

CAMBRIDGESHIRE HORIZONS

Minutes of Audit & Risk Management Committee Meeting of 22nd June 2007, Committee Room 2, The Guildhall, Cambridge

Present:

John Bridge, Cambridgeshire Chamber of Commerce, Chairman
Stephen Catchpole, Chief Executive
John Onslow, Director for Development
John Barnes, Business Support Manager

Apologies

Cllr Alan Melton, Fenland District Council
Cllr Ian Nimmo-Smith, Cambridge City Council

Actions

Item 1 - Minutes

1.1 The minutes were approved as an accurate record of the last meeting.

Item 2 – Matters Arising

2.1 There were no matters arising that were not covered in the agenda.

Item 3 – 2006-07 Full Year results.

3.1 The Full Year results were discussed and the main points covered -
Income was £2,4724k against a budget of £2,253k (Higher level of Capital Costs invoiced to DCLG) and other income of £60k in the year. The costs were £2,346K against a budget of £2,253k. This was an overspend on Capital (£136k) and a revenue underspend on Pay and small overspends on Accommodation and Travel.

The key points made were: -

- A surplus of £350K has been built up in reserves over the last two years and this will be used to support Horizon's Revenue expenditure budget in 2007-8, based on agreed priorities.
- The opening balance (contribution from CCC) is used as a Cashflow buffer to enable Horizons to meet its liabilities on its normal trading cycle.
- The impact of the Government's CSR may need to be factored in at a later date (For the September Board – if known).
- Horizons' picked up a loss from SCDC and has safeguarded its position by reserving the amount for SCDC to spend in the current financial year.
- The draft budget was reviewed and agreed by the Audit & Risk Management Committee.
- The Quarter 4 numbers show that the phasing of the Budget had been a success and was accurate, showing the back-end loading of costs and income.

Item 4 – 2006-07 Fourth Quarter Financial Results

- 4.1 The Fourth quarter results were discussed and the main points were reviewed and agreed. The Committee was now very happy with the schedules and information provided, which gives a complete picture of Income Costs and variances, enabling a review in depth where required.

Item 5 – Fourth Quarter Year on Year Revenue costs comparison

- 5.1 The position at the end of the fourth quarter was explained in terms of Income, Costs and the net surplus achieved. Income was ahead of the same point last year (£2,472k against £2,265k) and costs were 18% ahead of the prior year. The net surplus at the end of quarter 4, this year, was £126k, against the prior year's level of £279k (55% less), mainly due to higher Income from capital Programmes which increases the costs in Supplies and Services.

A further column was requested to be added to the spreadsheet for the year on year cost comparison, to include Core costs Budget for both years/quarters.

JAB

Item 6 – Draft Budget for 2007-08.

- 6.1 The draft Budget was discussed and it was appreciated that at this point in time it was subject to later changes (CSR decisions, new posts agreements which are still under discussion) and it was intended as a draft for early discussion by the Committee and the Board.
- 6.2 It was agreed that it might be useful to have the Committee reconvene once the CSR impact was announced and before presenting it to the next main Board for approval.
- 6.3 The draft Budget was agreed by the Committee.

JAB

Item 7 – Strategic Risk Management Systems

- 7.1 The Strategy had been considered at the Senior Officer Board and was prepared in the context of Northstowe and the Cambridge Southern Fringe, but was capable of being applied to other programmes in the longer term.
- 7.2 The Risk Management System enabled us to identify when intervention was required and who owned the “risk”, as well as showing the impact and probability (of its seriousness).
- 7.3 A teach in for the main Board Members was suggested as a way forward on the process details. JO deserved praise for the process, approach and escalation procedure, which were ground-breaking methods of reviewing risks and managing their impact.

Item 8 –Date of next meeting

- 8.1 Next meeting to be decided upon, at a later date.