



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 28 July 2016 at 4.30pm.

PRESENT

Councillor David Brown (Chairman)
Councillor David Ambrose-Smith
Councillor Derrick Beckett
Councillor Peter Cresswell
Councillor Coralie Green
Councillor James Palmer (Substitute for Councillor Lis Every)
Councillor Stuart Smith

APOLOGIES

Councillor Ian Bovingdon
Councillor Lorna Dupré
Councillor Lis Every
Councillor Chris Morris
Councillor Hamish Ross

In attendance

Neil Harris – Executive Director, External Audit, Ernst and Young

Andy Radford – Director Resources
Ian Smith – Principal Accountant
Tracy Couper – Democratic Services Manager

23. **PUBLIC QUESTION TIME**

No questions were submitted by the members of the public.

24. **DECLARATIONS OF INTEREST**

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

25. **MINUTES**

The Minutes of the meeting of the Committee held on 30 June 2016 were received.

With regard to a comment in Minute 15 relating to the Service Delivery Plan for Financial Services, the Chairman requested an update on the verbal acceptances of two vacant posts in the Team. The Director Resources confirmed that the two new employees were due to commence work at the end of August and, in addition, a further vacant post in the new structure had been filled on re-advertising, which meant that the Team should be fully staffed by the end of September.

It was resolved:

That the minutes of the meeting of the Committee held on 30 June 2016 be confirmed as a correct record and signed by the Chairman.

26. **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements to report.

27. **EXTERNAL AUDIT – AUDIT OF STATEMENT OF ACCOUNTS 2015/16 UPDATE**

The Committee received a report from the Council's External Auditors Ernst and Young (EY) on progress with the 2015/16 audit of the Statement of Accounts. Neil Harris, Executive Director EY and Co-ordination Lead for this Council, reported that good progress had been made on the audit of the Council's Final Accounts for 2015/16 and that work was on target for completion and reporting to the September meeting of this Committee. The Accounts had been received in good time, with a good set of working papers. The large majority of the audit work had been completed, although some work still was to be concluded on the Collection Fund; Cash Flow Statements; and Value for Money Conclusion. Mr Harris stated that no material uncertainties had been identified so far and he did not expect to have any significant issues to draw to Members' attention. An early draft shared with officers of the Council referred to the Council's ability to produce a good set of Accounts.

In response to a question by Councillor David Ambrose-Smith, Mr Harris confirmed that the External Audit Report would be ready for the reports deadline for the September meeting of 19th September.

The Chairman highlighted the positive nature of the update and commended the work of the Finance Team and the External Auditors.

It was resolved:

That the External Audit progress report be noted.

Councillor Beckett entered the meeting at 4.35pm.

28. **EXTERNAL AUDIT BRIEFING PAPER – EU REFERENDUM: IMPACT OF BREXIT ON THE GOVERNMENT AND PUBLIC SECTOR (GPS) MARKET**

The Committee received a briefing paper on the impact of Brexit on the Government and Public Sector (GPS) Market from the Council's External Auditors Ernst and Young.

Mr Harris stated that this was an area that would be re-visited in the light of developments and the Chancellor's Autumn Statement, but he would welcome any insights from Councils on the subject.

The Chairman agreed that Councils would need to await developments, as a huge amount of work would be taking place on the issue over a prolonged timeframe.

Councillor Palmer stated that whilst awaiting developments, this Council also would need to be proactive on the issue of the potential negative impact on local agricultural businesses of any restrictions on migrant workers and the requirement to lobby Central Government to ensure that such businesses could still bring in the required workers to operate effectively.

It was resolved:

That the External Audit briefing paper be noted.

29. **INDEPENDENT REMUNERATION PANEL (IRP) REVIEW OF MEMBERS' ALLOWANCES**

The Committee considered a report (reference R66, previously circulated) detailing proposed arrangements for an Independent Remuneration Panel (IRP) review of Members' Allowances.

The Democratic Services Manager explained the statutory requirement to undertake a review every four years and the process for the conducting of the review.

The Chairman highlighted the fact that the Council was required to conduct a review and that all Councillors would have the opportunity to make comments to the IRP once it was constituted.

In response to a question by the Chairman and Councillor Ambrose-Smith on the costs for the review, the Democratic Services Manager reported that these had been estimated based upon previous advertising/recruitment costs; allowances paid to the IRP members; and the three statutory public notices that must be published in a local newspaper to advertise the findings of the Panel.

It was resolved:

1. That the Democratic Services Manager be authorised to take all necessary actions to set up an IRP comprising of up to 5 Lay Members to conduct a review of Members' Allowances in the autumn/winter of the current year, with a view to making recommendations that can be considered as part of the Budget-setting process of the Council, to be implemented from April 2017 for a 4 year period with indexation.
2. That funding in the sum of around £5,000 be allocated for the conducting of the review.

30. **BUDGET MONITORING REPORT**

The Committee considered a report (reference R67, previously circulated) detailing Budget monitoring information for services within the responsibility of the Corporate Governance and Finance Committee and then, as part of its corporate remit, for the Council as a whole. The Principal Accountant, Ian Smith, explained the current position on Revenue and Capital expenditure and reported that the Council had received confirmation from Sport England of provisional approval of a grant of £1.5M for the new Leisure Centre. In response to a question from Councillor Palmer, the Director Resources confirmed that this Council would receive the grant funding direct from Sport England.

It was resolved:

1. That the current projected year end underspend of £90,000 for this Committee compared to its approved revenue budget of £2,491,526 be noted.
2. That the current projected year end underspend of £232,824 overall for the Council compared to its approved revenue budget of £10,186,843 be noted.
3. That, whilst this Committee has no specific capital schemes linked to it, the current overall position for the Council on Capital of a projected capital outturn underspend of £1,257,589 be noted.

31. **ANGLIA REVENUES AND BENEFITS PARTNERSHIP (ARP)**

- (a) Joint Committee Minutes**
- (b) Annual Report**
- (c) Performance Figures 2016/17**

The Committee received the Minutes of the meeting of the ARP Joint Committee held on 21 June 2016; the ARP Annual Report; and 2016/17 first quarter performance figures for this Council requested at the previous meeting of the Committee. The Director Resources explained the functions undertaken by ARP on behalf of this and other partner Councils and the performance measures contained within the monitoring report for the current year for this Council.

Councillor Palmer referred to a recent media report of £2.4M uncollected Council Tax for East Cambridgeshire and queried if this had been written-off or still was to be pursued for recovery. The Director Resources stated that this Council had an over 99% collection rate for Council Tax, which was very high compared to other Councils. The figure quoted included some arrears for the current year, but the majority related to payment plans agreed with customers for a longer period of time.

Councillor Cresswell queried the implications for ARP of the merger of Waveney and Suffolk Coastal Councils. The Director Resources stated that there would be no direct impact on services, but it might have governance implications in terms of the combined Council having one vote rather than two. Councillor Cresswell similarly questioned if the combined Council would receive a 6th share rather than a 7th share of any surplus and the Director Resources stated that this was yet to be determined. In that connection, Councillor Beckett referred to resolution 2 of Minute 25/16 (b) in the ARP Joint Committee Minutes relating to the distribution of a surplus of £370,821 to partners based on 2015/16 gain share percentages.

The Chairman highlighted the table in the Annual Report relating to 'channel shift' to e-forms for all partner authorities and the Director Resources confirmed that this was improving on a month-by-month basis.

It was resolved:

That the Minutes of the meeting of the ARP Joint Committee held on 21 June 2016; ARP Annual Report; and 2016/17 first quarter performance figures for this Council be noted.

32. **FORWARD AGENDA PLAN**

Members received the Forward Agenda Plan for the Committee.

It was resolved:

That the Forward Agenda Plan be noted.

33. **EXCLUSION OF THE PUBLIC INCLUDING REPRESENTATIVES OF THE PRESS**

It was resolved:

That the public (including representatives of the press) be excluded during the consideration of the remaining item 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 items there would be disclosure to them of exempt information of Category 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

34. **EXEMPT MINUTES – 30 JUNE 2016**

The Committee received the Exempt Minutes of the meeting of the Committee held on 30 June 2016. In response to a question by Councillor Cresswell, the Director Resources gave an update on the steps being taken to implement the new delivery arrangements for the Council's Internal Audit function.

It was resolved:

That the Exempt Minutes of the meeting of the Committee held on 30 June 2016 be confirmed as a correct record and signed by the Chairman.

The meeting closed at 5:07pm.

Chairman:.....

Date: 29 September 2016