



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

RESOURCES AND FINANCE COMMITTEE

Minutes of a Meeting of the Resources and Finance Committee held in Council Chamber, The Grange, Nutholt Lane, Ely, on Monday 19 June 2017 at 4.30pm.

PRESENT

Councillor Alan Sharp (Vice-Chairman in the Chair)
Councillor Alan Alderson (Substitute for Councillor David Brown)
Councillor Mike Bradley
Councillor Steve Cheetham
Councillor Lorna Dupré
Councillor Chris Morris
Councillor Mike Rouse
Councillor Jo Webber (Substitute for Councillor David Ambrose-Smith)

APOLOGIES

Councillor David Brown (Chairman)
Councillor David Ambrose-Smith

In attendance

Stan Curtis - IRP Member
Richard Powell - IRP Member

Suresh Patel – Executive Director, External Audit, Ernst and Young
Kay McClennon – Audit Manager, External Audit, Ernst and Young
Rachel Ashley-Caunt – Head of Audit, LGSS
Jonathan Tully – Principal Audit Manager, LGSS

John Hill – Chief Executive
Ian Smith – Finance Manager
Annette Wade – Customer Services Manager
Tracy Couper – Democratic Services Manager

8. PUBLIC QUESTION TIME

No questions were submitted by the members of the public.

9. **DECLARATIONS OF INTEREST**

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

10. **MINUTES**

The Minutes of the meeting of the Committee held on 25 May 2017 were received.

It was resolved:

That the minutes of the meeting of the Committee held on 25 May 2017 be confirmed as a correct record and signed by the Chairman.

11. **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements to report.

12. **REVIEW OF MEMBERS' ALLOWANCES – REPORT OF INDEPENDENT REMUNERATION PANEL (IRP)**

The Committee considered a report (reference S25, previously circulated) containing the report and recommendations of the Independent Remuneration Panel (IRP) relating to Members' Allowances.

IRP Member, Stan Curtis, introduced the report of the Panel and explained the background and rationale for their recommendations. He stated that the Panel had received clear feedback from Councillors via the questionnaire and interviews, and particularly from the new intake, who commented that the current level of allowances was low and could result in a 'democratic deficit', with only the retired and self-employed able to afford to serve if this was not addressed. Members fully recognised that the allowances paid by this Council were low compared to other Councils both locally and nationally. Part of the reason for this was the 10% reduction which had yet to be recovered and the Panel believed should be reinstated now that the Council was in a more sound financial position. As a result of the extensive comparative information provided to the Panel and feedback from Councillors, the IRP had proposed what they regarded as a reasonable level of increases, but would still mean that this Council's allowances remained low when compared to other Councils. The IRP also were conscious of the reduction in the number of Councillors from 39 to 28 from the District Council elections in May 2019, which would significantly increase the workloads of the Councillors elected from that date. This new intake needed to be clear on the level of allowances they would be paid for the role.

Mr Curtis highlighted that the IRP also had made a number of 'other recommendations' detailed in their report which, whilst not strictly within their remit, were due to the feedback received from Councillors. One of

these related to the IT provision/allowance for Councillors, which appeared to be unclear to Members and needed review, particularly with regard to the possible provision of Tablets/IPads for Councillors. The Member responses also indicated that Councillors were not aware of their entitlement to and the level and type of allowances they could claim when elected, in some cases because they did not attend the Member Induction sessions. The Panel believed that Member Induction for new Councillors should be compulsory and the timing of the induction considered. The IRP acknowledged the comment made by a number of Councillors that they should not be required by the Government to vote on the level of their own allowances.

A revised motion was tabled at the meeting, proposed by Councillor Bradley and seconded by Councillor Morris as follows:

1. That Council determine the recommendations of the Independent Remuneration Panel (IRP) as set out at Appendix A.
2. That Council be recommended to increase the level of the allowances payable to the Chairman and Vice-Chairman of the Council to accord with any increase agreed in the level of Special Responsibility Allowances.
3. That Council consider the IRP comments in relation to Members ICT allowances and the allowance for venue hire costs for Member Surgeries.
4. That it should be noted that there will be a reduction in the Budget for Members Allowances from May 2019 due to the reduction in the number of Councillors from 39 to 28 as a result of the Electoral Review.

Councillor Morris referred to the fact that the IRP had not made a recommendation relating to an allowance for Member Service Delivery Champions and considered that this should not wait until the next review, since some Service Delivery Champions were undertaking a significant amount of work on the role.

In response to a question by Councillor Dupré, it was confirmed that the revised motion would leave full Council to take the final decision on the level of allowances to be paid in the future. Councillor Dupré commented that she had found the responses from Councillors detailed interesting, particularly with regard to the low level of the current allowances and the problems this caused in recruiting younger people to serve as Members. She stated that the majority of Members remained in the 50-70 age range and the fact that it was difficult to get younger working people to serve as Councillors needed looking at. Councillor Dupré also queried the comment made by some Councillors about Vice-Chairman not being allowed to chair meetings.

Councillor Dupré referred to the proposed wording for the Overnight Accommodation allowance stating that 'claims for overnight stays within Cambridgeshire will not be approved' and recommended that this wording should be tightened to make it more pragmatic to prevent close border issues. Councillor Dupré also believed that the allowance and process for venue hire costs for Member Surgeries needed reviewing to simplify and rationalise it. The Democratic Services Manager clarified the current level and criteria for the Member Surgery venue hire allowance.

In concluding, Councillor Dupré stated that it was important to address the fact that this Council's allowances had fallen behind the national average, as we needed to encourage a wider demographic of people to stand as Councillors.

The Chairman highlighted the fact that he was a Vice-Chairman chairing this Committee meeting. However, he acknowledged the points on the need to look at the wording regarding the Overnight Accommodation allowance and to review the allowance and process for venue hire costs for Member Surgeries.

Councillor Bradley believed that, with the clarification from the Democratic Services Manager, the allowance and process for venue hire costs for Member Surgeries was acceptable.

Councillor Rouse commented that the fact that some Members were not aware of a number of the allowances that could be claimed needed to be addressed.

Councillor Cheetham highlighted the fact that a major contributing factor to allowances falling behind the national average was the reduction in 2010 and he believed that this should not be allowed to continue if it meant that it led to a Council with a majority of Members over 65 and self-employed, as this would not be representative of the local community and we needed to ensure a better balance on the Council.

Members queried how their recommendations above relating to particular allowances would be addressed. The Chief Executive and Chairman referred to the fact that the Minute of this meeting would be submitted to full Council as part of the 'Recommendations from Committees' report and Council then could consider the comments made relating to the particular allowances and come to a decision.

The revised motion, upon being put to the vote, was carried.

The Chairman thanked the IRP for their work and thorough report, which was very thought-provoking and he was sure would be fully debated at Council.

It was resolved to RECOMMEND TO COUNCIL:

- 1. That Council determine the recommendations of the Independent Remuneration Panel (IRP) as set out at Appendix A.**
- 2. That Council be recommended to increase the level of the allowances payable to the Chairman and Vice-Chairman of the Council to accord with any increase agreed in the level of Special Responsibility Allowances.**
- 3. That Council consider the IRP comments in relation to Members ICT allowances and the allowance for venue hire costs for Member Surgeries.**
- 4. That it should be noted that there will be a reduction in the Budget for Members Allowances from May 2019 due to the reduction in the number of Councillors from 39 to 28 as a result of the Electoral Review.**

13. REVIEW OF WEB CONTENT MANAGEMENT SYSTEM

The Committee considered a report (reference S26, previously circulated) detailing the outcome of a review of the Council's existing Web Content Management System. The Customer Services Manager, Annette Wade, highlighted the fact that the Council's website was its 'shop window' and therefore the content needed to be clear, consistent and easy to understand. She summarised the 3 options in the report and presented examples of good pages and some common problems with the content of pages. Ms Wade stated that the preferred option 2 comprised a 'Workbench Model' that allowed services to create, amend and have full control over the content of their pages, but would be reviewed by the web team prior to publication to ensure consistency in style, layout, navigation and functionality.

Councillor Rouse queried if the Service Delivery Champions (SDC) had been consulted and supported the preferred option. Councillor Webber as Customer Services SDC stated that she supported the recommendation in order to ensure the consistency and quality of the webpages. Councillor Bradley as Information Technology SDC queried if there was a Communications Policy for the Council at present, as this should be an important element of such a Policy. The Customer Services Manager stated that this would be included in the Council's Web Governance Policy.

The Chairman and Councillor Cheetham also supported option 2, to protect the 'shop window' of the Council.

It was resolved:

That option 2 detailed within the submitted report comprising a Workbench Model that allows services to create, amend and have full control over the content of their pages but be reviewed by the web team prior to publication to ensure consistency in style, layout, navigation and functionality, be approved and included in the Council's Web Governance Policy.

14. **BUDGET OUTTURN REPORT 2016/17**

The Committee considered a report (reference S27, previously circulated) detailing the Council's final outturn position for 2016/17 for both revenue and capital expenditure. The Finance Manager, Ian Smith, highlighted the underspending identified across the Council's services for the year of £1,224,240, which would enable a balanced Budget for 2018/19 and 2019/20 financial years.

The Chairman commended the positive financial position which would balance the Budget for future years.

It was resolved:

1. That the following be noted:
 - The final revenue underspend across all the Council's services for the year was £1,224,240, this compared to its approved budget of £12,618,169.
 - In addition, additional funding of £492,764 was received, resulting in a total revenue surplus for the year of £1,717,004.
 - Capital spending in the year was £4,594,126, an underspend of £4,960,406 compared to the revised budget.
 - The Council had reserves of £13,972,805 at 31st March 2017.
2. That approval be given to the carry forward of slippage on the capital programme (as detailed in Appendix 4 of the submitted report) to allow 2016-17 schemes to be completed during 2017-18 and future years.

15. **TREASURY OPERATIONS ANNUAL PERFORMANCE REVIEW**

The Committee considered a report (reference S28, previously circulated) which summarised the Council's Treasury operations during 2016/17. The Finance Manager, Ian Smith, highlighted the interest

received during the financial year of £179,274, which was £79,274 above the budget of £100,000. This figure was made up of £156,013 from investment in money markets and £23,261 from the Loan to ECTC and equated to an average interest rate of 0.69% across the year.

Councillor Bradley raised questions on the £2.7M reduction in total investments in Table 1 of the report and the role of Members of this Committee with regard to Treasury Management detailed in paragraph 3 of the report, which were responded to by the Finance Manager.

It was resolved to RECOMMEND TO COUNCIL:

That the report on the Council's Treasury operations during 2016/17 including the actual Prudential and Treasury Indicators, as set out at Appendix 1 to the submitted report, be approved.

16. **EXTERNAL AUDIT - ANNUAL AUDIT AND CERTIFICATION FEES LETTER**

The Committee received the External Audit Annual Audit and Certification Fees Letter for 2017/18. Suresh Patel, Executive Director External Audit Ernst and Young, explained that the fees were set by Public Sector Audit Appointments (PSAA) based on scale fees. The Housing Benefit Subsidy Claim Certification fee was yet to be confirmed by the PSAA for 2017/18 but was likely to be similar to the 2015/16 fee. This would be the last year of the current scale fees regime, as new local auditor appointment arrangements would apply from 2018/19 onwards.

It was resolved:

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

17. **EXTERNAL AUDIT PROGRESS REPORT**

The Committee received a report from the Council's External Auditors Ernst and Young on progress with the 2016/17 audit. Kay McClennon, Audit Manager, reported that the audit of the Council's Final Accounts for 2016/17 would commence in week of 26 June and the External Auditors had met with key officers for audit planning. The outcome would be reported to the September meeting of this Committee.

In preparation for the bringing forward of the reporting timetable in 2018, it was intended to bring a draft of the Audit Results Report to the meeting of this Committee scheduled for 20 July 2017.

It was resolved:

That the External Audit progress report be noted.

18. **EXTERNAL AUDIT LOCAL GOVERNMENT SECTOR BRIEFING**

The Committee received the Local Government Sector Briefing from the Council's External Auditors Ernst and Young and a report containing the response from the Finance Manager to the four key questions detailed in the Briefing. Suresh Patel, Executive Director External Audit Ernst and Young, stated that the question on whether the Authority had put in place processes to meet the new accounting requirement for the analysis of income and expenditure in the CIES and the new note on the Expenditure and Funding Analysis, would be re-visited in conjunction with the audit of the Statement of Accounts.

Councillor Dupré commented that the Finance Manager's responses to questions 2 and 4 stated what the Council was doing rather than how effective this was. With regard to question 2 on the integration of Health and Social Care in the area, she expressed concern that the Member Seminar on this subject had been postponed twice. Councillor Dupré urged officers to ensure that this Seminar took place and then the Council should review outcomes. On question 4 on the publication of gender pay gap data, Councillor Dupré stated that this Council should examine its position in relation to this issue, even if it was not required to collect and publish the data as it had less than 250 staff. In response, the Chief Executive agreed to raise with the relevant officer the issue of integration of Health and Social Care and the Member Seminar.

With regard to gender pay gap data, the Chief Executive stated that this was an issue within the remit of this Committee and information could be brought to a future meeting, if required. Councillor Rouse agreed that this Committee should review where we stood as a Council on the issue. Councillor Bradley commented that he had asked a question on this subject 12 months ago and been assured that this Council did not have an issue with regard to the gender pay gap. Therefore, this Committee should receive data to prove that this was the case.

The Finance Manager provided an update in relation to question 3, informing the Committee that the Council's Accounts now had been signed-off and published on the website.

It was resolved:

1. That the External Audit Briefing and the response from the Finance Manager to the key questions contained therein be noted.
2. That a report be submitted to the next meeting of this Committee containing gender pay gap data.

19. **INTERNAL AUDIT ANNUAL REPORT 2016/17**

The Committee considered a report (reference S30, previously circulated) containing the annual report on the work of Internal Audit during the financial year 2016/17. The Principal Audit Manager, Jonathan Tully, highlighted the overall audit opinion of Good assurance that had been given.

The Principal Audit Manager responded to questions from Councillors Bradley and Dupré on Table 2 within the Annual Report on 'Key Financial Systems Audit Opinions' and from Councillor Dupré on the position in relation to the 7 incomplete high priority audit recommendations referred to in Table 1 of the Annual Report. Councillor Dupré suggested that future reports include a timescale for completion of any incomplete high priority audit recommendations.

It was resolved:

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

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

The Committee considered a report (reference S31, previously circulated) containing a draft version of the Council's Annual Governance Statement (AGS) for the financial year 2016/17 and a revised Code of Corporate Governance for the Council in line with the 2016 update to the CIPFA/SOLACE guidance and the Local Government Framework for Delivering Good Governance.

The Chairman referred to the annual consultation meeting with the Business Community, as an example of effective communication with stakeholders.

Councillor Morris enquired when the Annual Governance Statement would be signed. The Principal Audit Manager stated that this would happen in conjunction with approval of the Statement of Accounts.

It was resolved:

1. That the draft Annual Governance Statement for the financial year 2016/17 detailed in Appendix 1 to the submitted report be noted.
2. That the revised draft of the Code of Corporate Governance detailed in Appendix 2 to the submitted report be approved.

21. **ANNUAL REPORTS OF REPRESENTATIVES ON OUTSIDE BODIES**

The Committee considered a report (reference S32, 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 the limited number of completed reports from representatives on the activities of outside bodies over the past year, and commented that this should be a minimum requirement from those appointed by the Committee. Councillor Cheetham commented that representatives also should ensure that they attended meetings of outside bodies.

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 Resources & Finance Committee, be noted.

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

The Committee received the Minutes of the meeting of the ARP Joint Committee held on 28 March 2017.

It was resolved:

That the Minutes of the meeting of the ARP Joint Committee held on 28 March 2017 be noted.

23. **FORWARD AGENDA PLAN**

Members received the Forward Agenda Plan for the Committee.

Further to Minute 18 above, the Chief Executive highlighted that the item on gender pay gap data would be added to the Agenda Plan for 20 July meeting.

Further to Minute 21 above, a motion to include a further item on the Agenda Plan for 20 July meeting to receive outstanding Annual Reports from Council representatives on outside bodies within the responsibility of this Committee was moved, seconded and carried.

It was resolved:

1. That the Forward Agenda Plan be received and the item on gender pay gap data referred to in Minute 18 above be added to the Agenda Plan for 20 July meeting.

2. That a further item be added to the Agenda Plan for 20 July meeting to receive outstanding Annual Reports from Council representatives on outside bodies within the responsibility of this Committee.

The meeting closed at 5:45pm.

Chairman:.....

Date: 20 July 2017