

Item No. 2	Classification: Open	Date: September 15 2005	Meeting Name: Regeneration & Resources Scrutiny Sub-Committee
Report title:		Reference from Council Assembly – Statement of Accounts	
Ward(s) or groups affected:		All	
From:		Chief Executive (Borough Solicitor)	

RECOMMENDATION

1. That the regeneration and resources sub-committee arrange for the investigation of the background to the issues identified in resolution 3 below and how they may be best addressed, making recommendations to the executive and/or council assembly as necessary.

BACKGROUND INFORMATION

2. The statement of accounts was considered and agreed by council assembly at its meeting on July 20 2005. In order to draw lessons for improved financial management in future years a number of identified issues are referred to the overview and scrutiny committee for consideration (regeneration and resources sub-committee).

KEY ISSUES FOR CONSIDERATION

3. Details of the full decisions of council assembly on July 20 2005 are set out below. The issues identified in resolution 3 are before the regeneration and resources sub-committee for consideration in order to recommendations to the executive and/or council assembly as necessary.

1. That the statement of accounts 2004/05, be agreed.
2. That the Mayor, as presiding member at the council assembly meeting, sign and date the accounts as being approved by the council assembly.
3. That in agreeing to approve the statement of accounts, council assembly also seeks to draw lessons for improved financial management in future years.

Council assembly therefore asks overview and scrutiny committee to arrange for the investigation of the background to the following issues and how they may be best addressed, making recommendations to the executive and/or council assembly as necessary:

(A) Housing Management Although the number of council homes fell by 1,748 in the year, expenditure on supervision and management rose by £18m (22%) to £101m.

(B) Rent Arrears £3.361m of rent arrears was written off but

outstanding rent arrears fell by only £1.151m; the underlying trend in rent arrears therefore still appears to be upwards.

- (C) Parking Fines Provision for debt write-off in the parking trading account has risen from £2.520m to £4.171 m and net revenue rose by only £200,000 so the percentage of parking fines uncollected appears to be increasing.
- (D) Debtors The Consolidated Balance Sheet shows “debtors” owing £110.5m in 2003/04 and £136m in 2004/05. The reasons for this increase and the nature and origin of these debts should be probed in order to ensure no further rise occurs and write-off is minimised.
- (E) Publicity Costs The publicity budget rose by £1 million (25%) in a single year which amounts to a weekly council tax increase of nearly £1.50.
- (F) Freedom of Information & Data Protection The director of finance has reported weaknesses in staff awareness of and adherence to the Freedom of Information Act and of the Data Protection Act.

Background Papers	Held At	Contact
Council assembly agenda July 20 2007	Town hall, Peckham Road, London. SE5 8UB	Paula Thornton Constitutional team 020 7525 4395

LIST OF APPENDICES

- Appendix 1 Covering report considered by council assembly July 20 2005
- Appendix 2 Resolutions of council assembly July 20 2005
- Appendix 3 Statement of Accounts 2004/05 document
- Appendix 4 Action points - meeting between Director of Finance & Executive Member for Resources July 5 2005

Audit Trail

Lead Officer	Ian Millichap, constitutional team manager
Report Author	Paula Thornton, constitutional officer
Version	Draft

Dated	September 5 2005	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Chief Officer		
Executive Member		
Date final report sent to Scrutiny	6 September 2005	