



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

RESOURCES AND FINANCE COMMITTEE

Minutes of a Meeting of the Resources and Finance Committee held in Council Chamber, The Grange, Nutholt Lane, Ely, on Thursday, 29th March 2018 at 4.30pm.

PRESENT

Councillor David Brown (Chairman)
Councillor Christine Ambrose Smith (Substitute for Councillor Steve Cheetham)
Councillor David Ambrose-Smith
Councillor Ian Bovingdon
Councillor Mike Bradley
Councillor Mark Goldsack
Councillor Chris Morris
Councillor Alan Sharp (Vice-Chairman)
Councillor Christine Whelan (Substitute for Councillor Lorna Dupré)

In attendance

Councillor Jo Webber

Melanie Richardson – Audit Manager, External Audit, Ernst and Young

Rachel Ashley-Caunt – Head of Audit, LGSS

Magen Powell – Principal Auditor, LGSS

John Hill – Chief Executive

Jo Brooks – Director, Operations

Sally Bonnett – Infrastructure & Strategy Manager

Andy Dicks – Reprographics Manager

Emma Grima – Director, Commercial

Ian Smith – Finance Manager & S151 Officer

Nicole Pema – HR Manager

Hetty Thornton – Performance Management Officer

Annette Wade – Customer Services Manager

Karen Wright – ICT Manager

Janis Murfet – Democratic Services Officer

84. **PUBLIC QUESTION TIME**

No questions were submitted by the members of the public.

85. **APOLOGIES AND SUBSTITUTIONS**

Apologies for absence were received from Councillors Duprè and Cheetham.

It was noted that Councillor Whelan would substitute for Councillor Dupré, and Councillor Christine Ambrose Smith for Councillor Cheetham for the duration of the meeting.

The Chairman welcomed Councillor Whelan to her first meeting of the Resources & Finance Committee.

86. **DECLARATIONS OF INTEREST**

There were no declarations of Personal or Prejudicial Interests by Members of the Committee.

87. **MINUTES**

The Minutes of the meeting of the Committee held on 29th January 2018 were received.

It was resolved:

That the Minutes of the meeting of the Committee held on 29th January 2018 be confirmed as a correct record and signed by the Chairman.

88. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman wished all present a Happy Easter.

The Chairman informed Members that the report on Community Infrastructure Levy (CIL) would now go to the next meeting of Committee, so that it covered a full year. Had the report been brought to today's meeting, it would have only covered a period of 11 months.

Councillor Morris joined the meeting at 4.35pm.

89. **EXTERNAL AUDIT – PROGRESS REPORT**

The Committee received a report from the Council's External Auditors Ernst and Young on progress with the 2017/18 audit.

Melanie Richardson, Audit Manager, stated that this year would be challenging because the Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. The timetable for the preparation and approval of accounts would be brought forward with draft accounts needing to be prepared by 31st May and the publication of the accounts by 31st July.

The year-end audit would commence in the week of 25th June and Members would receive the report in the third week of July; it might not be the final position, but would contain as much information as possible.

It was resolved:

That the External Audit - Audit Progress Report be noted.

90. **EXTERNAL AUDIT – LOCAL GOVERNMENT SECTOR UPDATE**

The Committee received the Local Government Sector Briefing from the Council's External Auditors Ernst and Young and a report containing the response from the Finance Manager to the six key questions detailed in the Briefing.

In response to a question from Councillor Whelan regarding Question 6 '*Has the Authority considered the implications of the new GDPR, and is the Authority confident that it comply with its requirements when it comes into force?*', the Finance Manager replied that everything was on course and expected to be in place by 25th May 2018.

It was resolved:

That the External Audit Briefing and the response from the Finance Manager to the key questions contained therein be noted.

91. **PERFORMANCE MANAGEMENT: NEW SERVICE DELIVERY PLANS & END OF YEAR PERFORMANCE REPORTS**

The Committee considered a report (reference S268, previously circulated) detailing end of year performance outputs for 2017/18 and the new Service Delivery Plans (SDPs) for 2018/19 for the Services within the remit of this Committee.

The Performance Management Officer said she would invite each Service Lead to present the information for their service area.

Performance Management:

The Performance Management Officer summarised the content of her end of year performance report and new Service Delivery Plan for 2018/19.

Work had commenced with Service Delivery Leads to deliver a LEAN system thinking approach in their work. Explaining how the process worked, she stated that she had achieved the Lean Six Sigma qualification and reviews had been completed on the Building Control, Care & Repair and Commercial Teams. All departments had embraced the Lean Six Sigma System and work would continue throughout the year within the Council to embed new processes to enable efficiencies of time and money.

A mechanism would be developed for assessing the outcomes from the recommendations identified within Lean System thinking by May 2018.

Much work had been carried out on the Employee Self Service System, and while data loading had been a laborious task, it was very worthwhile because it would provide the Council with more resilience. The project management of a new HR and payroll management system was ongoing; Phase 2 would include the recruitment modules and business objects.

Financial Services:

The Finance Manager & S151 Officer said that this had been a very busy year for his service and he had been greatly involved in the new payroll project.

There had been a major upgrade of the Agresso system in November 2017 and the PARIS system was upgraded in February 2018. Considerable work had been carried out on the Statement of Accounts for 2016/17 and the initial draft was signed off by the Acting Section 151 Officer on 14th June 2017. The final audited accounts were signed off by Committee and External Audit in advance of the 30th September deadline.

A number of new staff had joined the Team and they were challenging the processes, with a view to enhancing the existing, and embedding new systems.

A financial process had been introduced for East Cambs Street Scene (ECSS) and the accounts would be produced on a stand-alone basis. Financial support would continue to be provided to both the East Cambs Trading Company (ECTC) and ECSS, with reporting being timed to hit respective Company Board meetings.

There would be a regular review of high level corporate risks including public sector funding and the loss of major income streams, and opportunities would be sought to address the budget gap in 2020/21.

Councillor Sharp offered his congratulations to the Finance Manager and his Team, saying that Members should not underestimate just how much work had been carried out because he had been involved in central Government and had an understanding of what went on.

Councillor Morris, Service Delivery Champion (Financial Services), concurred adding that Financial Services was working well and he congratulated the Team on providing an excellent service.

Legal Services:

The Committee noted that the Legal Services Manager was not present at the meeting.

The Performance Management Officer said that if Members had any questions, she would forward them on to the Legal Services Manager for a response.

Councillor Bovingdon said he had been approached by developers regarding the delay in getting out S106 Agreements. The Chief Executive requested that Councillor Bovingdon speak to the Legal Services Manager and give her examples of where delays had occurred.

Democratic Services:

The Committee noted that the Democratic Services Manager was not present at the meeting, and the Democratic Services Officer would attempt to answer any questions in her absence.

Members did not make any comments or ask any questions regarding the end of year performance report and new Service Delivery Plan for 2018/19.

Infrastructure & Strategic Housing:

The Infrastructure & Housing Manager summarised the content of her end of year performance report and new Service Delivery Plan for 2018/19.

Much work had been carried out on a wide range of projects, including the Ely Southern Bypass, the District leisure facility, Soham Station, car parking in Ely, expansion of the Littleport Station car park, and A14 improvements.

The Service Delivery Plan for 2018/19 would include the completion and opening of The Hive leisure centre, a Masterplan for Littleport, and working with partners to develop appropriate schemes for infrastructure and services to North Ely.

Councillor Bovingdon, Service Delivery Champion (Infrastructure), offered his congratulations to the Infrastructure & Strategy Manager and her team, saying that what they had achieved was 'tremendous', given that they were involved in such a very long list of projects.

The Chairman remarked that an Officer at the County Council held a list relating to self-builds and he asked the Infrastructure & Strategy Manager to ensure that the County list married in with that held by ECDC.

Strategic Planning:

The Committee noted that the Strategic Planning Manager was not present at the meeting; however, the Director, Commercial said she would speak in his absence.

It was noted that this Authority had a Service Level Agreement with Peterborough City Council regarding the Strategic Planning Manager.

The new Local Plan had been submitted and dates were now in the diary for the forthcoming Examination in Public. Work was being undertaken to assist the Parish Councils in the production and adoption of Neighbourhood Plans.

Councillor Bovingdon, having noted that the Authority's Monitoring Report (AMR) covered the period to 31st March 2018, asked why publication would take a further nine months. The Director, Commercial replied that it was a statutory requirement that the Report be published by 31st December 2018.

Customer Services:

The Customer Services Manager commenced by summarising the numerous projects in which she and her team had been involved. They included supporting the County and Mayoral Elections in May 2017, the transfer of the Waste Contract to the East Cambs Trading Company on 1st April 2018, and the development and launch of a new Intranet Site.

Customer services delivery had received some 55,000 calls and of those, 30,783 were dealt with in Reception, with a 60% resolution rate. Much of the assistance provided was helping customers with the completion of forms.

The Service Delivery Plan for 2018/19 included supporting the implementation of Universal Credit and launching an Assisted Digital Service for those customers claiming the benefit. Continued support would be offered in respect of the transfer of the Waste Service; reviewing General Data Protection Regulation (GDPR) to ensure compliance with data protection laws; raising ECDC's profile with the Anglian Revenues Partnership (ARP), and encouraging people to sign up to paperless billing.

Councillor Jo Webber, Service Delivery Champion (Customer Services) remarked that it had been a very challenging year for the team. There was a high level of versatility amongst team members which potentially raised the possibility of people moving from Customer Services to other departments within the Council. As it took six months to train a Customer Services Advisor, it was crucial that a high level of service be maintained and the team given support to alleviate any problems that might arise. The Customer Services Manager was putting forward suggestions to simplify forms and processes so that customers would receive the best possible service.

Councillor Webber concluded by saying that she would do all that she could to support the team in the coming year.

In response to a question from Councillor Sharp about increasing the number of people signing up for paperless Council Tax billing, the

Customer Services Manager said that there was a campaign with the ARP to raise the level to 5%. At present, Customer Services did not take telephone calls regarding Council Tax, but this would be reviewed.

Councillor Bradley asked for an explanation regarding the creation of a single sign on for the East Cambs Self Service Portal. The Customer Services Manager replied that East Cambs was the first to attempt implementation but it had not worked. The intention was now to follow East Suffolk and learn from them regarding actual deliverables and possibilities. Councillor David Ambrose Smith, the Financial Services Manager and the Director, Commercial were involved in the project, which would soon be going live.

The Chairman raised an issue which he reiterated was not to be taken as a reflection on Customer Services. A member of the public had reported an overflowing waste bin and given its identification number, but Customer Services was unable to locate it. The Chairman believed that some sort of interactive map would be helpful and he asked that Directors give this consideration.

Reprographics Services:

The Reprographics Manager said that his service had experienced another extremely busy year.

147 jobs had been designed and printed for the East Cambs Trading Company (ECTC), Palace Green Homes (PGH) and Ely Markets. Work had also been carried out for 17 new external clients, and support had been provided to the Mayor and Combined Authority. Printing had been very busy, generating £15,000 of income.

The Document Management System was dominated by planning related material, and an overall total of 44,318 images had been scanned and indexed on the system. The Post Room now had an X-ray machine which added an extra layer of security when dealing with incoming post.

Looking to the Service Delivery Plan for 2018/19, more external clients would be sought and the Service would continue to provide back-end reprographics support to ECTC, PGH, the Mayor and the Combined Authority.

Councillor Bradley, Service Delivery Champion (Reprographics & DMS) paid tribute to the Reprographics Manager and his staff, saying their attitude was very much 'get on and do it'. They were efficient and had reduced costs, and provided a well-run service.

Human Resources:

The Human Resources Manager summarised the content of her end of year performance report and new Service Delivery Plan for 2018/19.

It had been another busy year with HR having been very active in supporting the rollout of the new MHR HR and Payroll system. A significant amount of work had been carried out in connection with the TUPE transfer of 62 Veolia employees to East Cambs Street Scene Ltd from April 2018.

Job evaluation had been concluded, with the exclusion of new posts, and 98% of the jobs had been moderated by the Consultant and Unison. The initial ranking of evaluated jobs had been completed and presented to Management Team, and work had begun on a new pay and grading structure.

Councillor Christine Ambrose Smith, Service Delivery Champion (HR) commended the HR Manager for having achieved a huge amount with such a small team. She concluded by saying that she was very happy to be the Service Delivery Champion for HR.

ICT:

The ICT Manager commenced by informing Members that she was newly appointed to the post.

A significant number of arrows on the end of year outcomes were facing downwards, and she said that she was not offering excuses, but this was due to the loss of staff and the lack of a manager in post for the majority of the year. The Director, Operations, had undertaken a review of the Service and a re-structure was underway.

In the meantime, day to day issues were being addressed and assistance provided to Members and Officers. All security requirements were in hand, with no issues having been raised. There had been full involvement with the transfer of Waste to ECSS, and Oliver Cromwell's House over to the City of Ely Council. Street Numbering & Naming had seen a big increase, with its income more than doubling.

The ICT Manager said that in her opinion, one of the biggest achievements was the bringing together of the two elements of the ICT Service to form one team; everyone was now located in one office and demonstrating a 'can do' attitude. Additional funding had been secured and all the servers would be upgraded to comply with legislation; Disaster Recovery would be reviewed and monitored.

The ICT Manager concluded by thanking Councillors Cox and Bradley for all their help.

Councillor Bradley, Service Delivery Champion (Information Technology) congratulated the ICT Manager for 'stepping up to the plate' and he commended the Director, Operations for doing a good job regarding the stability of the Service; he believed that the future could be viewed positively.

Councillor Sharp welcomed the ICT Manager to her new post and he enquired about the three staff vacancies. The Director, Operations replied that the re-structure had gone through, it would be taken to the forthcoming meeting of the Joint Consultative Committee, all positions would be offered out to existing staff and there would be three external posts.

Councillor David Ambrose Smith thanked the Performance Management Officer for bringing together all the reports and Service Delivery Plans, saying it was much appreciated. He also suggested that perhaps the style of the reports could be reviewed.

The Chairman concluded by congratulating all Service Leads for their very impressive reports. Whereupon,

It was resolved:

That the End of Year Performance Reports (2017/18) be noted and the new Service Delivery Plans (2018/19) for the following Services be approved:

- Performance Management
- Financial Services;
- Legal Services;
- Democratic Services;
- Infrastructure and Strategic Housing;
- Strategic Planning;
- Customer Services;
- Reprographics Services;
- Human Resources;
- ICT.

92. **INTERNAL AUDIT PLAN 2018/19**

The Committee considered a report (reference S269, previously circulated) which presented the draft Internal Audit Plan for 2018/19 and Internal Audit Charter for review and formal approval.

Rachel Ashley-Caunt, Head of Audit, LGSS, said that during the last year, the Council had adopted a new risk management framework and corporate risk register. As such, this provided an ideal opportunity for the content of the audit plan to be reviewed to ensure it was equally focused upon the Council's key corporate risks and to link it to the corporate risk register. This had resulted in some amendments to the previous draft audit plan for 2018/19.

Table 1 on pages 5,6 and 7 of Appendix 1 set out the Draft Internal Audit Plan 2018/19 and 2019/20, and Members were reminded that LGSS Internal Audit was required to provide ECDC with 200 days of audit and assurance work in 2018/19.

Appendix 2 to the report set out the Internal Audit Charter and Strategy. Members noted that this document was formally approved by the Committee in July 2017 and no amendments had been made since that approval. It would be reviewed annually and aligned with the Audit Plan.

Councillor David Ambrose Smith suggested, and the Committee agreed that paragraph 2.2 of the recommendation be amended to read '*... in consultation with the Chair **and/or Vice Chair** ...*' He also asked the Head of Audit whether she had any concerns about performance in the light of what was happening at Northamptonshire. Ms Ashley-Caunt assured Members that the position was business as usual; ECDC was safeguarded and LGSS was required to give 200 days of work.

It was resolved:

1. That the Internal Audit Plan and Internal Audit Charter for 2018/19 be approved.
2. That approval be given to the delegation of authority to the Council's S151 Officer to approve in-year amendments to the Audit Plan between Committee meetings in consultation with the Chair and/or Vice Chair of the Resources and Finance Committee.

93. **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report (reference S270, previously circulated) which advised Members of the work of Internal Audit completed during the period November 2017 to March 2018, and the progress against the Internal Audit Plan.

The team had made good progress in delivering the Plan and was on course for delivery of the Audit Plan in line with timescales agreed with management.

With regard to budgetary control, there was adequate monitoring, review and reporting of financial performance through monthly budget statements. However, whilst the actual processes were considered to be proportionate and effective, the budget setting process was not entirely consistent with that which was stated in the Council's Constitution. It would therefore be necessary to update the Constitution.

In connection with Community Infrastructure Levy (CIL), the audit had identified a number of key control weaknesses relating to an incorrect multiplier being used for CIL calculations and it was noted that there was no proactive management review or oversight of the performance of these calculations. An action plan had been agreed with management in order to address the areas of weakness and an update would be given at the next meeting.

It was resolved:

That the Internal Audit progress report be noted.

94. **REPRESENTATION ON INTERNAL DRAINAGE BOARDS**

The Committee considered a report (reference S271, previously circulated) regarding representation on Internal Drainage Boards.

The Chief Executive reminded Members that the Council appointed representatives to each of the Internal Drainage Boards (IDB's) within or in part of an area; current representation and vacancies were listed in the amended Appendix 1 of the report.

Representation from local authorities was important not only in terms of representing and protecting interests of their local constituents and communities, but having an oversight of the efficiency and spending plans of each IDB. Most local authorities found it challenging to find councillors with the commitment, time and necessary expertise to sit on IDB's.

Council appointments were not restricted to elected councillors and the Authority had the right to appoint anyone of its choice to sit on the Board of an IDB. It was therefore decided to review membership and seek nominations from Council to serve on the IDB's with an existing vacancy; in the case of outstanding vacancies, nominations would be sought from Parish Councils where relevant. The Chairman sought assurance that all Groups on the Council had been given the opportunity to make nominations. The Chief Executive confirmed this was the case.

The Chief Executive said that given the importance of IDB's and the Council's agreed motion (Full Council, 22nd February 2018, Agenda Item 7 refers), it would be appropriate to appoint a lead member for each IDB to ensure effective representation and to report back to the Committee and the wider membership.

In response to a question from Councillor David Ambrose Smith, the Chief Executive confirmed that a Parish Councillor could be a layperson, and attend IDB meetings as an ECDC representative; this would be made clear when he wrote to the parishes.

It was resolved:

1. To appoint Members to the existing vacancies on the Internal Drainage Boards as detailed in Appendix 1, specifically:

Cawdle Fen

Councillor Hobbs

Middle Fen and Mere

Councillor Goldsack
Councillor Sennitt

Swaffham

Councillor Sharp
Councillor Brown

2. To appoint 'lead' Members to the Internal Drainage Boards as detailed in Appendix 1, as follows:

Burnt Fen	Councillor Huffer
Cawdle Fen	Councillor Rouse
Littleport & Downham	Councillor Bradley
Middle Fen & Mere	Councillor Goldsack
Padnal & Waterden	Councillor Every
Swaffham	Councillor Brown
Waterbeach Level	Councillor Chaplin
Haddenham Level	Councillor Smith

It was also, resolved to RECOMMEND TO COUNCIL:

That in the event of any vacancies unfilled, the Chief Executive be instructed to write to the relevant Parish Councils to seek nominations to the Internal Drainage Boards and report back to the Resources and Finance Committee.

95. **ACTION TAKEN BY THE CHIEF EXECUTIVE ON THE GROUNDS OF URGENCY – NNDR REVALUATION DISCRETIONARY FUND.**

The Committee received a report (reference S272, previously circulated) from which Members were asked to note the action taken by the Chief Executive on the grounds of urgency, in connection with the NNDR Revaluation Discretionary Fund.

Any local business with a rateable value under £600,000 whose Business Rates increased by more than 5% would be eligible for relief during 2017/18

In response to a question from the Chairman, the Chief Executive stated that a press statement would be released. Councillor Bradley offered congratulations, saying it was important to support the business community.

It was resolved:

That the action taken by the Chief Executive on the grounds of urgency relating to NNDR Revaluation Discretionary Fund be noted.

96. **EXCLUSION OF THE PRESS AND PUBLIC**

It was resolved:

That the press and public be excluded during the consideration of the remaining items because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item there would be disclosure to them of exempt information of Categories 1 and 3 Part I Schedule 12A to the Local Government Act 1972 (as amended).

97. **WRITE OFF OF UNRECOVERABLE DEBT**

The Committee considered an exempt report (reference S273, previously circulated) which advised Members that ARP had requested that the Council write off the amount outstanding on two NNDR accounts, where the companies had been dissolved, and a Council Tax account where the client had died with no assets, and there was therefore no prospect of the debts being recovered by the Council.

In the case of one of the companies, the total value of the debt to be written off was £97,738.57 and related to Business Rates for the financial years 2013/14 – 2015/16. The Finance Manager explained that the building was closed between November 2012 and December 2013, and had been given a zero rating by the Valuation Officer. The building then re-opened in December 2013, but its value was not rated until March 2015. ARP had not been able to ascertain why it had taken so long after the reopening to produce this valuation.

Members expressed their disquiet, saying this was unacceptable; the Chief Executive said he would send a formal letter from himself and the Leader of the Council, expecting an apology from the Valuation Office. It was agreed that the local Members of Parliament and ARP should be copied into the letter. Whereupon,

It was resolved:

1. That the write-off of £97,738.57 in relation to the debt referred to in the submitted report be approved.
2. That the write-off of one further NNDR amount of £14,674.05 and a Council Tax amount of £7,527.76 under delegated powers be noted.

The meeting closed at 5.49pm.