Statement of Internal Control was that in some areas these plans had not been sufficiently tested, but plans had now been put in place to do so.

Referring to the advance in the date for closing the accounts from the end of September to end of June, a question was asked about whether there would be an expectation of earlier closing in future years. Duncan McLeod confirmed that there were no plans to advance the date further and that this would be difficult to do without depending on use of estimates.

Members were informed that the Council relied heavily on service areas to manage their budgets and compensate for any overspending in one area by under spending in another. Duncan McLeod confirmed the Council's commitment to addressing the overspend in Adult and Social Care and it was noted that the report to the Executive on 17th July 2006 would highlight some of the pressures on this service area, including costs passed on by the Primary Care Trust, and measures being taken to address them.

Duncan McLeod also confirmed that the reason that actual council tax income shown in the accounts was the same as the estimate is that this fitted in with government requirements on accounting for council tax. Differences between estimated levels of collection and actual levels of collection were taken into account when assessing the surplus or deficit on the Collection Fund used in setting the following year's council tax.

Following a question about the reduction in the Revenue Support grant in 2005/06, Peter Stachniewski (Deputy Director of Finance & Corporate Resources) responded that this was principally due to the grant amending report issued for 2004/05 to reflect changes in population estimates. Whilst there was a loss as a result of this in 2005/06, this had been compensated for by an addition to the base level of grant used in calculating Brent's 2006/07 grant entitlement.

In response to a question about what the Council was doing to respond to under-counting of population, Peter Stachniewski outlined the problems associated with population figures in terms of grant allocation. The figures used by the government were taken from the Office of National Statistics (ONS) projections based on 2003 population estimates, and appeared to indicate a falling population for Brent and a number of other London Boroughs. These boroughs were currently lobbying the ONS to review its approach to migration, an issue which posed problems for population projections and disproportionately affected areas of London. Members were informed that the ONS was currently carrying out research on this issue with a view to revising its approach to estimates and projections. In the meantime, the Council, along with others, had had some success in persuading the Department for Communities and Local Government to limit the impact of population changes on grant allocation through use of grant 'floors' for authorities that would lose out and 'scaling' factors for those that gained.

In response to a question on the 'Section 106 and Commuted Car Parking' reserve, Duncan McLeod agreed to supply members of the Committee with a breakdown of what was included.

The Chair thanked Duncan McLeod and the Finance and Corporate Resources Team for their hard work in producing the Annual Statement of Accounts 2005/06 in such a timely fashion.

RESOLVED:-

- (i) that approval be given to the 2005/2006 Statement of Accounts, as circulated to the Committee, subject to:
 - the inclusion of the section on group accounts which had been circulated under the separate cover; and

- the revised Statement of Internal Control signed by the Leader of the Council which had been tabled at this meeting;

that they be forwarded to PricewaterhouseCoopers for audit.

- (ii) that the Chair of this Committee sign the accounts, as amended in resolution (i).

3. **Nominations to Outside Bodies 2006/07**

The Committee had before them a list seeking nominations to outside bodies that currently require representation.

RESOLVED:-

that approval be given to the following appointments to outside bodies:

| ORGANISATION NAME | COUNCIL REPRESENTATIVE |
|---|---|
| CENTRAL | |
| ALG Ltd | Cllr Lorber Cllr D Brown (Deputy) Cllr Wharton (Deputy) |
| ALG – Crime & Public Protection Forum | Cllr V Brown Cllr Ms C Shaw (Deputy) |
| LGA General Assembly | Cllr Lorber Cllr Wharton (Deputy) |
| Partners for Brent (Local Strategic Partnership) | Cllr Lorber |
| Refugees into Jobs | Cllr Tullet (Deputy) |
| West London Alliance | Cllr Lorber |
| West London Partnership | Cllr Lorber |
| CHILDREN & FAMILIES | |
| ALG – Children, Young People and Families Forum | Cllr CJ Patel (Deputy) |
| National Childrens’ Bureau | Cllr Tancred |
| Standing Advisory Committee for Religious Education | Cllr Tullett |

| ENVIRONMENT & CULTURE | |
|--------------------------------------|-------------|
| ALG – Culture & Tourism Forum | Cllr Steel |
| Brent Sports Council | Cllr Hirani |
| Energy Solutions (North West London) | Cllr Dunn |
| Heritage of London Trust | Cllr Clues |

| | |
|---|-------------------------------------|
| Historic Environment Champion | Cllr Steel |
| London Accident Prevention Council | Cllr Bessong |
| Museums Association | Cllr Motley |
| Queen's Park Joint Consultative Group | Cllr Tullett Cllr Motley |
| FINANCE AND CORPORATE RESOURCES | |
| Chalkhill Community Trust Fund | Cllr Kansagra |
| Chalkhill Joint Development Board | Cllr Moloney Cllr Thomas |
| HOUSING & COMMUNITY CARE | |
| ALG Health & Social Care Forum | Cllr Colwill (Deputy) |
| ALG Housing Forum | Cllr Allie Cllr Cummins (Deputy) |
| Brent Housing Partnership (BHP) Board | Cllr Eniola |
| Brent Learning Disabilities Partnership | Cllr Sneddon Cllr Tancred |
| Healthy Harlesden Partnership | Cllr Motley |
| Hillside Housing Trust | Cllr Moloney |
| LHC – Building Components & Services | Cllr Thomas |
| Shepherds Bush Housing Association | Cllr Thomas |
| Willesden Consolidated Charities | Cllr Sneddon |

4. **Date of Next Meeting**

It was noted that the next meeting was due to take place on 4th October 2006.

The meeting ended at 7.47 pm

A JOHN
Chair

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