



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

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 4 December 2014 at 4.30pm.

PRESENT

Councillor David Brown (Vice- Chairman in the Chair)
Councillor David Ambrose-Smith
Councillor Lorna Dupré
Councillor Chris Morris
Councillor Neil Morrison
Councillor James Palmer
Councillor Tony Parramint (substitute for Councillor Kevin Ellis)
Councillor Hamish Ross
Councillor Josh Schumann
Councillor Gareth Wilson
Councillor Andy Wright

APOLOGIES

Councillor Kevin Ellis (Chairman)
Linda Grinnell – Head of Finance

In attendance

Councillor Jeremy Friend-Smith

John Hill – Chief Executive
Richard Quayle – Director Support Services
Emma Grima – Corporate Unit Manager (up to end of Minute 62)
Amanda Apcar – Principal Solicitor and Monitoring Officer (up to end of Minute 57)
Trevor Bowd – Principal Auditor
Tony Grzybek – Principal Accountant
Tracy Couper – Principal Democratic Services Officer

53. PUBLIC QUESTION TIME

No questions were submitted by the members of the public.

54. **DECLARATIONS OF INTEREST**

Councillor David Ambrose-Smith declared a Prejudicial Interest in respect of Agenda item 16, as he was a Trustee of Littleport Leisure Centre.

55. **MINUTES**

Public and Exempt Minutes - 6 November 2014

The Committee received a revised copy of the public Minutes of the meeting held on 6 November 2013, which had been tabled, including Cllr Ian Allen in the list of those in attendance at the meeting.

Councillor Schumann entered the meeting.

With reference to the Exempt Minutes of the meeting held on 6 November 2014, Councillor Wright referred to the fact that the Leader had disclosed details from these Minutes relating to Littleport Leisure Centre to the Parish Council and Press, which was a breach of the Members Code of Conduct. Councillor Wright had received an apology from the Leader for the disclosure and subsequently the Chief Executive had sent an E-mail to Members stating that the Minutes had been 'de-exempted'. Therefore, Councillor Wright queried the position on the 'Exempt' Minutes. The Principal Democratic Services Officer explained that, in accordance with the revised Access to Information Regulations, the Monitoring Officer could 'de-exempt' Minutes, if she considered that the public interest in maintaining the exemption no longer outweighed the public interest in disclosing the information. However, Democratic Services had not been advised that such a determination had been made by the Monitoring Officer in the case of these Minutes and, therefore, they still had been despatched with the Agenda as Exempt Minutes. In the light of his E-mail to Members, the Chief Executive confirmed that the previously Exempt version of the Minutes now also could be considered in the public domain.

Councillor Dupré entered the meeting.

With reference to the public version of the Minutes, Councillor Morrison highlighted an amendment to Minute 52 in paragraph 4 on page 13, to read: 'a meeting will be held in the village hall, hosted by the County Council, about the new school.' Councillor Morrison also asked if there had been any further correspondence with Littleport Leisure. The Chief Executive reported that contact was ongoing with Littleport Leisure and he would submit a further report to the next meeting of the Committee, if required. Councillor Dupré referred to the comment in the penultimate paragraph of Minute 52 regarding there being general agreement amongst Members of the Committee that help should be given. However, the Leader's comments in the Press that there was strong opposition from some Members appeared to contradict this view. The Chairman commented that the phrase 'general agreement' did not necessarily reflect the personal views of individual Members. Councillor Wright stated that the

public Minutes also did not include the fact that he had requested that it be recorded in the Minutes that he did not vote on the resolution.

It was resolved:

That the public Minutes of the meeting of the Committee held on 6 November 2014 be confirmed as a correct record and signed by the Chairman, subject to the amendments detailed above from Councillors Morrison and Wright.

In the light of their de-exemption, the Committee then considered the previously Exempt version of Minutes of the meeting held on 6 November 2013, a revised copy of which also had been tabled including Cllr Ian Allen in the list of those in attendance at the meeting. In that connection, Councillor Wright re-iterated his previous correction relating to the public Minutes that they did not include the fact that he had requested that it be recorded in the Minutes that he did not vote on the resolution. Councillor Wright also requested that the word 'only' be removed from the second sentence of paragraph 2 on page 2 in Minute 52, as this did not accurately reflect the intention of the point that he was making in relation to the area of field concerned.

It was resolved:

That the de-exempted Minutes of the meeting of the Committee held on 6 November 2014 be confirmed as a correct record and signed by the Chairman, subject to the amendments detailed above from Councillor Wright.

56. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman introduced Richard Quayle, the recently appointed Director of Support Services, and welcomed him to his first meeting of the Committee.

The Chairman referred to the External Audit Local Government Sector Briefing which had been tabled for Members' information as it had been received on the day after the Agenda despatch.

57. **REVIEW OF WHISTLEBLOWING POLICY**

The Committee considered a report (reference P141, previously circulated) detailing proposed amendments to the Whistleblowing Policy.

The Principal Solicitor and Monitoring Officer explained the background to the review of the Policy and that over the last three years there had been no concerns raised by staff through the whistleblowing service. The current system was considered to be the most adequate and cost effective method for the Council to carry out this service and the revised Policy would be publicised to staff once approved.

The Chairman referred to a few minor typographical amendments in the Policy that needed correcting. Councillor Dupré stated that grammatical amendments also were required to improve the sense of some sentences such as paragraph 2.1.

Councillor Dupré referred to the fact that the previous Policy contained the aim for investigations to be completed within 28 days, whilst the revised Policy did not include any target timescale. Councillor Dupré queried if there was a legislative requirement to include a timescale and the Principal Solicitor and Monitoring Officer confirmed that there was not any defined statutory timescale, although the Policy could be amended if Members wished. Therefore, Councillor Dupré requested that the target timescale in the previous version of the Policy of 28 days be reinstated.

Councillor David Ambrose-Smith asked if the Policy applied to Members and the Principal Solicitor and Monitoring Officer confirmed that it only applied to Council employees, as Members were covered by other mechanisms.

It was resolved:

That approval be given to the revised Whistleblowing Policy and Procedure (as set out at Appendix A to the submitted report) for the reporting by employees of concerns of wrongdoing in writing, e-mail or telephone to the Monitoring Officer or the Deputy Monitoring Officer, subject to minor typographical and grammatical amendments by the Monitoring Officer and the reinstatement of the wording on timescales for investigations from the previous version of the Policy referring to the aim to complete an investigation within 28 days.

58. **LOCALISED COUNCIL TAX REDUCTION SCHEME**

The Committee considered a report (reference P142, previously circulated) requesting the continuation of the Localised Council Tax Reduction Scheme (LCTRS) approved for 2014/15 during 2015/16.

It was resolved to RECOMMEND TO COUNCIL:

That Council note the continuation of the 2014/15 Localised Council Tax Reduction Scheme during 2015/16.

59. **COUNCIL TAX BASE 2015/16**

The Committee considered a report (reference P143, previously circulated) detailing the proposed Council Tax Base for 2015/16.

The following issues were raised by Members in relation the list of local Council Tax discounts and premiums applied by the Council in respect of the classes of empty properties defined in the report, and it was agreed that written answers would be supplied to Members:

Long Term Empty Houses Premium – additional 50% for properties vacant for over 2 years - Councillor Wilson asked how many properties were in this category within the District. The Principal Accountant stated that there were 109 properties within the District in this category. Councillor Wilson queried if any other action was being taken by the Council to encourage these properties to be brought back into occupation, as such empty properties also affected the neighbourhoods concerned. Councillor Morrison commented that there was a particular issue with long-term empty properties in Littleport and that the premium did not seem to be deterring owners from leaving them unoccupied and deteriorating. Councillor David Ambrose-Smith asked if a breakdown of such properties by Ward could be provided to Councillors.

Class C Exemption – Empty Homes - Councillor Palmer asked for confirmation that full Council Tax was charged on properties after one month. Councillor Wright referred to the fact that this did not apply to Housing Association properties, as they were exempt, which seemed unfair and did not encourage Housing Associations to bring properties back into occupation rapidly. He stated that the Committee previously had asked for this matter to be examined and Councillor Wright asked for the findings from that request. Councillor Wright also referred to 2 cases he was aware of where tenants had left private rented properties 1 month before the expiry of their lease and the landlord had been determined liable for the Council Tax. Therefore, he queried the legal position on this.

Class A Exemption – Empty Homes – Councillor Wright stated that it appeared harsh that owners had to pay 90% of Council Tax whilst undertaking repairs to a property.

The Chairman also requested that an appropriate explanatory paragraph be included in the letter to each Parish Council on the Tax Base figure per Parish.

It was resolved:

1. That the calculation of the Council Tax Base for 2015/16, 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.

60. **FRAUD ACTIVITY REPORT**

The Committee received a report (reference P144, previously circulated) detailing information on the work of both Internal Audit and the Anglia Revenues Partnership (ARP) in relation to counter-fraud activity.

The Chairman highlighted the 12 cases successfully prosecuted detailed in paragraph 2.4 of the Fraud Activity Report and suggested that, since successful prosecutions were in the public domain, details of the names and sums involved should be included in future reports. Councillor David Ambrose-Smith concurred with this approach in his capacity as one of the Council representatives on ARP. Councillor Wright highlighted the losses figure of £201,925 referred to in paragraph 2.4 and asked if any of this would be recovered. The Principal Auditor stated that attempts would be made to recover as much as possible of the losses, but that this could prove difficult where cases had gone on for a number of years.

It was resolved:

That the results of counter-fraud activity undertaken by both Internal Audit and ARP detailed in the Fraud Activity Report at Appendix 1 to the submitted report be noted and that the 2015 Fraud Activity Report include specific details of cases which have been successfully prosecuted, including names and sanctions.

61. **INTERNAL AUDIT INTERIM REPORT 2014/15**

The Committee received a report (reference P145, previously circulated) containing an update on the work of Internal Audit for the period April 2014 to October 2014.

In response to a question by Councillor Morrison, the Principal Auditor provided the names of the relevant Officers that the draft report on the audit of Procurement had been circulated to.

Councillor Wilson asked if the limited assurance given on the audit of Income Controls was a cause for concern. The Principal Auditor explained that the audit had revealed three instances where cheques had not been processed and that the procedures needed to be tightened within the Council to maximise income.

Councillor Dupré and Councillor David Ambrose-Smith requested that future reports contain some form of status marking to show if outstanding audits were progressing according to plan.

Councillor Morrison asked about the Bank Reconciliations audit which was shown as outstanding. The Principal Auditor explained that whilst a continuous audit approach was adopted to many key financial systems, this particular audit lent itself to being conducted in the fourth quarter of the year. In that connection, Councillor Wilson highlighted the potential for

issues on this audit due to the imminent change of the Council's Banking provider and commented that it may also need to be reviewed again in the first quarter of next year.

It was resolved:

That the work undertaken by Internal Audit during the first seven months of the financial year 2014/15 detailed in Appendix 1 to the submitted report be noted.

62. DELIVERY OF STRATEGIC PLANNING SERVICE 2015/16

The Committee received a report (reference P146, previously circulated) detailing proposed revised arrangements for the delivery of the Strategic Planning Service for 2015/16. The Corporate Unit Manager explained the background to the proposed option to enter into a partnership agreement with Peterborough City Council (PCC) for the delivery of the Service.

Councillor David Ambrose-Smith expressed concern at such an approach since the former staff had provided a valuable service to the Council and local knowledge and loyalty to the District would be lost. Councillor Wright queried the fact that the costs for the partnership arrangements seemed 'too good to be true' and expressed the view that the relevant staff needed to be located in the District. The Corporate Unit Manager stated that the Service Level Agreement (SLA) provided for the defined Officers at the agreed hours and price plus disbursements and that support had been provided by PCC to Fenland DC on a similar basis without any issues. The SLA required the Senior Planning Policy Officer to be here 50% of the time and there still would be one Officer in-house, Wendy Hague.

Councillor Dupré stated that she had a number of concerns regarding the proposal, including how well the Officers would be aware of local issues; the fact that the Local Plan had not yet been finally approved; and the submission of the first application for a Neighbourhood Plan from Sutton Parish Council. A number of these had statutory requirements with strict timescales to be adhered to and she was unsure that the resources would be sufficient to meet these obligations. Councillor Dupré also did not believe that the two existing posts should be deleted from the establishment. Councillor Dupré commented that the Council was rapidly outsourcing a number of Services and would soon be left with nothing under its own control but would be undertaking a contract management role.

The Corporate Unit Manager stated that PCC already had specialist knowledge and experience on Neighbourhood Plans which the Council would benefit from and would result in savings on consultancy fees, since this knowledge was not currently available in-house. The position on the Local Plan also could be reviewed in the event that it was not adopted.

Councillor Schumann congratulated the Corporate Unit Manager on the proposal as it demonstrated the approach that the Council should be adopting of considering different ways of working. This Council had been one of the first to produce a Local Plan and CIL Charging Policy and its role was now changing in the light of their adoption. The Chairman endorsed Councillor Schumann's views. Councillor Palmer also commended the Corporate Unit Manager on the proposal and stated that some Members were showing a lack of understanding of the issues. The Council was on the verge of adopting a robust Local Plan to 2029 which would not need continual revision. The SLA would enable the required support to be provided in a cost-effective manner to save money and help the Council to balance its Budget. Shared Services were seen as a way forward at national level and could be reviewed at any time in the future. Therefore, Councillor Palmer urged Members to support the Officer recommendations.

Councillor Wilson acknowledged the need to take action in the light of the loss of the two staff from the establishment, but suggested that the two posts should not be deleted but remain vacant as this represented a degree of finality that was unnecessary at this stage and might need reviewing in the light of the position on the adoption of the Local Plan. Therefore, Councillor Wilson moved the recommendations in the Officer report, subject to the deletion of recommendation (ii) on the deletion of the two posts from the establishment. This was seconded by Councillor Dupré. The Chief Executive referred to the benefits of having a structure that accurately reflected the position within the Council and therefore strongly recommended that the deletion of the posts should be retained. Upon being put to the vote, the motion was declared to be lost.

Councillor Wright stated that he supported the deletion of the posts but considered that a review of the proposed arrangements should be conducted in 12 months. Therefore, he proposed a further motion to approve the recommendations in the Officer report, subject to the inclusion of an additional recommendation for a review of the proposed arrangements to be conducted in 12 months. This was seconded by Councillor Schumann with the inclusion of the words 'light touch' in front of the word 'review'. Upon being put to the vote, the motion was declared to be carried by a majority.

It was resolved:

1. That the Corporate Unit Manager be authorised to enter into a Service Level Agreement with Peterborough City Council from April 2015 – March 2016.
2. That the Chief Executive be instructed to delete the posts of Principal Strategic Planning Officer (DFE12) with immediate effect and Strategic Planning Officer (DFE82) (from 29 December 2014) from the establishment.

3. That the estimated savings of £27,900 in 2015/16 be retained in an earmarked reserve for the commissioning of further specialist support (if required).
4. That the Corporate Unit Manager be instructed to review the current consultancy budget in 2014/15 and 2015/16 to identify further savings.
5. That a light touch review of arrangements be conducted in 12 months.

63. **BUDGET MONITORING REPORT**

The Committee received a report (reference P147, previously circulated) containing an update on the Council's current financial position for 2014/15 for both revenue and capital expenditure. The Principal Accountant highlighted the projected underspending identified across the Council's services against the original Revenue Budget.

Councillor Morrison queried the projected overspending of £72 in respect of Littleport Station Car Park in Appendix 3 Part 2 of the report. The Principal Accountant agreed to provide information on this.

Councillor Palmer congratulated the Financial Services Team on their excellent Budget management. He referred to the fact that ECDC was in an enviable position compared to neighbouring Councils, as it had a balanced Budget for 2015/16. In comparison, whilst Fenland DC had found £900K of a £1.2M deficit, it still had a £300K shortfall; South Cambs DC was using Reserves to balance its Budget; and Huntingdonshire DC and Cambridge City had shortfalls in the £millions.

It was resolved:

That the projected underspending of £516,043 identified across the Council's services compared to its approved budget of £8,788,688 be noted.

64. **TREASURY OPERATIONS MID YEAR REVIEW**

The Committee received a report (reference N148, previously circulated) containing an update on the Council's current 2014/15 Treasury position. The Principal Accountant reported that the interest receipts generated on investments to the end of October 2014 was £60,104, against an original budget of £58,333, producing an average return on investments of 0.55%. This was above the benchmark three month LIBID (London Inter-Bank Bid Rate) of 0.50%. The Principal Accountant also highlighted the transfer of the Council's Banking Services to the National Westminster Bank. Councillor Wilson commended the Treasury Management Team on the positive returns.

It was resolved:

That the mid-year review of the Council's Treasury Management for 2014/15 to 30 October 2014, as set out at Appendices 1 and 2 of the submitted report, be noted and welcomed.

65. **INFORMATION ITEMS**

The Committee considered a report (reference P149, previously circulated) containing an information item on action taken by the Chief Executive on the grounds of urgency, relating to the entering into of a Service Level Agreement with Peterborough City Council for Strategic Planning Services from November 2014 to March 2015.

It was resolved:

That the report be noted.

66. **FORWARD AGENDA PLAN**

It was resolved:

That the Forward Agenda Plan be noted.

The meeting closed at 5.55pm.

Chairman:.....

Date: 29 January 2015