



EAST  
CAMBRIDGESHIRE  
DISTRICT COUNCIL

## Agenda Item 4

### **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 29 November 2018 at 4.30pm.

#### **PRESENT**

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

#### **In attendance**

Melanie Richardson – Audit Manager, External Audit, Ernst and Young  
Rachel Ashley-Caunt – Head of Audit, LGSS

John Hill – Chief Executive  
Ian Smith – Finance Manager & S151 Officer  
Emma Grima – Director Commercial  
Hetty Thornton – Performance Management Officer  
Nicole Pema – HR Manager  
Tracy Couper – Democratic Services Manager

#### 40. **PUBLIC QUESTION TIME**

No questions were submitted by members of the public.

#### 41. **DECLARATIONS OF INTEREST**

There were no declarations of Interests by Members of the Committee.

#### 42. **MINUTES**

The Committee received the Minutes of the meeting held on 26 July 2018.

It was resolved:

That the minutes of the meeting of the Committee held on 26 July 2018 be confirmed as a correct record and signed by the Chairman.

43. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reminded Members that the Council's Budget Seminar would take place on Thursday 24 January 2019 at 6pm, in advance of consideration of the Budget by this Committee at its meeting on 28 January 2019. All Councillors are invited to attend the Seminar.

44. **EXTERNAL AUDIT – ANNUAL AUDIT LETTER**

Melanie Richardson, Audit Manager, for the Council's External Auditors, Ernst and Young, presented the Annual Audit Letter.

Ms Richardson highlighted the unqualified opinion on the Financial Statements. This was the first year of the earlier closedown timetable and overall it had worked well. However, issues with working papers and overall co-ordination of dealing with the audit had required additional time to complete the audit procedures, leading to an additional fee of £6,125 which had been agreed by the Council's S151 Officer and approved by the PSAA. In response to a question by Councillor Dupré, Ms Richardson explained the issues regarding the working papers and co-ordination and Ian Smith, Finance Manager and S151 Officer, advised Members that this was largely due to the number of new staff in post who were undertaking their first closedown for the Council and that he was working with External Audit to put in place measures to prevent a recurrence in future years.

It was resolved:

That the Annual Audit Letter be noted.

45. **EXTERNAL AUDIT – LOCAL GOVERNMENT SECTOR BRIEFING & FINANCE MANAGER'S RESPONSE**

The Committee received the Local Government Sector Briefing from the Council's External Auditors Ernst and Young and a report (reference T134, previously circulated) containing the response from the Finance Manager to the 9 key questions detailed in the Briefing. The Chairman and Councillor Dupré commended this helpful approach of producing a report responding to the key questions in the Briefing.

With regard to the overall responses to the questions given by the S151 Officer, Councillor Dupré queried if these were what the External Auditors would have expected. With reference to question 5 on LEP governance, Councillor Dupré asked if the External Auditors were satisfied with the governance arrangements of the Combined Authority in relation to the Business Board, which had replaced the LEP in Cambridgeshire. Ms

Richardson commented that the overall responses accorded with what the External Auditors would expect.

With regard to question 3 on IFRS 16, Councillor Sharp commented from personal experience that work on implementation was required at an early stage to prevent issues. Councillor Bradley commented that due to being a generic sector briefing, several of the questions were not relevant to this Council and others related to future events.

It was resolved:

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

#### 46. **PERFORMANCE MANAGEMENT – SIX MONTH UPDATE REPORTS**

The Committee considered a report (reference T135, previously circulated) containing the mid-year performance reports on the Service Delivery Plans for the Service areas within the remit of this Committee.

The Performance Management Officer, Hetty Thornton, introduced and highlighted key issues in relation to the performance report for each Service area.

Comments were made and questions raised on the individual mid-year performance reports as follows:

Performance Management - Councillor Dupré queried whether there had only been two findings as a result of the 2 project reports to identify efficiencies and waste. The Performance Management Officer stated that these were the two most significant findings for both project reports. In response to a question by Councillor Dupré as to how the ongoing issues with the new HR and Payroll IT system were being addressed, the Performance Management Officer reported that weekly conference calls were held with the provider, the Task Log was reviewed on a daily basis, and she was working with the Finance Manager and Payroll Officer to resolve and mitigate outstanding issues.

Financial Services – Councillor Dupré queried the likelihood of the payback of the £5M loan to ECTC and highlighted that no comment had been made by the Member Service Delivery Champion. The Finance Manager reported that the loan was due to be repaid by March 2021 and there was no indication that this would not be possible. Councillor Morris as the Service Delivery Champion stated that he was happy with performance and had no comments to make.

Legal Services - The Performance Management Officer advised Members of corrections to the output figures on two performance measures and stated that there were currently capacity issues within Legal Services which it was hoped could be resolved via recruitment. With regard to car parking appeals, Councillor Dupré queried why no records were available

for 1<sup>st</sup> letters sent. The Performance Management Officer agreed to provide a written response to Members. Councillor Dupré highlighted that no comment had been made by the Member Service Delivery Champion and the Performance Management Officer explained that they had been away on an extended holiday.

Democratic Services - Councillor Dupré referred to an instance when it had not been possible to publish an Agenda on the website on the day of despatch and as a result she had requested the postponement of the meeting. The Democratic Services Manager explained that the current legislation which had been in place since 1985 only required the despatch of an Agenda five working days before a meeting and not publication on the website. Councillor Dupré commented that this should be reviewed, as many people relied upon obtaining information electronically nowadays. The Chairman suggested that this could be considered as part of a review of the Council's Constitution.

The Infrastructure and Strategic Housing monitoring report was received.

Strategic Planning - Councillor Dupré queried why the performance arrow showing that the Local Plan would not be adopted by 2018 was level. Councillor Dupré also commended the Team on their work with communities on Neighbourhood Plans and the substantial and positive comments of the Member Service Delivery Champion. The Director Commercial explained that the delay in adoption of the Local Plan was due to the ongoing examination by the Inspector and therefore beyond the Council's control.

Customer Services - The Performance Management Officer explained that the service had not achieved the targets for a number of its performance measures due to staffing issues. Councillor Dupré expressed concern at the resourcing issues that had led to the fall in performance for this service, particularly since it was usually the first point of contact for the public to this Council. She was particularly concerned at the abandoned call rates. Whilst Councillor Dupré understood the reasons for this and found the explanatory comments of the Member Service Delivery Champion very useful, she proposed that a report be brought back to a future meeting of this Committee, with the Member Service Delivery Champion in attendance.

Reprographics – Councillor Bradley commended the work of this Service and the efficiencies achieved by new equipment. He referred to the £15,000 of additional income already generated and new customers secured such as the local branch of a national opticians.

Human Resources - Councillor Dupré asked how many staff received the lowest rating in the appraisal scheme and referred to the comment by the Member Service Delivery Champion that this small Team of two officers could benefit from some additional assistance. The HR Manager agreed to provide Members with details of the number of staff that

received the lowest rating in the appraisal scheme and stated that a new HR Administrator had been recruited and would commence in post on 12 December 2018.

ICT - The Performance Management Officer reported that the service had not achieved the targets for a number of its performance measures due to staffing issues. However, recruitment interviews were taking place in the current week. Councillor Bradley, as the Service Delivery Champion, stated that the new Manager had done a great deal of work to prioritise and reduce the backlog of work and he was confident that progress would be made over the forthcoming months. In response to questions by Councillor Dupré, the Performance Management Officer explained the current position regarding particular areas.

Councillor Goldsack highlighted the recurring theme of resourcing issues and the Chief Executive stated that he received regular reports on recruitment and retention.

It was resolved:

1. That the progress made against the priorities of the Council in the following services, including areas where the service has been under achieving and where outstanding performance was delivered, and the comments from Service Delivery Champions be noted:
  - Performance Management
  - Financial Services
  - Legal Services
  - Democratic Services
  - Infrastructure and Strategic Housing
  - Strategic Planning
  - Customer Services
  - Reprographics
  - Human Resources
  - ICT
2. That a report be brought to a future meeting of the Committee on resourcing issues within the Customer Services Team and the Service Delivery Champion be invited to attend the meeting.

#### 47. **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report (reference T136, previously circulated) detailing the work of Internal Audit during the period July to October 2018 and progress against the Internal Audit Plan. Rachel Ashley-Caunt, Head of Audit, Internal Audit LGSS, highlighted progress against the Internal Audit Plan detailed in table 1 of the LGSS update report at Appendix A. Section 2.3 of the report gave details on the 6 individual audits finalised from the current Plan. With regard to the audit on IR35 Agency

Staff compliance, a great deal of progress had been made in this area and detailed policies and procedures now were in place. With regard to table 4 on high and medium priority actions overdue by more than 3 months, Ms Ashley-Caunt reported that evidence now had been received showing implementation of the 3 outstanding medium priority recommendations on Safeguarding. With reference to the audit on Information Governance, Ms Ashley-Caunt reported that a Cyber Security session had been held for Service Leads earlier in the day.

In response to a question by Councillor Dupré, it was stated that Members of the Committee would be advised in writing of where the revised Information Security Policy would be submitted to.

The Chairman and Members of the Committee commended the comprehensive nature of the report.

It was resolved:

That the work undertaken by Internal Audit from July to October 2018 as detailed in in Appendix A to the submitted report be noted.

48. **LOCAL COUNCIL TAX REDUCTION SCHEME (LCTRS) AND BUSINESS RATES DISCRETIONARY POLICIES 2019/20**

The Committee considered a report (reference T137, previously circulated), detailing options for the LCTRS and reviewing the Council's discretionary policies with regard to Business Rates for 2019/20.

Ian Smith, Finance Manager and S151 Officer, advised Members that the proposal was to retain the current maximum benefit for Council Tax of 91.5% for working age claimants, with a 8.5% contribution rate. In addition, no changes were proposed at this stage to the Council's policy regarding Business Rates Discretionary Relief powers.

Councillor Dupré commented that there appeared to be no appetite within the County for exempting Care leavers from Council Tax.

**It was resolved to RECOMMEND TO COUNCIL:**

- 1. That the Local Council Tax Reduction Scheme (LCTRS) for 2019-20 remains unchanged from the current scheme.**
- 2. That Council's policies with regard to discretionary Business Rate reliefs also remain unchanged.**

49. **COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING REQUESTS**

The Committee considered a report (reference T138, previously circulated), detailing CIL funding requests in relation to 3 major projects on the Regulation 123 List.

The Director Commercial, Emma Grima, reported that the requests in respect of Burwell Parish Council Recreation Ground improvement project and Sutton GP Surgery extension were for the release of funds, whilst the request from Ely Museum Redevelopment project was for an increase in the amount of potential funding that could be made available from £100,000 to £165,000.

Councillors Bradley and Bovingdon expressed their support for all 3 projects and Councillor Bovingdon commented that, as Sutton GP Surgery was owned by an individual, the Council should 'secure' rather than 'seek' some form of security to ensure that any CIL funding was repaid in the event that the Surgery ceased to be used for this specific purpose.

It was resolved:

That approval be given for funding from the CIL allocation for major projects on the Regulation 123 List as follows:

- a) The allocation of up to £295,000 to the Burwell Parish Council Recreation Ground Improvement Project.
- b) The allocation of up to £56,621.63 to the Sutton GP Surgery Extension.
- c) An increase of up to £65,000 to the potential amount of CIL funding available to the Ely Museum Redevelopment Project.

## 50. **TREASURY OPERATIONS MID YEAR REVIEW**

The Committee received a report (reference T139, previously circulated) containing an update on the Council's current 2018/19 Treasury position.

The Finance Manager and S151 Officer reported that the Council remained debt free and had £7.95M of cash investments as at 30<sup>th</sup> September 2018, with a further £4.62M loan to East Cambs Trading Company.

In response to a question by Councillor Bradley, the Finance Manager and S151 Officer explained that the proposed change in relation to the use of Money Market Funds (LVNAV) funds was a technical amendment required due to the introduction of new regulations.

**It was resolved to RECOMMEND TO COUNCIL:**

1. **That the mid-year review of the Council's Treasury Management for 2018/19, as set out at Appendix 1 of the submitted report, be noted.**

2. **That the use of Money Market Funds (LVNAV) funds be authorised, as detailed in paragraph 4.2 of the submitted report.**

51. **SECTION 106 AND CIL: INCOME AND EXPENDITURE UPDATE**

The Committee received a report (reference T140, previously circulated) which provided Members with an update on Section 106 and Community Infrastructure Levy (CIL) income and expenditure.

In response to a query by Councillor Bradley, the Director, Commercial confirmed that the table in paragraph 4.3 of the report should read 'Witcham' not 'Witcham Toll'.

It was resolved:

That the information set out in the report be noted.

52. **BUDGET MONITORING REPORT**

The Committee received a report (reference T141, previously circulated) containing an update on the Council's current financial position for 2018/19 for both revenue and capital expenditure. Ian Smith, Finance Manager and S151 Officer, highlighted the projected underspendings identified across the Council's services against the original Revenue and Capital Budgets.

It was resolved:

That the Committee notes that:

- This Committee has a projected year-end revenue underspend of £175,500 compared to its approved budget of £5,334,176.
- Overall the Council has a projected year-end revenue underspend of £325,500 compared to its approved budget of £13,099,778.
- This Committee has a projected year-end capital spend of £302,444 compared to its revised budget of £6,632,444.
- The overall position for the Council on capital is a projected outturn of £5,498,756, which is an underspend of £5,864,796.

53. **ANGLIA REVENUES AND BENEFITS PARTNERSHIP (ARP) JOINT COMMITTEE MINUTES**

The Committee received the Minutes of the meeting of the ARP Joint Committee held on 25 September 2018.



It was resolved:

That the Minutes of the meeting of the ARP Joint Committee held on 25 September 2018 be noted.

54. **FORWARD AGENDA PLAN**

It was resolved:

That the Forward Agenda Plan be noted and an item be added on Customer Services resourcing issues as detailed in Minute 46 above.

55. **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, 2 and 3 of Part I of Schedule 12A to the Local Government Act 1972 (as amended).

56. **WRITE-OFFS OF UNRECOVERABLE DEBTS**

The Committee received a report detailing the circumstances relating to the request from ARP that the Council write off the amounts outstanding on 3 Council Tax demands and 1 Housing Benefit overpayment where there was no prospect of the debts being recovered by the Council.

It was resolved:

1. That the write-off of £11,806.84 in relation to the Housing Benefit overpayment debt referred to in the submitted report be approved.
2. That the write-off under delegated powers of three further amounts relating to Council Tax demands to a combined value of £19,489.85 be noted.

57. **APPOINTMENTS, TRANSFERS AND RESIGNATIONS**

The Committee received a report detailing:

- (i) staff appointments, transfers and resignations for the period 1<sup>st</sup> June to 31<sup>st</sup> October 2018; and

- (ii) a summary of the main responses given by staff for leaving the Council's employment and feedback received during Exit Interviews.

The HR Manager, Nicole Pema, highlighted that staff turnover was the same as for the comparable period in the previous year.

Councillor Cheetham referred to the fact that only 4 out of 13 leavers had completed exit interviews and asked how this could be improved. Ms Pema stated that improvements were being made to the electronic form to encourage leavers to respond. Councillor Dupré commented that a number of the leavers had cited poor communications across the Council as one reason. The Chief Executive referred to recent Improvements in Corporate communications, including ECDC Connect, his Briefings and the Chairman's Newsletter.

Members discussed in detail issues regarding the recruitment and retention of staff, particularly in relation to particular professional/technical posts such as Planners and ICT staff. Councillor Goldsack suggested that greater emphasis should be placed on 'growing our own' staff via apprenticeships and getting the message out to young people locally that Local Government was a good career path. Ms Pema highlighted that the Council did participate in local careers fairs. The Chief Executive stated that 'growing our own' staff had been very successfully applied in the case of Service Leads and Customer Services staff. There also was a very buoyant local employment market, as Ely was categorised as one of the best places to live in national polls. Nevertheless, Councillor Goldsack stated that the Council should be proactive in promoting the Council as an employer to local schools.

It was resolved:

That the content of the information report be noted.

The meeting closed at 6.00pm.

Chairman:.....

Date: 28 January 2019