



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 29 September 2016 at 4.30pm.

PRESENT

Councillor David Brown (Chairman)
Councillor David Ambrose-Smith
Councillor Derrick Beckett
Councillor Lorna Dupré
Councillor Lis Every
Councillor Coralie Green
Councillor James Palmer (substitute for Councillor Morris)
Councillor Stuart Smith

APOLOGIES

Councillor Ian Bovingdon
Councillor Peter Cresswell
Councillor Chris Morris
Councillor Hamish Ross

In attendance

Kay McClennon – Audit Manager, External Audit, Ernst and Young

John Hill – Chief Executive
Andy Radford – Director Resources and Chief Financial Officer
Emma Grima – Director Commercial
Ian Smith – Principal Accountant
Tracy Couper – Democratic Services Manager

35. **PUBLIC QUESTION TIME**

No questions were submitted by members of the public.

36. **DECLARATIONS OF INTEREST**

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

37. **MINUTES**

The Committee received the Minutes of the meeting held on 28 July 2016.

It was resolved:

That the minutes of the meeting of the Committee held on 28 July 2016 be confirmed as a correct record and signed by the Chairman.

38. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made the following announcements:

Independent Remuneration Panel

Further to the decision taken at our meeting on 28 July 2016, five Lay people have been recruited to serve on the Independent Remuneration Panel on Members allowances. They met for the first time this week and will formally commence their work from 13 October. All Councillors will be receiving a questionnaire from the IRP in the near future and a cross-section of Councillors will be invited to be interviewed to give their views on allowances directly to the Panel.

Agenda Item 12 – ARP Joint Committee Minutes

This item has been withdrawn from the agenda as the Minutes of the Joint Committee meeting on 20 September 2016 have not been received yet. They will be submitted to our next meeting on 1 December.

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

The Committee received the Local Government Sector Briefing from the Council's External Auditors Ernst and Young.

It was resolved:

That the External Audit Local Government Sector briefing be noted.

40. **EXTERNAL AUDIT – AUDIT RESULTS REPORT: ISA 260**

Kay McClennon, Audit Manager for the Council's External Auditors, Ernst and Young, presented the Audit Results Report.

Ms McClennon reported that the Audit Results Report contained within the Agenda had been produced on 19 September and she gave an update on the position since that date. The audit work was complete and External Audit would be issuing an unqualified audit opinion on the financial

statements of the Council and an unqualified conclusion on Value for Money arrangements after this meeting, once the Letter of Representation had been approved by this Committee. The audit risks identified on page 3 of the report were generic risks included for all councils and not specific to ECDC. The Council had adequately prepared accounts and was below the threshold for full testing on its whole of Government Accounts return. The Value for Money risks also were generic with the exception of those relating to the Local Authority Trading Company (LATC) and Leisure Centre, which the external auditors would continue a 'watching brief' on. With regard to Appendix A, two more corrected audit differences had been discovered since the report had been produced and the final version of the report would be updated accordingly. Ms McClennon commented that the Council was in a strong financial position to meet the challenges ahead.

Councillor Palmer and the Chairman congratulated the Finance Team for producing a good set of accounts for audit and thanked external audit for their work.

It was resolved:

That the Audit Results Report for the 2015/16 financial statements be noted and the Letter of Representation be approved and signed by the Chief Financial Officer and Chairman.

41. **ANNUAL GOVERNANCE STATEMENT 2015/16**

The Committee received a report (reference R89, previously circulated) containing the Annual Governance Statement for 2015/16.

It was resolved:

That the Annual Governance Statement for the financial year 2015/16, as set out at Appendix 1 to the submitted report, be approved and signed by the Chief Executive and Leader of the Council

42. **ANNUAL FINANCIAL REPORT 2015/16**

- 5.1 The Committee considered a report (reference R90, previously circulated), regarding the Statement of Accounts for 2015/16, which had been circulated as a separate document. The Director Resources and Chief Financial Officer highlighted an amendment since the outturn position was reported to this Committee in relation to the Pension lump sum payment, paid into the Pension Fund, which had been left in a reserve account rather than been charged to Income and Expenditure. This issue had been resolved in the Statement of Accounts, but meant that the Council's net underspend for the 2015-16 financial year was £1.284 million, not the £1.571 million reported previously. This would result in a reduced amount being moved into the Surplus Savings Reserve. In response to a question by Councillor Palmer as to how this £287K reduction would affect the future Budget, the Director Resources and Chief Financial Officer stated that this

could be accommodated without impacting on the ability to balance the Budget in future years.

Councillor Dupré raised a number of queries on the Statement of Accounts, which were responded to as follows:

Page 4 comment that the Council had successfully introduced Performance Related Pay – what were the criteria for success? The Director Resources and Chief Financial Officer stated that a report had been submitted to Regulatory and Support Services Committee in September giving details of the successful implementation but stating that some amendments were required to the staff appraisal form.

Page 5 – comment on development of Community Leisure Trusts and district wide indoor sports facility strategy? The Director Commercial stated that this was not about how to fund such facilities but to work with the Trusts to enable them to develop Business Plans. A report was to be submitted to the November Commercial Services Committee on the Leisure Strategy.

Page 6 – what is the progress on the Station Gateway in Ely? The Director Commercial reported that a proposal was to be submitted to the Local Enterprise Partnership (LEP) for the Rapley site. It now had been decided not to produce a Masterplan for the site, as the process was expensive and quickly became out of date.

Page 11 – bullet point on no increase in Waste costs when current contract ends in 2019? The Director Resources and Chief Financial Officer stated that this still was expected to be the case.

Councillor Green commented that some of the pie charts were difficult to understand as they had not been printed in colour. In response to a question by Councillor Green as to why the Heritage Assets on page 32 of the Accounts included the Norman Cross Eagle, the Principal Accountant agreed to provide a written explanation to Members of the Committee. It was reported that the two paintings referred to as Heritage Assets were located at Oliver Cromwell's House.

It was resolved:

That the 2015/16 Annual Financial Report, as set out at Appendix 1 to the submitted report, be approved.

43. **MEMBERS' CODE OF CONDUCT COMPLAINTS**

(a) Complaints Procedure Review

The Committee considered a report (reference R91, previously circulated), proposing the instigating of a review of the Members' Code of Conduct Complaints Procedure.

Members were informed that the District, Town and Parish Councillor Code of Conduct complaints procedure was agreed on 25 March 2013 and had not been reviewed since that date. The Chief Executive reported that some Councillors had raised an issue in relation to the 'political motivation' test at Stage 2 of the current code of conduct complaints procedure. Therefore, he had discussed this matter with the Leader of Council and Leader of the Liberal Democrats with a view to instigating a review. The Chief Executive stated that the content of the Code of Conduct and complaints procedure now was largely at the discretion of local authorities and that many Councils did not include a political motivation test. The Chief Executive commented that he had concerns regarding officers being required to make a judgement on such a subjective issue, even in consultation with the Independent Person. It also may be seen to disadvantage certain individuals or organisations from submitting a complaint against a Councillor. With regard to the timescale for the consultation, the Chief Executive stated that, at the suggestion of the Chairman, it was proposed that this be extended until mid November to give all Parishes Councils the opportunity to respond.

Councillor Dupré expressed concern at the fact that certain Councillors had approached the Chief Executive on the issue of political motivation. The previous Standards regime had given rise to and become 'bogged down' by often minor, politically motivated complaints and these had damaged the credibility and reputation of the local political environment and local authorities in general. The new Standards regime, giving greater discretion to local authorities to 'filter out' such complaints, was meant to prevent such issues and Councillor Dupré did not wish to see the floodgates being opened again with regard to the volume of complaints. Therefore, Councillor Dupré believed that greater clarity was required in the wording of the consultation letter.

The Chairman commented on the lack of a definition of the term 'political motivation'.

Councillor Beckett commented that he and Councillor Smith were two of the few remaining Councillors who had direct experience of serving on the Standards Committee under the old regime. This had resulted in a large number of minor complaints that wasted Council time and money in dealing with them. The new regime with its filter mechanisms and greater local discretion appeared to work well and resulted in far fewer complaints. Whilst Councillor Beckett acknowledged that it might be worthwhile to review the current arrangements after being in operation for 3 years, he did not believe that the consultation letter should highlight in particular the issue of

the 'political motivation' test, and personally he considered strongly that there should be a mechanism to 'weed out' blatantly politically motivated complaints.

The Chief Executive commented the content of the complaints procedure now was a matter for the Council to decide and if a case was made to retain the political motivation test, further consideration should be given to how and by whom this should be discharged. However, the Chief Executive acknowledged that the consultation letter could be reviewed to ensure clarity and suggested that he be authorised to do so in consultation with the Chairman of the Committee.

It was resolved:

That a review of the Members' Code of Conduct Complaints Procedure be instigated and the Monitoring Officer authorised to carry out the necessary consultation, subject to the Chief Executive being authorised, in consultation with the Chairman of the Committee, to make any amendments to the final version of the proposed letter of consultation to District Council Members, Parish Councils and Independent Persons.

(b) Appointment of Co-Opted Town/Parish Council Member, Corporate Governance & Finance Hearings Sub-Committee/Panel

The Committee considered a report (reference R92, previously circulated), requesting approval of the appointment of a non-voting Co-opted Town/Parish Council Member to the vacancy on the Corporate Governance and Finance Hearings Sub-Committee/Panel to assist with Code of Conduct complaints under the provisions of the Localism Act 2011.

Members were reminded that at the Corporate Governance and Finance Committee 'mini' meeting following Annual Council on 26 May 2016, it was reported that one of the Co-opted Town/Parish Council Members on the Corporate Governance and Finance Hearings Sub-Committee, Dullingham Parish Councillor Tim Owen, had resigned from the Parish Council meaning that he was no longer eligible to serve as a Co-opted Member of the Sub-Committee. Therefore, a vacancy would exist until an alternative Co-opted Member could be recruited. One of the two Co-opted Parish Council Members had to be in attendance at any Hearing Panel for a complaint relating to a Town or Parish Councillor.

The Democratic Services Manager reported that, following the E-mail circulation of a recruitment letter and application form via Parish Clerks, the Council had received 1 application from a Parish Councillor for the post. The Legal Services Manager & Monitoring Officer had considered the application and was recommending the appointment of the candidate.

It was resolved:

That the following be appointed as a non-voting Co-opted Town/Parish Council Member to serve on the Corporate Governance and Finance Hearings Sub-Committee/Panel to assist with Code of Conduct complaints under the provisions of the Localism Act 2011 until the next District and Parish Council Elections in 2019:

Councillor Jo Waters (Little Downham PC)

44. **SECTION 106 AND CIL: INCOME AND EXPENDITURE UPDATE**

The Committee considered a report (reference R93, previously circulated), containing an update on Section 106 and CIL income and Expenditure.

Councillor Dupré referred to the fact that a number of the headings in Appendix 1 had gone awry or some cells were not fully displayed making the schedule difficult to understand. The Director Commercial agreed to resolve this for the next update report and answered Councillor Dupré's queries in relation to the Appendix.

It was resolved:

That the report be noted.

45. **ANGLIA REVENUES AND BENEFITS PARTNERSHIP (ARP) JOINT COMMITTEE MINUTES**

Item withdrawn – to be submitted to 1 December Corporate Governance and Finance Committee.

46. **FORWARD AGENDA PLAN**

Members received the Forward Agenda Plan for the Committee.

In that connection, the Chairman questioned whether the 4.30pm start time for meetings still remained appropriate for Members of this Committee and asked Members to E-mail him with their views.

It was resolved:

That the Forward Agenda Plan be noted.

The meeting closed at 5.10pm.

Chairman:.....

Date:.....