



EAST  
CAMBRIDGESHIRE  
DISTRICT COUNCIL

## Agenda Item 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 29 January 2015 at 4.30pm.

### **PRESENT**

Councillor Kevin Ellis (Chairman)  
Councillor Allen Alderson (substitute for Councillor David Brown)  
Councillor David Ambrose-Smith  
Councillor Lorna Dupré  
Councillor Chris Morris  
Councillor Neil Morrison  
Councillor James Palmer  
Councillor Hamish Ross  
Councillor Josh Schumann  
Councillor Gareth Wilson  
Councillor Andy Wright

### **APOLOGIES**

Councillor David Brown  
Linda Grinnell – Head of Finance

### **In attendance**

Councillor Christine Ambrose-Smith  
Councillor Ian Allen  
Councillor Lis Every  
Councillor Jeremy Friend-Smith  
Councillor Richard Hobbs

Neil Darwin – Chief Executive, GCGP LEP

John Hill – Chief Executive  
Richard Quayle – Director Support Services  
Andy Radford – interim Deputy Section 151 Officer  
Darren Hill – Business Development Manager  
Emma Grima – Corporate Unit Manager  
Allison Conder – Principal Leisure and Community Services Officer  
Karen Freya – Principal Housing Strategy Officer  
Tony Grzybek – Principal Accountant  
Emmanuel Orekobe – Accountant (Treasury Management)  
Tracy Couper – Principal Democratic Services Officer

67. **PUBLIC QUESTION TIME**

No questions were submitted by the members of the public.

68. **DECLARATIONS OF INTEREST**

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

69. **MINUTES**

The Committee received the Minutes of the meeting held on 4 December 2014, which had been sent to Members and tabled at the meeting.

It was resolved:

That the Minutes of the meeting of the Committee held on 4 December 2014 be confirmed as a correct record and signed by the Chairman.

70. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman introduced Andy Radford, interim Financial support and Deputy Section 151 Officer, who would be presenting the financial reports to the Committee.

71. **PRESENTATION - GREATER CAMBRIDGE, GREATER PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP (LEP)**

The Committee received a presentation from Neil Darwin, Chief Executive of the Greater Cambridge, Greater Peterborough LEP, giving an overview of the LEP. The presentation covered the following areas:

- What is a LEP?
- Our Area
- What is GCGP Doing?
- Growth Deal
- Growth Deal Round 2
- Growing Places Fund
- Lancaster Way Business Park
- Grants4Growth
- Agri Tech Grants
- Agri Gate Research Hub
- J.A. Collison and Sons
- Growth Hub

During his presentation, Mr Darwin highlighted the fact that as part of the Growth Deal round 2, £16M had been earmarked for the Ely Southern Bypass. Councillor Palmer expressed his gratitude at having someone to

support projects in the East Cambridgeshire area and at the commitment to funding for the Ely Southern Bypass. He commented that he was disappointed at the funding of HS2 to the detriment of other local infrastructure projects nationally.

At the invitation of the Chairman, Councillor Allen raised questions on how the LEP was engaging on the climate change agenda which were responded to by Mr Darwin. He emphasised that the LEP was not about a dash for growth, but wanted sustainable growth and was working with its partners to understand the issues.

Councillor Wilson queried whether the Council was missing out on European funding. Mr Darwin stated that a delay at national Government level had prevented bidding for £72M for infrastructure and skills projects. However, some additional projects would be funded based around the University of Cambridge.

The Chairman thanked Mr Darwin for his attendance and informative presentation.

It was resolved:

That the presentation be noted.

72. **2015/16 ANNUAL TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY (AIS)**

The Committee considered a report (reference P185, previously circulated) containing the 2015/16 Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy Statement and Annual Investment Strategy (AIS). The interim Deputy Section 151 Officer explained the background and rationale to the strategies and the changes from the preceding year.

Councillor Dupré raised questions regarding the Minimum Revenue Provision referred to in page 5 of the Strategy, which Mr Radford agreed to provide a written answer to.

Councillor Dupré referred to the inclusion of Saudi Arabia as a potential country for investments, albeit at the lowest level, in Appendix 5.3 of the Strategy and proposed that this Country should be removed from the list due to its repressive regime and poor record on women's rights. This was seconded and upon being put to the vote declared to be carried.

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

**That Council approve:**

- **The 2015/16 Treasury Management Strategy;**
- **The Annual Investment Strategy;**
- **The Minimum Revenue Provision Policy Statement;**
- **The Prudential and Treasury Indicators;**

**as set out in Appendix 1 to the submitted report, subject to the removal of Saudi Arabia from the list of approved countries for investments in Appendix 5.3 of the report.**

**73. MEDIUM TERM FINANCIAL STRATEGY AND REVENUE BUDGET AND CAPITAL PROGRAMME 2015/16**

The Committee considered a report (reference P186, previously circulated) containing the proposed Revenue and Capital Budgets and the required level of Council Tax for 2015/16, an assessment of the robustness of the Budgets, the adequacy of Reserves and an update of the Council's Medium Term Financial Strategy. The interim Deputy Section 151 Officer, Andy Radford, highlighted the revised recommendations tabled at the meeting and explained the key principles underlying the draft budget.

In response to a question by Councillor Wilson, Mr Radford stated that the last sentence of paragraph 9.3 should refer to 'Civil Emergencies'.

Councillor Wilson referred to the fact that it was difficult to find the overall Budget saving of £797,722 in the draft Budget Book and that this was very complex and hard to understand for many Members. Therefore, he suggested a manner in which this figure could be included in the General Fund Summary on page 1 of the draft Budget at Appendix 1 to the report and requested that this be done for when the draft Budget was presented to full Council.

*Councillor Schumann entered the meeting at 5.10pm.*

Councillor Dupré commented that paragraphs 7.2 and 13.2 of the report did not appear to 'tie up' and asked for an explanation of the term 'channel shift' in paragraph 14.5 of the report. She also asked for an explanation of the replacement of the existing Customer Relationship Management (CRM) System referred to in Appendix 2 of the report and why integration with other systems was not included in the Budget and for the deletion of various Tourism Fees and Charges in Appendix 4 of the report. Mr Radford explained the Business Rates position referred to in paragraph 7 of the report and that 'channel shift' was the move from telephone to website interactions. The Director Support Services stated that the CRM system was to be replaced and that as part of this the required integrations would be defined. Some software was already available free of charge, but an assessment would be made of any additional costs. The Chief Executive

explained that the Tourism Fees and Charges deleted were those which the Council did not set itself.

In response to questions by Councillor Wright, the Principal Accountant explained the expenditure and Central Support Charges relating to maintenance of Open Spaces on page 47 of the draft Budget Book. Councillor Wright commented that that the draft Budget needed to be easier to understand and that rather than using the term 'balanced Budget', the Council should be saying that it had managed to fund its expenditure by drawing from Reserves. Whilst possible for 1-2 years, this was not sustainable in the long term. In response, Mr Radford stated that the Council had a track record for the delivery of savings, which gave him reassurance at present, and a low level of Reserves was currently being used to balance the Budget in comparison to other authorities. However, he acknowledged that the longer term deficit would need to be addressed. Councillor Wright referred to the decision made previously for the General Fund Reserve to be a minimum of £1.2M and Mr Radford confirmed that this was still the case.

Councillor Palmer stated that it was important to recognise where the Council was previously and where we are now. In response to a question to Mr Radford, it was confirmed that the Council had a projected Budget deficit of nearly £1M for 2015/16 one year ago. In comparison, Councillor Palmer highlighted that now we had a balanced Budget for the next two years which was the envy of the rest of the County. This was to be greatly commended. The gap in 2 years time might look ominous, but not all of the savings from the re-structuring had yet been realised. Tough decisions already had been taken and not avoided that had proven correct for this Council. Therefore, Councillor Palmer moved the revised recommendations tabled and this was seconded by Councillor Schumann.

Councillor Wilson then proposed the following amendments which were also tabled:

1. Extend £15,000 grant to Dial-A-Ride in 2015/16 to be an annual grant ongoing.
2. Create an annual budget for Road Safety projects of £40,000.
3. Reinstate the subscription to 'Loo of the Year' awards at a cost of £1,500 per year.

Total increased costs in 2015/16 of £41,500 and in 2016/17 £56,500.

In speaking on the amendments, Councillor Wilson stated that they were very modest proposals:

- The Dial-A-Ride grant would give ongoing assurance of funding from this Council to the organisation;
- The Road Safety fund acknowledged the pressures being faced by many Parishes to find match funding for local projects of this nature and continued the previous initiative of this Council when it provided £60K for joint minor Highways bids;

- The Council had won a number of 'Loo of the Year' awards in the past and the awards gave an incentive to people working for the Council in this important but under-recognised area. Since the Council had stopped entering the competition, the quality of the public conveniences in the District had declined and a review was currently ongoing.

The amendments were seconded by Councillor Morrison.

Councillor Palmer commented that these were an interesting choice of amendments on the large Budget of the Council. He stated that he was not against the principle of an ongoing ring-fenced fund of £15,000 for Community Transport which could be bid for, bearing in mind that there were other providers in the area as well as Dial-A-Ride. In that connection, Councillor Wilson agreed to amend the first of his amendments accordingly. However, Councillor Palmer stated that he could not support point 2 of the amendment, since the County Council already had a fund for this and he was aware of a number of Parishes that had successfully bid for this. With regard to point 3, Councillor Palmer suggested that this should be considered as part of the overall review of public conveniences currently taking place.

Councillor Wright commented that he could support the revised point 1 of the amendments but not the other 2 points.

Councillor Morrison, as seconder, spoke in particular support of amendment 3, stating that this was a very small sum for the Council to approve. In that connection, at the invitation of the Chairman, Councillor Hobbs, as Chair of Commercial Services Committee, gave an assurance that he would ensure that this matter was considered as part of the review of public conveniences.

Upon being put to the vote, the revised amendment 1 was declared to be carried, but amendments 2 and 3 were declared to be lost.

Councillor Wilson then referred to Appendix 5 and queried why no figure was included in 2015/16 for Economic Development Apprenticeships. The Chief Executive reported that the Council was not abandoning the concept of apprenticeships but that the Business Development Manager was pursuing with the LEP and other partners how these should be funded. Councillor Wilson stated that he could not see a sum for apprenticeships elsewhere in the Budget and the Chief Executive agreed to confirm the position for full Council.

Upon being put to the vote, the motion, as amended, was declared to be carried.

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

**That Council approve:**

- 1. The 2015/16 draft revenue budget as set out in the budget book at Appendix 1 to the submitted report, including a proposed Council Tax freeze, subject to the inclusion of £45,000 for the Community Capital Grant Fund and the inclusion of a ring-fenced Community Transport Fund of £15,000 to be bid for.**
- 2. The capital programme and financing as set out at Appendix 2 to the submitted report.**
- 3. The Statement of Reserves as set out in Appendix 3 to the submitted report.**
- 4. The Fees and Charges for 2015/16, as set out in Appendix 4 to the submitted report.**
- 5. The use of the former Housing and Planning Delivery Grant as set out at Appendix 5 to the submitted report.**

**74. BUDGET MONITORING REPORT**

The Committee received a report (reference P187, 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.

In response to a question by Councillor Wilson, the Principal Accountant explained the position on Business Rates and appeals, whereby the Council had to pay Business Rates to Central Government 'up front' but then had to bear the cost itself of any successful appeals which could be backdated to 2010. Therefore, the Council made a provision for successful Business Rates appeals each year.

It was resolved:

That the projected underspending of £797,722 identified across the Council's services compared to its approved budget of £8,788,688 be noted.

**75. FORWARD AGENDA PLAN**

It was resolved:

That the Forward Agenda Plan be noted.

76. **DEVELOPMENT OF A NEW DISTRICT-WIDE INDOOR LEISURE CENTRE FACILITY, DOWNHAM ROAD, ELY**

Further to Minute 48 of the meeting held on 6 November 2014, the Committee considered a report (reference P188, previously circulated) containing an update on progress with implementation of the Committee's decision in relation to the leisure centre facility. The Chief Executive explained that, although this was a 'for decision' item, this item had been placed at the end of the public section of the Agenda in case there was the requirement to go into 'closed session' to discuss the Exempt Appendices.

The Chief Executive explained in detail section 3.3 of the report on progress in implementing the various issues identified by this Committee to mitigate the risks and facilitate a prudential and robust financial funding strategy for the Leisure Centre. Two further risks also had been identified regarding the capital costs of the facility and VAT. The Principal Leisure and Community Services Officer reported that Sport England had confirmed that the expression of interest for funding from their Strategic Facilities Fund for the Leisure Centre had been approved, with an indication of an initial level of funding higher than anticipated.

Councillor Wright referred to the recommendation for additional funding of up to £5,000 to procure specialist VAT advice, and commented that this could be provided by the VAT office itself. Mr Radford stated that this was a complex area and, due to the size of the project, it could prove more cost effective to gain professional advice on a risk assessment basis. Councillor Wright questioned the rate of interest that the borrowing was based upon and Mr Radford stated that 4% on the long term loan had been assumed, which would need to be considered as part of the overall funding strategy.

In response to a question by Councillor Schumann, Mr Radford explained that average income for the Centre of £277,000 had been assumed. Councillor Schumann commented that, in the light of the explanation by Mr Radford, the procurement of specialist VAT advice seemed to be a prudent method of managing risk and that this approach needed to be adopted throughout the process. Therefore, he proposed the recommendations in the report and this was seconded by Councillor Palmer.

Councillor Wright reminded Members that approx £750K had been spent on plans for an Ely Leisure Centre project 4-5 years ago and stated that the whole project concerned him. The income projections were uncertain and the Council was spending more money without really progressing further. Councillor Wright queried whether a 'design and build' option would be more cost-effective. The Principal Leisure and Community Services Officer reported that this could be assessed by the Council as being its preferred route for procuring delivery of the Leisure Centre following the completion of the design and development stages.

In response to a question by Councillor Dupré regarding the percentage of the CIL money from the North Ely development that the proposed allocation of £2.5M for the Leisure Centre represented, the Corporate Unit Manager agreed to provide a written response to Members.

Upon being put to the vote, the recommendations were declared to be carried.

It was resolved:

1. That additional funding of £90,970 to facilitate the design and development of the leisure facility to RIBA Stage C be approved.
2. That additional funding of up to £5,000 to procure specialist VAT advice be approved.
3. That the progress detailed in paragraph 3.3 of the submitted report be noted and officers instructed to recommend a programme of prudential borrowing to full Council as soon as practically possible.

77. **LITTLEPORT LEISURE COMMUNITY CENTRE**

It was resolved:

That the item be deferred.

The meeting closed at 6.09pm.

Chairman:.....

Date: 26 March 2015