



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 Monday 20 July 2015 at 4.30pm.

PRESENT

Councillor David Brown (Chairman)
Councillor David Ambrose-Smith
Councillor Derrick Beckett
Councillor Ian Bovingdon
Councillor Peter Cresswell
Councillor Lorna Dupré
Councillor Lis Every
Councillor Coralie Green
Councillor Chris Morris
Councillor Stuart Smith

APOLOGIES

Councillor Hamish Ross

In attendance

Rob Murray – Audit Director, External Audit, Ernst and Young

Richard Quayle – Director Support Services
Andy Radford – Section 151 Officer
Emma Grima – Corporate Unit Manager
Trevor Bowd – Principal Auditor
Darren Hill – Business Development Manager
Hetty Thornton – Performance Management Officer
Wendy Hague – Strategic Planning Officer
Tracy Couper – Principal Democratic Services Officer

5. PUBLIC QUESTION TIME

No questions were submitted by the members of the public.

6. DECLARATIONS OF INTEREST

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

7. **MINUTES**

The Minutes of the meetings of the Committee held on 26 March and 28 May 2015 were received.

With regard to the Minutes of the meeting on 26 March, Councillor Brown highlighted the fact that the text of the Minutes showed that he was present but his name was not included in the attendance list. Councillor Green referred to the comment in Minute 81 relating to the Business Rates Scheme that a report would be submitted to the next meeting of the Committee, but that this was not an Agenda item for this meeting. Councillor Every and the Director Support Services explained the reasons why a report had not been submitted to this meeting and would come to the September meeting instead.

It was resolved:

That the minutes of the meetings of the Committee held on 26 March and 28 May 2015 be confirmed as a correct record and signed by the Chairman, subject to the inclusion of Councillor David Brown's name in the list of those present in the Minutes of the meeting on 26 March 2015.

8. **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements to report.

9. **EXTERNAL AUDIT ANNUAL AUDIT AND CERTIFICATION FEES LETTER**

The Committee received the External Audit Annual Audit and Certification Fees Letter for 2015/16. Rob Murray, Audit Director for the Council's External Auditors, Ernst and Young, reported that the Audit fee had reduced by 25% following a further tendering of contracts in March 2014 was fixed for the remainder of the contract, but that there could be a variation due to the certification of claims and returns.

It was resolved:

That the External Audit Annual Audit and Certification Fees Letter for 2015/16 be noted.

10. **EXTERNAL AUDIT PROGRESS REPORT**

The Committee received an oral report from the Council's External Auditors Ernst and Young on Audit progress. Rob Murray, Audit Director, reported that the audit of the Council's Final Accounts for 2014/15 was progressing well and that work was on target for completion and reporting to the September meeting of this Committee.

The External Auditors had been on-site to conduct the audit and hoped to complete their work by the end of this week. A number of small presentational adjustments had been identified, together with a larger adjustment in one area.

It was resolved:

That the External Audit progress report be noted.

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

The Committee received the Local Government Sector briefing from the Council's External Auditors Ernst and Young. Rob Murray, Audit Director for the Council's External Auditors, Ernst and Young, highlighted two areas in the Briefing on Transport Infrastructure Assets (TIAs) and the 2015/16 work programme and scale of fees. Mr Murray stated that the TIA Code might be relevant to this Council in relation to cycleways and roads on industrial estates, etc. With regard to the scale of fees, Mr Murray reminded Members that the current contract was to 2017 but could be extended to 2020 and a decision on this was expected before the Summer recess.

In response to a question by the Chairman, Mr Murray agreed to confirm if the TIA Code applied to the Council's free car parks.

It was resolved:

That the External Audit Local Government Sector briefing be noted.

12. **INTERNAL AUDIT ANNUAL REPORT AND OPINION 2014/15**

The Committee considered a report (reference Q38, previously circulated) containing the annual report on the work of Internal Audit during the financial year 2014/15.

The Principal Auditor highlighted the 3 audits issued an opinion of Limited Assurance relating to Income Controls; Procurement; and Treasury Management, and explained the circumstances and current position on these. In response to a question by the Chairman, the Principal Auditor gave more details on the Treasury Management audit.

The Principal Auditor also referred to the counter-fraud work taking place via a County-wide network on the back of a successful bid of £335,100 from the Department for Communities and Local Government's Counter Fraud Fund. A fuller report on this would be submitted to the Committee in November or December. Councillor Ambrose-Smith asked about the funding of £335K for the counter-fraud initiative. The Principal Auditor reported that this would be administered by Huntingdonshire DC on behalf

of the network and should deliver a return to all Councils in terms of fraud identification.

Councillor Dupré commented that of the 12 audits carried out during the year only 2 had received a full assurance, whilst a summary was submitted to this Committee on the 3 receiving limited assurance. Therefore, what did the 7 reports receiving significant assurance relate to, what action was being taken on these at officer level and how would this be reported to the Committee? The Principal Auditor reported that the 2 audits with full assurance related to CIL and Payroll, whilst those with significant assurance related to Housing Benefits, NNDR, Council Tax, Debtors, Creditors, Bank Reconciliations and General Reconciliations. The Internal Audit interim report to the Committee in November/December would report on the follow-up work relating to these audits.

It was resolved:

That the content of the Internal Audit Annual Report and Opinion, attached at Appendix 1 to the submitted report, be noted.

13. **REVIEW OF CODE OF CORPORATE GOVERNANCE**

The Committee considered a report (reference Q39, previously circulated) containing a revised version of the Council's Code of Corporate Governance.

The Principal Auditor explained that the majority of the amendments highlighted were minor to reflect the recent restructuring.

It was resolved:

That the minor amendments to the Code of Corporate Governance detailed in Appendix 1 to the submitted report be approved.

14. **PERFORMANCE MANAGEMENT AND DRAFT SERVICE DELIVERY PLANS 2015/16**

The Committee considered a report (reference Q40, previously circulated) detailing key performance outputs for 2014/2015 and the new Service Delivery Plans for 2015/2016 for 3 of the Service areas within the remit of this Committee to ensure that the priorities of the Council were met effectively and efficiently. The Performance Management Officer explained the new Corporate performance reporting and Service Delivery Planning arrangements put in place in the autumn of 2014.

The Business Development Manager, Darren Hill, summarised the content of the Economic Development Service Plan for 2015/16. Mr Hill stated that the Service Performance Indicators were largely on track, although some of these were affected by the local economy. Over the year, the Team had generated over £17.9 million of external funding from the

GCGP LEP for the Ely Southern link Road, a new agri-tech research and development centre for Soham and a commercial development at Lancaster Way Business Park. The Team also generated a significant amount of income through the provision of commercial premises and the e-space business centres. It aimed to build on this over the coming year by developing a broader range of services that will generate income for the Team such as consultancy services. It was also launching a new Business website platform and extending the successful e-space business centres with a new facility at Ely.

Councillor Cresswell referred to the fact that e-space Ely was full at present and asked about the occupancy level at Littleport. The Business Development Manager reported that overall occupancy rate at Littleport was 84%.

Councillor Every commended Mr Hill on the innovative solution adopted to provide broadband for Stuntney. Councillor Every also referred to the quantitative figures for business enquiries in the Performance Measure on page 6 of the Service Plan and asked if qualitative data on these also would be available in the future to give more details on the kind of enquiries/requests being made. Mr Hill stated that the nature of enquiries varied between requests for general advice and on the availability of local business units. Areas such as Lancaster Way Business Park were thriving but the main focus at present was near to the Ely railway station. The Team could provide general information on land availability, but the main requirement from companies was for a final offer of completed business premises. Mr Hill used the example of a recent enquiry for 50,000 Sqft business premises. However, Mr Hill stated that he could provide additional qualitative information.

Councillor Dupré referred to the reduction in the number of new apprenticeships to be created in 2015/16 compared to the previous year from 12 to 8 and asked the reason for this and if it was to be an ongoing reduction. Mr Hill stated that a Budget of £16K per year was available for new apprenticeships on the basis of £2K per apprentice. The 12 apprentices in 2014/15 represented a carry-forward from previous years.

Mr Hill also responded to questions from the Chairman on the new Business website, Councillor Green regarding the number of e-space facilities and Councillor Morris regarding digital connection vouchers for local businesses.

The Corporate Unit Manager, Emma Grima, and Strategic Planning Officer, Wendy Hague, summarised the Strategic Planning Service Plan. It was reported that there was no performance report for the preceding year since the change in the work programme for the Team meant that these performance measures were no longer relevant. Council on 16 July 2015 had approved the commencement of a review of the Local Plan and this would form the basis of the new work programme of the Team. The review would include the production of 3 Supplementary Planning Documents

(SDPs) and the updating of the website pages to make them more user-friendly. As part of this, the Statement of Community Involvement now would be submitted to full Council in October 2015.

At this point, Councillor Bovingdon declared an interest in the Ely and Soham station gateways.

Councillor Green commented that the Service Plan now would need updating to reflect the Council decision.

Councillor Dupré referred to the fact that the Team only comprised 1 full-time (FTE) member of staff supported by a Service Level Agreement with Peterborough City Council. Therefore, she queried if the resources were adequate in the light of the work to be undertaken. Ms Grima stated that in addition to Ms Hague, Harj Kumar from Peterborough worked at East Cambridgeshire 2 days per week. However, it was agreed that 1 additional FTE was required and consideration was being given to how this should be provided. In response to a further question by Councillor Dupré, Ms Grima confirmed that this additional resource was included in the Budget for the year.

The Principal Democratic Services Officer, Tracy Couper, summarised the Democratic Services Service Plan. Reference was made to the challenges for the Service of Individual Electoral Registration (IER) and the District and Parish Council Elections that took place in May 2015 in conjunction with the Parliamentary Election, together with the ongoing induction and training of the new District Councillors. There also had been staffing changes to the Team during the year with the long-term sickness absence and subsequent move to a neighbouring Council of one member of staff and the resulting reassessment of workloads within the Team that led to the recruitment of a Democratic Services Support Officer (Kimberley Wardle) in place of a DSO in April 2015, to undertake the expanding administrative duties relating to the Democratic Services functions. As a result of the changed processes resulting from IER, the Team's Electoral Registration performance measures had been revised to more realistically reflect the changed circumstances. On the Democratic Services side, the performance target for Member seminar/training sessions had been increased to reflect the fact that it was an election year and the performance target for publishing Agendas on the website increased to reflect the new regulations which allowed Members to request that they receive Agendas electronically.

Councillor Dupré commended the Team on the level of work that they had been required to deal with over the past year and referred to the reduction in the number of Electors registered under IER compared to the old household registration system and asked how this compared with the national trend. The Principal Democratic Services Officer explained that the 85% registration rate compared favourably with other authorities nationally, but that the Team was still looking to improve registration rates overall and particularly amongst the target groups within the District of

migrant workers; studs and racing establishments; care homes; and the rented/social housing sector.

It was resolved:

That approval be given to the outputs presented (noting any variances) for 2014/15 and the new Service Delivery Plans for 2015/16 for the following Services:

- Economic Development
- Strategic Planning
- Democratic Services

15. **APPOINTMENT OF REPRESENTATIVES ON OUTSIDE BODIES AND ANNUAL REPORTS**

The Committee considered a report (reference Q41, previously circulated) requesting confirmation of the appointment of the proposed nominated representatives, as advised by the Leader of the Council, to those outside bodies which fall within the remit of the Corporate Governance & Finance Committee and containing the Annual Reports from appointed Council representatives on the activities and manner in which funding is spent by the outside bodies within the responsibility of this Committee.

With regard to the Annual Reports from appointed Council representatives, the Chairman and Councillor Every commented on the minimal number of reports submitted by these representatives and requested that all representatives be informed of their appointment to the relevant outside bodies and of the requirement for them to submit an Annual Report on the activities of each body every year. Councillor Beckett asked about the Lead Officer for Internal Drainage Boards (IDBs) now that the Financial Services Manager had left the Council. The Principal Democratic Services reported that Members would be updated on this once the new Lead Officer had been appointed.

It was resolved:

1. That the appointment of the proposed nominated representatives to those outside bodies which fall within the remit of the Corporate Governance & Finance Committee, as set out in Appendix 1 to the submitted report, be approved.
2. That the Annual reports from appointed Council representatives on the activities and manner in which funding is spent by the outside bodies within the responsibility of the Corporate Governance & Finance Committee, be noted.

16. **FINANCIAL OUTTURN REPORT 2014/15**

The Committee considered a report (reference Q42, previously circulated) detailing the Council's provisional outturn position for 2014/15 for both revenue and capital. The Section 151 Officer, Andy Radford,

highlighted the projected underspending identified across the Council's services for the year of £142,423.

Councillor Green commented that it would be useful if training could be provided for new Councillors on understanding Budgets. The Director Support Services agreed to organise such training and that the format of Budget reports would be examined to attempt to make them clearer.

It was resolved:

That the provisional outturn underspending of £142,423 identified across the Council's services be noted.

17. **INFORMATION ITEMS**

The Committee received a report (reference Q43, previously circulated) containing an information item on action taken by the Chief Executive on the grounds of urgency relating to Witchford Community Land Trust (CLT) set-up grant.

In response to a question by Councillor Dupré, it was reported that the urgent action memo was dated 17 April 2015, which was after the date of the March meeting of the Committee and action was required before this July meeting of the Committee. Councillor Dupré commented that the grounds for urgency stated in the memo seemed inadequate and that the Committee should request the Chief Executive to review the grounds on which urgent action was being taken in general. Councillor Cresswell did not agree with Councillor Dupré that the urgency grounds were inadequate, but instead reflected the need for the momentum of initiatives not be lost during an election period. Councillor Beckett commented that this Council continued to operate a Committee system and not an Executive, but that matters of urgency were coming up more often. He believed that matters should be brought to this Committee for consideration and that decisions should not be taken 'by the back door'. The Chairman noted some Members concerns and agreed to discuss them with the Leader of the Council.

It was resolved:

That the report be noted.

18. **FORWARD AGENDA PLAN**

Members received the Forward Agenda Plan for the Committee. The Chairman highlighted the need for the item identified earlier in the meeting on the Business Rates Scheme to be added to the Agenda Plan.

Councillor Dupré referred to the omission of the publication of the Forward Agenda Plan and two of the appendices for the Budget Outturn report on the website, which penalised Members who now had selected to

view agendas electronically. The Principal Democratic Services Officer apologised for any inconvenience caused and explained that the omission of the appendices to the Budget Outturn report was due to there being more than one tab on the Excel spreadsheet, which had not been spotted when it was published on the website. The Principal Democratic Services Officer agreed to remind staff that all items relating to an agenda should appear on the website in future.

It was resolved:

That the Forward Agenda Plan be noted.

The meeting closed at 5:37pm.

Chairman:.....

Date: 28 September 2015