



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

AGENDA ITEM NO. 4

CORPORATE GOVERNANCE AND FINANCE COMMITTEE

Minutes of a Meeting of the Corporate Governance and Finance Committee held in Council Chamber, The Grange, Nutholt Lane, Ely, on Thursday 3 December 2015 at 4.30pm.

PRESENT

Councillor David Ambrose-Smith (Vice-Chairman in the Chair)
Councillor Ian Bovingdon
Councillor Peter Cresswell
Councillor Lorna Dupré
Councillor Lis Every
Councillor Chris Morris
Councillor Stuart Smith

APOLOGIES

Councillor Derrick Beckett
Councillor David Brown (Chairman)
Councillor Coralie Green
Councillor Hamish Ross

In attendance

Richard Quayle – Director Support Services
Andy Radford – Chief Financial Officer & S151 Officer
Trevor Bowd – Principal Auditor
Tracy Couper – Democratic Services Manager

41. **PUBLIC QUESTION TIME**

No questions were submitted by the members of the public.

42. **DECLARATIONS OF INTEREST**

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

43. **MINUTES**

The Committee received the Minutes of the meeting held on 5 November 2015.

It was resolved:

That the minutes of the meeting of the Committee held on 5 November 2015 be confirmed as a correct record and signed by the Chairman.

44. **CHAIRMAN'S ANNOUNCEMENTS**

There were no announcements by the Chairman.

45. **EXTERNAL AUDIT LOCAL GOVERNMENT SECTOR UPDATE**

The Committee received the Local Government Sector Briefing from the Council's External Auditors Ernst and Young. The Chairman highlighted the key questions for the audit committee on page 8 of the Briefing and asked the Director Support Services and Chief Financial Officer to respond to these. The Director Support Services stated that this was a national Briefing paper sent to all Local Government Sector clients of Ernst and Young, and summarised the local position on two of the issues raised as follows:

- Council Tax collection rates – ARP were in the top quartile of performance for collection rates and was intending to use this success of part of its commercialisation approach to offer to provide advice/services to other Councils. In this connection, ARP was currently considering its branding and marketing strategy.
- IT Strategy – this Council was currently reviewing its IT strategy, with cloud-based technology being part of the considerations.

Councillor Smith queried the back-up arrangements in the event of the Council using cloud-based technology. The Director Support Services stated that, at present, most of the Council's data was stored on-site, therefore the Council was looking at a number of different host options to improve resilience in the event of a disaster relating to the Council offices.

Councillor Morris entered the meeting at 4.35pm

Councillor Cresswell highlighted the impressive Council Tax collection rates and asked about the frequency of reporting arrangements. The Director Support Services stated that quarterly updates were provided to ARP Joint Committee Members and monthly reports to officers.

Councillor Cresswell also queried progress on the IT review. The Director Support Services reported that 4 options were under consideration:

- West Suffolk
- In-house option

- LGSS
- A shared service with Huntingdonshire DC, Cambridge City Council and South Cambridgeshire DC

An initial business case had been received from West Suffolk and one was expected from LGSS in the next week. A meeting also had been scheduled with the shared service Councils for later in the month.

The Chief Financial Officer explained the local position on the Right to Buy issue referred to in the Briefing.

It was resolved:

That the External Audit Local Government Sector briefing be noted.

46. **LOCALISED COUNCIL TAX REDUCTION SCHEME**

The Committee considered a report (reference Q134, previously circulated) requesting the continuation of the current Localised Council Tax Reduction Scheme (LCTRS) during 2016/17.

The Chairman commented that the Scheme had proved successful since the Council had been realistic.

It was resolved to RECOMMEND TO COUNCIL:

That Council note the continuation of the current Localised Council Tax Reduction Scheme during 2016/17.

47. **COUNCIL TAX BASE 2016/17**

The Committee considered a report (reference Q135, previously circulated) detailing the proposed Council Tax Base for 2016/17. The Chief Financial Officer explained that the law relating to the determination of the Council Tax Base was amended in November 2003; when Authorities were allowed to delegate the Tax Base decision to a committee, sub-committee or an officer. Since 2003, local authorities had increasingly delegated the determination of its Council Tax Base to its Chief Financial (section 151) Officer. Such a change would require an amendment to the Council's Constitution. In that connection, a revised set of recommendations had been tabled at the meeting allowing such a delegation to the Chief Financial Officer, with a review of the policy on discounts and premiums taking place at least every three years.

Councillor Smith queried who would undertake the review of the policy on discounts and premiums. The Chief Financial Officer stated that the wording had been left flexible so that either himself or the Committee could undertake the review. Councillor Dupré stated that she had been intending to raise a similar point as Councillor Smith and believed that clarity was required regarding who would carry out the review process. She also

queried how a review could be instigated by a Member outside of the three year cycle. In that connection, Members were reminded that Council Procedure Rules did not allow an individual Member to put an item on an Agenda, but that they could approach a relevant officer or Chairman to request that an issue be considered by a Committee. The Chairman confirmed that if issues arose with the policy on discounts and premiums, a report could be submitted to this Committee prior to the three year review period. For the sake of clarity, it was agreed that the wording should be amended to include the words 'by the relevant Committee' after the word 'reviewed' in the third recommendation.

It was resolved:

1. That the calculation of the Council Tax Base for 2016/17, as set out at Appendix 1 to the submitted report, be approved.
2. That the Council Tax Base be determined, in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, for the whole and parts of the Council's area as calculated for the year beginning 1 April 2015 as set out at Appendix 1 to the submitted report.

It was also resolved to RECOMMEND TO COUNCIL:

That the Constitution be amended so that the determination of the Council Tax Base in future years is delegated to the Chief Financial Officer, with the policy on discounts and premiums to be reviewed by the relevant Committee on at least a three yearly basis.

48. **INTERNAL AUDIT PLAN INTERIM REPORT 2015/16**

The Committee received a report (reference Q136, previously circulated) containing an update on the work of Internal Audit for the period April 2015 to October 2015.

Councillor Dupré referred to the fact that the report informed Members that a total of 11 high priority recommendations were outstanding from audits, but did not give any details regarding what these related to. Councillor Dupré stated that at a previous authority she had been a Member of, a report had been submitted to each meeting giving details of the outstanding issues from audit reports and she requested that a similar approach be adopted here for future Committee reports. The Principal Auditor stated that historically he had not been requested for this level of detail in audit reports to Committee, but that he would look at including some additional information for the Internal Audit Annual Report to be submitted to the Committee in June.

The Chairman acknowledged that Members of the Committee had a monitoring and scrutiny role in relation to audit reports, but officers should not be overburdened by being required to provide excessive detail. Councillor Bovingdon commented that Members could always contact the Principal Auditor if they required further information.

Councillor Cresswell stated that the Council was well served by Internal Audit and commended the Principal Auditor.

It was resolved:

That the work undertaken by Internal Audit during the first seven months of the financial year 2015/16 detailed in Appendix 1 to the submitted report be noted.

49. **TREASURY OPERATIONS MID YEAR REVIEW**

The Committee received a report (reference Q137, previously circulated) containing an update on the Council's current 2015/16 Treasury position. The Chief Financial Officer highlighted the potential use of internal cash balances and the potential requirement for short-term borrowing to fund the Leisure Centre and Local Authority Trading Company (LATC).

In response to a question by the Chairman regarding the Counterparty List, the Chief Financial Officer reported that this would be submitted to this Committee in January as part of the Annual Treasury Management Strategy.

Councillor Bovingdon queried what the borrowing strategy would be in the event of delays in the development of the Leisure Centre. The Chief Financial Officer stated that it was anticipated that the Leisure Centre could be funded via a mixture of grants, funding from the Council and use of internal cash balances, but that any borrowing required could be carried out at the time when it was actually needed.

Councillor Dupré referred to an error in the use of commas in the table showing Capital Expenditure on page 7 and in other places in the mid-year review report attached at Appendix 1, which resulted in a misstatement of the figures.

It was resolved:

That the mid-year review of the Council's Treasury Management for 2015/16 to 30 September 2015, as set out at Appendices 1 and 2 of the submitted report, be noted.

It was also resolved to RECOMMEND TO COUNCIL:

That approval be given to an amendment to the current Treasury Management Strategy to reflect that for the financial year 2015/16, investments can be made for up to 1 year with Nationwide Building Society.

50. BUDGET MONITORING REPORT

The Committee received a report (reference Q138, previously circulated) containing an update on the Council's current financial position for 2015/16 for both revenue and capital expenditure. The Chief Financial Officer highlighted the projected underspending identified across the Council's services against the original Revenue Budget. The Chief Financial Officer stated that he was examining the Budgets for future years in the light of the recent spending review announcement by the Chancellor, but that the Council still had a balanced Budget for 2016/17 and 2017/18.

Councillor Dupré queried the proportion of the staff salary savings that were likely to be permanently ongoing and how much may be required for new appointments/additional resourcing. Councillor Dupré also queried whether the Surplus Savings Reserve (SSR) only was to be used for offsetting the Budget deficit or could be used for other purposes. In response, the Chief Financial Officer stated that the future resourcing needs of some Service areas such as Legal Services and HR which had experienced significant staffing reductions still were being reviewed. However, the Director Support Services reported that it was hoped that the ongoing savings in Service areas could be maximised by effective assessment of needs and the drawing in of resources when required. The Chief Financial Officer confirmed that whilst the SSR was the first call to balance any Budget deficits, it could be used for other purposes as well.

Councillor Cresswell commended the very healthy financial position of the Council.

It was resolved:

That the projected underspending of £524,814 identified across the Council's services compared to its approved budget of £8,481,178 be noted.

51. FORWARD AGENDA PLAN

Members received the Forward Agenda Plan for the Committee. In response to a question by Councillor Dupré about the item on the Angel Drove Commuter Car Park funding strategy on the Agenda Plan for 28 January 2016 meeting, the Democratic Services Manager explained the current position and possibility that this item may be deferred to a future meeting of the Committee.

The Chairman commented that the business for the January 2016 meeting was likely to be heavy due to the Budget and suggested that the above item and the item on the Anti-Fraud and Corruption Strategy might be better deferred until the March 2016 meeting. The Principal Auditor reported that the review of the Anti-Fraud and Corruption Strategy was dependent upon a review of the CIPFA Code of Conduct taking place, so might have to be deferred until the March meeting.

It was resolved:

That the Forward Agenda Plan be noted.

The meeting closed at 5.10pm.

Chairman:.....

Date:.....