



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 30 June 2016 at 4.30pm.

### **PRESENT**

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

### **APOLOGIES**

Councillor Derrick Beckett  
Councillor Coralie Green  
Councillor Hamish Ross

### **In attendance**

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

Andy Radford – Director Resources  
Ian Smith – Principal Accountant  
Trevor Bowd – Principal Auditor  
Darren Hill – Business Development Manager  
Sally Bonnett – Infrastructure and Strategy Manager  
Hetty Thornton – Performance Management Officer  
Wendy Hague – Strategic Planning Officer  
Tracy Couper – Democratic Services Manager

## **7. PUBLIC QUESTION TIME**

No questions were submitted by the members of the public.

## **8. DECLARATIONS OF INTEREST**

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

9. **MINUTES**

The Minutes of the meetings of the Committee held on 21 March and 26 May 2016 were received.

With regard to the Minutes of the meeting on 21 March, the Chairman referred to the comment in Minute 72 relating to the Fordham Community Land Trust (CLT) Grant Application that the issue of funding provision for CLT grant applications should be considered at the next meeting of the Committee, but that this was not an Agenda item for this meeting. The Director Resources confirmed that the Statement of Reserves attached at Appendix 5 to the Budget Outturn report later in the Agenda contained a CLT Grant Application Reserve of £19,000.

It was resolved:

That the minutes of the meetings of the Committee held on 21 March and 26 May 2016 be confirmed as a correct record and signed by the Chairman.

10. **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements to report.

11. **EXTERNAL AUDIT PROGRESS REPORT**

The Committee received a report from the Council's External Auditors Ernst and Young on progress with the 2015/16 audit. Kay McClennon, Audit Manager, reported that the audit of the Council's Final Accounts for 2015/16 had commenced and that work was on target for completion and reporting to the September meeting of this Committee.

In preparation for the bringing forward of the reporting timetable in 2017, it was intended to bring a draft of the Audit Results Report to the meeting of this Committee scheduled for 28 July 2016.

With regard to the Value for Money Conclusion, work in relation to the nationally identified area of Budget pressures was progressing, although in the case of this Council it had been effective in identifying savings to mitigate the risks.

It was resolved:

That the External Audit progress report be noted.

*Councillor Morris entered the meeting at 4.35pm.*

12. **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.

13. **INTERNAL AUDIT ANNUAL REPORT AND OPINION 2015/16**

The Committee considered a report (reference R44, previously circulated) containing the annual report on the work of Internal Audit during the financial year 2015/16. The Principal Auditor highlighted the overall audit opinion of significant assurance that had been given.

The Principal Auditor stated that in all the audits undertaken during 2015/16, only one opinion of Limited Assurance had been given in relation to the Open Data audit.

The Chairman queried the position on the review of the Fraud Response Plan referred to on page 12 of the Annual Report, which was due to be completed by June 2016. The Principal Auditor reported that a revised Plan had been drafted and would be submitted to Corporate Management Team in the near future.

It was resolved:

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

14. **DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16**

The Committee considered a report (reference R45, previously circulated) containing a draft version of the Council's Annual Governance Statement (AGS) for the financial year 2015/16.

The Principal Auditor explained that this was the first time that a draft of the AGS had been submitted to this Committee and would be subject to review by the External Auditors and the final version would be presented to the September meeting for approval and signing-off by the Chief Executive and Leader of the Council.

It was resolved:

That the draft Annual Governance Statement for the financial year 2015/16 detailed in Appendix 1 to the submitted report be noted.

15. **END OF YEAR REPORTING AND NEW SERVICE DELIVERY PLANS 2016/17**

The Committee considered a report (reference R46, previously circulated) detailing end of year performance outputs for 2015/16 and the new Service Delivery Plans for 2016/17 for the Services within the remit of this Committee. The Performance Management Officer explained that the template for the end of year reports had been simplified and Councillor Bovingdon commented that this was now much easier to understand.

The Principal Accountant, Ian Smith, summarised the content of the end of year performance report and new Service Delivery Plan for 2016/17 for Financial Services. He stated that Financial Services was currently undertaking a restructuring and recruitment exercise, with two applicants having verbally accepted posts in the revised structure and it was hoped would commence work in the next few months. It was hoped that the efficiency of the financial systems and processes would be improved over the forthcoming year.

The Democratic Services Manager, Tracy Couper, summarised the content of the end of year performance report and new Service Delivery Plan for 2016/17 for Democratic Services. Reference was made to the challenges for the Service of the two bye-elections, Police and Crime Commissioner election and EU Referendum which had taken place since January 2016, Individual Electoral Registration (IER), and the ongoing induction and training of District Councillors. Councillor Cresswell queried whether there could be greater co-ordination of meeting dates, particularly in relation to parish councils. Councillor Dupré referred to the possible delay in the publication of the Electoral Register to 1 February 2017 due to the County Council Electoral review, and the Democratic Services Manager stated that this was looking more likely in the light of the further consultation by the Local Government Boundary Commission for England (LGBCE) on the final recommendations for the County.

The Business Development Manager, Darren Hill, summarised the content of the end of year performance report for Economic Development. Mr Hill explained that a new Service Delivery Plan had not been drafted as the Team was developing a Memorandum of Understanding (MoU) with the Local Enterprise Partnership (LEP) to identify economic targets and where investment was required across the District. This would be submitted to the Committee in due course. The Team was working closely with the LEP and the Devolution Agreement for Cambridgeshire and Peterborough focussed on closer collaboration on Economic Development. The Chairman highlighted an E-mail tabled at the meeting from the Member Service Delivery Champion for Economic Development, Councillor Steve Cheetham, which made the following comments:

'As business champion for Economic Development I was clearly hoping to attend this meeting, however due to business commitments this will not be possible.

However I would like to record that in my year of working with the team I have been extremely impressed with the commitment, commercial capability and task/target delivery across all areas.

'Key' areas of focus have been and will continue to be the development of 'Cambridge Compass' in partnership with the LEP and the related increase in business rates and it should be noted that business rate income has increased by 3% this year, due to increased floor space occupation. Alongside of this the team have been instrumental in developing a 'memorandum of understanding' with the LEP which will be utilised across the LEP area of responsibility which focuses on economic development linked to our corporate plan and projects such as Soham Railway Station, Ely Station Gateway, North Ely Junction and aligns to the proposed devolution agreement.'

Councillor Every commended Mr Hill and the Team on the hard work that had taken place to develop the relationship with the LEP and to move the Council forward on such an important issue.

Councillor Ambrose-Smith commented that Memorandums of Understanding needed strong monitoring to ensure that the requirements were fulfilled, as they were not legally enforceable documents. Mr Hill stated that the MoU would identify key outcomes for projects and was about working in partnership to achieve deliverable outputs. Other authorities in the County also now were looking to develop MoUs with the LEP.

The Infrastructure and Strategy Manager, Sally Bonnett, summarised the content of the end of year performance report and new Service Delivery Plan for 2016/17 for Infrastructure and Strategic Housing. Ms Bonnett reported that the service was responsible for developer contributions (CIL & S106), facilitating delivery of infrastructure to support growth, including facilitating the delivery of the North Ely Development and enabling the delivery of genuinely affordable housing, in particular helping local communities to develop Community Land Trusts. The Team currently was facilitating delivery of projects such as the Ely Southern Bypass, the District-Wide Leisure Centre and Downham Road Leisure Complex.

The Strategic Planning Officer, Wendy Hague, summarised the content of the end of year performance report and new Service Delivery Plan for 2016/17 for Strategic Planning. Key areas for the Service included: the production of the new Local Plan; assisting Parishes with the development of Neighbourhood Plans; an audit of Supplementary Planning Documents (SPDs); and development of the SPD on Community-Led Development. With regard to the Devolution agenda, Ms Hague

commented that the experience of other areas which had already developed a collaborative approach to Strategic Planning as part of the Devolution agenda might prove useful for future service planning.

It was resolved:

- (i) That the End of Year Performance Reports (2015/16) be noted.
- (ii) That the Service Delivery Plans (2016/17) for the following Services be approved:
  - Financial Services;
  - Democratic Services;
  - Economic Development Services (end of year report only);
  - Infrastructure and Strategic Housing Services;
  - Strategic Planning Services.

#### 16. **BUDGET OUTTURN REPORT 2015/16**

The Committee considered a report (reference R47, previously circulated) detailing the Council's final outturn position for 2015/16 for both revenue and capital expenditure. The Principal Accountant, Ian Smith, highlighted the underspending identified across the Council's services for the year of £1.667M. He also referred to a revised Appendix 6, tabled at the meeting, on changes to application fees for Local Land Charge Searches, due to the late revision of one of the fees.

The Chairman queried the reason for the changes to application fees for Local Land Charge Searches and Mr Smith explained that at the time of setting the Budget guidance implied that these would be subject to VAT. But the Council now had been advised that this was not the case, so the fee level should be lowered. There were also a number of new small fees that could be charged in accordance with Government policy, with Councils able to set an appropriate level to recover their costs.

Councillor Dupré referred to the fact that the Revenue underspending was in part due to the closure of a number of historic Reserves, but then this was being transferred into another Reserve.

Councillor Stuart Smith asked about the saving on the Refuse Collection contract and the Principal Accountant agreed to provide a written answer to Members of the Committee.

It was resolved:

1. That the following be noted:

- The final revenue underspend across all the Council's services for the year was £1,571,461, this compared to its approved budget of £8,481,178.
  - In addition, additional funding of £95,418 was received, resulting in a total revenue surplus for the year of £1,666,879.
  - Capital spending in the year was £1,051,231, an underspend of £1,190,769 compared to the revised budget.
  - The Council had reserves of £13,569,514 at 31<sup>st</sup> March 2016.
2. That approval be given to the carry forward of slippage on the capital programme to allow 2015-16 schemes to be completed during 2016-17.
  3. That approval be given to the revised list of charges for Local Land Charge Searches detailed in the amended Appendix 6 tabled at the meeting.

#### 17. **TREASURY OPERATIONS ANNUAL PERFORMANCE REVIEW**

The Committee considered a report (reference R48, previously circulated) which summarised the Council's Treasury operations during 2015/16.

The Chairman commended the Treasury Team for producing good results in difficult times.

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

**That the report on the Council's Treasury operations during 2015/16 including the actual Prudential and Treasury Indicators, as set out at Appendix 1 to the submitted report, be approved.**

It was also resolved:

That Members note that a revised Treasury Management Strategy for 2016-17 was presented to Full Council on the 28<sup>th</sup> June 2016, detailing the implications of the Leisure Centre development on the Strategy moving forward.

#### 18. **ANNUAL REPORTS OF REPRESENTATIVES ON OUTSIDE BODIES**

The Committee considered a report (reference R49, previously circulated) 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.

Councillor Dupré referred to comments from the Member representatives that there had been no invitations to attend meetings of the Cambridgeshire and Peterborough Joint Strategic Planning and Transport Member Group. She also referred to the apparent inconsistency in the comment from Councillor Josh Schumann about the lack of information on events/meetings from the Local Government Association (LGA) and the comment from Councillor Palmer regarding the LGA District Councils Network that membership of the LGA was sufficient. The Democratic Services Manager stated that Councillor Josh Schumann was attending the LGA Annual Conference and General Assembly meeting in the following week.

Reference was made to the comments made by some Members on Internal Drainage Boards (IDBs) that the level of representation on some IDBs could be reduced. The Democratic Services Manager stated that it was her understanding that the level of appointments was set by statute as the Council was a precepting body, but that the position could be confirmed.

It was resolved:

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.

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

The Committee received the Minutes of the meeting of the ARP Joint Committee held on 22 March 2016. In that connection, Members requested that an ARP Annual Report be submitted to this Committee. The Director Resources agreed to arrange this.

It was resolved:

1. That the Minutes of the meeting of the ARP Joint Committee held on 22 March 2016 be noted.
2. That the ARP Annual Report be submitted to this Committee in future, for information.

20. **FORWARD AGENDA PLAN**

Members received the Forward Agenda Plan for the Committee.



It was resolved:

That the Forward Agenda Plan be noted.

21. **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).

22. **INTERNAL AUDIT ARRANGEMENTS**

The Committee considered an Exempt report detailing options for new delivery arrangements for the Council's Internal Audit function.

It was resolved:

That approval be given to the delivery of the Council's Internal Audit function as detailed in the recommendation within the Exempt report.

The meeting closed at 5:31pm.

Chairman:.....

Date: