



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

RESOURCES AND FINANCE COMMITTEE

Minutes of a Meeting of the Resources and Finance Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely, on Monday, 18th June 2018 at 4.30pm.

PRESENT

Councillor David Brown (Chairman)
Councillor David Ambrose-Smith
Councillor Ian Bovingdon
Councillor Mike Bradley
Councillor Steve Cheetham
Councillor Lorna Dupré
Councillor Mark Goldsack
Councillor Alan Sharp (Vice-Chairman)
Councillor Jo Webber (Substitute for Councillor Chris Morris)

In attendance

Rachel Ashley-Caunt – Head of Audit, LGSS

John Hill – Chief Executive
Emma Grima – Director, Commercial
Ian Smith – Finance Manager & S151 Officer
Nicole Pema – HR Manager
Maggie Camp – Legal Services Manager
Janis Murfet – Democratic Services Officer

7. **PUBLIC QUESTION TIME**

No questions were submitted by the members of the public.

8. **APOLOGIES AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Chris Morris.

It was noted that Councillor Webber would substitute for Councillor Morris for the duration of the meeting.

9. **DECLARATIONS OF INTEREST**

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

10. **MINUTES**

The Minutes of the meetings of the Committee held on 29th March and 24th May 2018 were received.

Councillor Dupré commented that there was never a slot for follow up on actions and the Chairman agreed that it would be helpful to keep Members informed of what was going on.

Further to Minute No.97 (Write Off of Unrecoverable Debt), Councillor Dupré asked whether a letter from the Chief Executive and Leader of the Council had been sent to the Valuation Office. The Finance Manager confirmed that a letter was sent on 17th April 2018 and a holding response was received. A further response was received from the Valuation Office on 1st June saying that it had failed to meet its deadline and nothing else had been received since then.

Further to Minute No.5 (CIL/TSEC Joint ECDC/CCC Member Steering Group), Councillor Dupré enquired what was happening regarding the vacancy and she was advised that it would be discussed at a meeting of the Conservative Group.

The Chairman thanked Councillor Sharp for assuming the Chair in his absence on 24th May 2018. Whereupon,

It was resolved:

That the Minutes of the meetings of the Committee held on 29th March and 24th May 2018 be confirmed as a correct record and signed by the Chairman.

11. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman did not make any announcements.

12. **EXTERNAL AUDIT – ANNUAL AUDIT FEE LETTER**

The Committee received the External Audit Annual Audit Fee Letter for 2018/19. The Finance Manager explained that the fees were set by Public Sector Audit Appointments (PSAA) based on scale fees. The fee level for 2018/19 would be significantly lower than previous, but was based on the assumption that certain criteria would be met and the Finance Manager confirmed that he expected this to be the case. While grateful that the fee was reduced, the Finance Manager wanted to ensure that the audit provided remained robust.

Councillor Dupré wished to know whether terms had yet been agreed regarding the outstanding certification. The Finance Manager replied that an initial quote had been received but EY awaited further

guidance regarding exactly what the audit needed to cover before this could be finalised.

It was resolved:

That the External Audit Annual Audit and Certification Fees Letter for 2017/18 be noted.

13. **INTERNAL AUDIT ANNUAL REPORT AND OPINION**

The Committee received a report (reference T25, previously circulated) containing the annual report on the work of Internal Audit during the financial year 2017/18. Rachel Ashley-Caunt, Head of Internal Audit, highlighted the key sections saying that controls were generally concluded to provide a level of at least Good assurance. Table 1 summarised the overall opinions and Table 3 set out the Audit opinion on individual audits.

Members were reminded that the majority of the findings had been reported throughout the year, but some were coming to Committee for the first time. The Opinions recognised where there were gaps in policies and procedures and comprehensive plans had been put in place to address them. It was noted that the rating for CIL was less than satisfactory, but an action plan had been put in place and the Director, Commercial was confident that it would be complete.

The Finance Manager stated that there had been issues with creditors and debtors, with delays having been caused by changes to staff. However, procedures were being reviewed and options would be considered for improving the segregation of duties issues highlighted in the report. The Finance Manager did however state that in a small team, this was not always possible.

Councillor Bradley said he would like to have visibility regarding action plans. When a rating was 'limited', Members should be told what was being done, how issues were to be mitigated and when they would be completed. The Head of Internal Audit said each plan had an owner and a time frame. Follow up would be on an action by action basis; they would be reported and Members would be able to challenge them.

Referring to paragraph 3.6 of the Annual Report, Councillor Dupré asked what had caused the delay regarding Bank Reconciliations. The Finance Manager replied that consultants had been brought in to deal with the issue but these had been less successful than had been hoped. However, a robust process was now in place and this was to be reviewed by Internal Audit in the next two weeks.

It was resolved:

That the Internal Audit report and opinion for 2017/18 be approved.

14. **DRAFT ANNUAL GOVERNANCE STATEMENT**

The Committee considered a report (reference T26, previously circulated) containing a draft version of the Council's Annual Governance Statement (AGS) for the financial year 2017/18.

The Draft Statement reflected the Council's Corporate Code of Governance and based on the work that had been completed, assurance could be taken that the governance arrangements were fit for purpose.

At the invitation of the Chairman, the Legal Services Manager provided an update on the Council's position regarding the General Data Protection Regulations (GDPR). She reiterated that 25th May 2018 was the start, not the finishing date and it would take 2 – 3 years to fully implement. The Council was following 12 steps to ensure compliance and most had been addressed. Some staff had received their training and there would also be on-line training available for staff. Building Control and Members had yet to receive training, but she was confident that the plan was in place.

It was resolved:

That the draft Annual Governance Statement for the financial year 2017/18 as detailed in Appendix 1 to the submitted report be noted.

15. **BUDGET OUTTURN REPORT**

The Committee considered a report (reference T27, previously circulated) which provided details of the final financial position of the Council for the 2017/18 financial year for both revenue and capital expenditure and the balance of reserves as at 31st March 2018.

Spend on Capital projects was detailed in Appendix 4 of the report and showed an underspend of £1,301,698 against the revised budgets. They would be carried forward to fund the completion of the projects in future years. It was noted that the final column in Appendix 4 detailed the required carried forward amounts for each capital project and Committee was being asked to approve these amounts to be carried forward into 2018/19.

With regard to Revenue Reserves, the Finance Manager reported an increase of £757,338 compared to the value held at 31st March 2017. The main reason for the increase was the transfer of additional income from the Cambridgeshire NNDR Deal to reserve. However, Members were asked to note that the Deal had ended on 31st March 2018 and so this was one off money which the Council would not receive moving forward.

Councillor Bradley asked if provision for write offs could be made in the report. Councillor Ambrose Smith felt sure that such details would be presented on blue paper, being commercially sensitive. The Chairman said

that if the information was included in the accounts, it would have already been published. The Finance Manager responded that the Council held bad debt provision for a number of things and he would email Members with the details.

Councillor Dupré queried why Neighbourhood Panels were mentioned in Appendix 3, as they no longer existed. The Director, Commercial, said that the money was used to host meetings of the Parish Forums; it was suggested that the item be renamed to avoid future confusion.

Councillor Sharp believed the underspend on Sport & Recreation showed slightly false as it included the insurance pay-out for the Mepal Outdoor Centre. The Director, Commercial replied that the money was being used for the maintenance and security of the Outdoor Centre.

It was resolved:

1. To note that the final revenue underspend across all the Council's services for the year was £898,883, this compared to its approved budget of £12, 828,958;
2. To note that capital spending in the year was £15,874,708, an underspend of £1,301,699 compared to the revised budget (£17,176,407);
3. To note that the Council had reserves of £11,510,056 at 31st March 2018;
4. That the capital slippage, as detailed in the report, be carried forward into 2018/19.

16. **2017/18 TREASURY OPERATIONS ANNUAL PERFORMANCE REVIEW**

The Committee considered a report (reference T28, previously circulated) which summarised the Council's Treasury operations during 2017/18. The Finance Manager highlighted the interest received during the financial year of £208,050, which was £108,050 above the budget of £100,000. This figure was made up of £69,894 from investment in money markets and £138,156 from the Loan to ECTC.

The Finance Manager further confirmed that the Council remained debt free throughout 2017/18 and indeed was still debt free at the time of the meeting.

There being no comments made or questions asked,

It was resolved to RECOMMEND TO COUNCIL:

That the report on the Council's Treasury operations during 2017/18, including the actual Prudential and Treasury Indicators, as set out at Appendix 1 to the submitted report, be approved.

17. ANNUAL REPORTS OF REPRESENTATIVES ON OUTSIDE BODIES

The Committee considered a report (reference T29, previously circulated) containing the Annual Reports from appointed Council representatives on the activities and manner in which funding was spent by the outside bodies within the responsibility of this Committee.

Councillor Dupré raised a number of points. She was surprised to see Councillor Allen Alderson included on the Swaffham Internal Drainage Board (IDB) as she recalled discussion at Full Council suggesting that he was no longer a representative. The Chief Executive interjected to say that there had been some confusion on this matter. When Members were initially asked to confirm whether or not they wished to remain on the IDBs Councillor Alderson did not respond and it was assumed that he did not wish to continue. He later indicated that he was still an existing member of the Board and no evidence was found to indicate that he had ever resigned.

Councillor Dupré noted that the number of annual reports received was considerably better than for last year, but she found it disappointing that the Leader of the Council had not submitted anything. She requested that he be asked to send his reports to the next meeting of Committee.

Councillor Dupré also highlighted Councillor Cox's comments regarding strengthening of the South Level Barrier Bank. She said that had Councillor Cox had been present, she would have wanted to ask him for his views on the effectiveness of the current four-year programme to build up the South Level Barrier Bank in the light of his comment that there was no plan to strengthen that Bank.

The Chairman reminded Members that the outstanding vacancies on the IDBs were currently going through the process and a report would come to the next meeting of Committee in July. Whereupon,

It was resolved:

That the Annual reports from appointed Council representatives on the activities and manner in which funding was spent by the outside bodies within the responsibility of the Resources & Finance Committee, be noted.

18. SECTION 106 AND CIL; INCOME AND EXPENDITURE

The Committee received a report (reference T30, previously circulated) which provided Members with an update on Section 106 and Community Infrastructure Levy (CIL) income and expenditure.

Since implementation on 1st February 2013, the Council had received £5,686,856.86 from CIL liable development. There were currently no contributions that were overdue to the Council and no refunds of CIL had been made.

It was noted that on 31st March 2018 the Council held £2,572,064.72 in Section 106 contributions. Appendix 1 to the report provided a schedule of the contributions held; Appendix 2 detailed the income for 2017/18 and Appendix 3 set out the expenditure for 2017/18.

Councillor Bradley sought assurances that the monies were being spent on what had been agreed and in a timely fashion, making specific reference to Lancaster Way, Ely. The Director, Commercial replied that checks and balances were in place.

It was resolved:

That the information set out in this report be noted.

19. **GENDER PAY REPORTING**

The Committee received a report (reference T31, previously circulated) which provided Members with some measurable data on gender pay at the Council.

The HR Manager explained that gender pay reporting legislation had been introduced last year, but as the Council had fewer than 250 employees it was not required to comply with the regulations. However, as Members had requested some measurable data to be provided on gender pay, she had calculated the figures for the mean gender pay gap, and the median gender pay gap in hourly pay. The calculations were based only on employees on the Council's establishment.

As at 31st March 2018, the women's mean hourly rate was 4.9% lower than men's and the median hourly rate was 12.1% lower than men's.

Discounting the County Council, Councillor Dupré noted that in 2017 the Council's pay gap was worse than for any of the other Cambridgeshire District Councils and she asked the HR Manager if she had any thoughts on this. She also felt that a comparison of a proportion of males to females in quartiles would help to indicate why the pay gaps were worse and worsening.

The HR Manager replied that she thought some of the figures were due to the pay review which had resulted in salary changes. She confirmed that she would be happy to look at the four quartiles next year.

Councillor Bradley noted that according to Table 1 in the report, women's mean hourly rate had improved in 2018, but their median rate had

gone down. He supported figures being looked at in quartiles rather than based on averages, but he felt that Officers should be careful about how the information was presented and he wanted assurance that women were being paid the same as men.

It was resolved:

That the information contained within the report be noted.

20. **ANGLIA REVENUES AND BENEFITS PARTNERSHIP JOINT COMMITTEE MINUTES**

The Committee received the Minutes of the meeting of the ARP Joint Committee held on 27th March 2018.

Commenting on the Government Budget announcements relating to Universal Credit, Councillor Dupré said that having to wait one month and seven days was a long time when one had no money and the 100% advance payment would cause debt from the very start. She asked how many families in Cambridgeshire would be affected, as the Council should be aware of the problems it was going to face. The Director, Commercial replied that she would take this to the ARP and get an answer for her.

It was resolved:

That the Minutes of the meeting of the ARP Joint Committee held on 27 March 2018 be noted.

21 **FORWARD AGENDA PLAN**

Members received the Forward Agenda Plan for the Committee for the current year.

It was resolved:

That the Forward Agenda Plan be received and noted.

22. **EXCLUSION OF THE PRESS AND PUBLIC**

It was resolved:

That the press and public 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 item there would be disclosure to them of exempt information of Categories 1 and 2 Part I Schedule 12A to the Local Government Act 1972 (as amended).

23. **APPOINTMENTS, TRANSFERS AND RESIGNATIONS**

The Committee received a report detailing:

- (i) staff appointments, transfers and resignations for the period 1st January to 31st May 2018; and
- (ii) a summary of the main responses given by staff for leaving the Council's employment and feedback received during Exit Interviews.

Councillor Dupré highlighted the low take-up on exit interviews and asked if anything could be done to better this. The HR Manager said that people seemed to be reluctant to have an exit interview and she acknowledged that the form to be completed had been rather unwieldy. However, now that there was a new system, maybe things would be easier.

Referring to a specific Service Area, Councillor Webber spoke of the issues arising from staff being seconded to other sections within the Council. She wished to highlight this matter because it was important to remember that when levels of service failed, it opened the Council up to criticism.

It was resolved:

That the content of the information report be noted.

The meeting closed at 5.27pm.

