



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 Thursday 20 July 2017 at 4.30pm.

PRESENT

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

APOLOGIES

Councillor Mike Bradley
Councillor Ian Bovingdon
Councillor Steve Cheetham

In attendance

Rachel Ashley-Caunt – Head of Audit, LGSS
Jonathan Tully – Principal Audit Manager, LGSS

John Hill – Chief Executive
Ian Smith – Finance Manager & Section 151 Officer
Nicole Pema – Human Resources Manager
Tracy Couper – Democratic Services Manager

24. **PUBLIC QUESTION TIME**

No questions were submitted by the members of the public.

The Chairman welcomed Councillor Mark Goldsack to his first meeting of the Committee following his election as the new Councillor for the Soham North Ward.

25. **DECLARATIONS OF INTEREST**

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

26. **MINUTES**

The Minutes of the meeting of the Committee held on 19 June 2017 were received.

The Chairman thanked Councillor Sharp for chairing the meeting in his absence.

It was resolved:

That the minutes of the meeting of the Committee held on 19 June 2017 be confirmed as a correct record and signed by the Chairman.

27. **CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements to report.

28. **INTERNAL AUDIT CHARTER**

The Committee considered a report (reference S57, previously circulated) containing the proposed Internal Audit Charter which reflected Public Sector Internal Audit Standards.

Councillor Chris Morris entered the meeting at 4.33pm

The Head of Internal Audit, Rachel Ashley-Caunt, introduced herself to the Committee and explained that the revised Charter accorded with the LGSS template for good audit practice and she highlighted a change in the term for the middle assurance rating in the Audit Definitions at Annex B of the Charter from 'moderate' to 'satisfactory'. One small typographical amendment also was required to paragraph 2.9 of the Charter to revise the title of this Committee.

Councillor Dupré referred to the statement in paragraph 1.2 of the Charter regarding Councils' reaction to risk in the current climate of austerity, and stated that she did not believe that this statement was true for all Councils. Councillor Dupré believed that the need to find greater efficiencies often led to authorities setting up structures and systems that were less transparent rather than more and with greater risk rather than less. For this Council she used the Trading Company as an example, which she believed operated with a higher level of risk and was less transparent and could potentially generate conflicts of interest. Rachel Ashley-Caunt referred to the national transparency agenda and whilst acknowledging that models within Councils could increase risk, these needed to be mitigated by controls to maintain good governance. In that connection, the Chairman commented that as the Committee responsible

for monitoring risk and Internal Audit, it had to be satisfied that the Council's Shareholder Committee and Internal Audit function was effectively monitoring and maintaining the control environment. Ms Ashley-Caunt agreed to review the wording in paragraph 1.2.

In response to a query by Councillor David Ambrose-Smith, Ms Ashley-Caunt explained further the role of this Committee with regard to Internal Audit detailed in paragraph 5.2 of the Charter. The Chairman queried whether paragraph 2.3 of the Charter also should include reference to Internal Audit having access to Councillors. Ms Ashley-Caunt also explained the term 'Client Lead' in respect of Audit reports, in response to a question by the Chairman regarding paragraph 4.10 of the Charter.

It was resolved:

That the Internal Audit Charter attached as Appendix 1 to the submitted report be approved, subject any minor textual amendments to reflect Member comments at the meeting referred to above.

29. **INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report (reference S58, previously circulated) on the work of Internal Audit during the period April 2017 to June 2017 and progress against the Internal Audit Plan.

Jonathan Tully, Principal Audit Manager LGSS, introduced himself to the Committee and summarised the content of the update report. He highlighted the 7 completed audits and assurance levels given in paragraph 1.1 of the report and the work in progress detailed in paragraph 1.5 of the report.

The Chairman referred to the statement in paragraph 1.4 of the report regarding the requirement to update the Council's Child and Vulnerable Adult Safeguarding Policy as it related to the period 2013-16 and needed to reflect the latest legislation, and stated that, as the relevant body responsible for Corporate Policies, this would need to be added to the Forward Agenda Plan for this Committee.

It was resolved:

That the work undertaken by Internal Audit be noted.

30. **CORPORATE RISK MANAGEMENT**

The Committee considered a report (reference S59, previously circulated) detailing the outcome of the review of the Council's Risk Management Policy and containing a revised Policy.

Jonathan Tully, Principal Audit Manager LGSS, reminded Members of the background to the review and explained the elements of the revised Policy and changes to the Corporate Risk Register to reflect these. An

officer Risk Management Group was being established to oversee and support the delivery of the Risk Management Policy. Mr Tully highlighted an amendment to the Risk Table in paragraph 22 of Appendix 1 to read 'risk C2 (information security)'.

In response to a question by Councillor David Ambrose-Smith, Mr Tully explained the reasons for the broader area of 'amber' risk in the Corporate Risk Table at Appendix 4. He stated that the Council's focus should be on any in the small area of higher 'red' risks.

Councillor Dupré thanked Mr Tully for the excellent and clear report and stated that the Policy presented risk in a very visible and graphic manner which clearly showed the change in the risk appetite of the Council over recent years. The Chairman also commended the quality of the report.

It was resolved to RECOMMEND TO COUNCIL:

That Council approve the proposed amendments to the Corporate Risk Register and Risk Management Policy detailed in the submitted report.

31. **NON-DOMESTIC RATES – DISCRETIONARY RATE RELIEF**

The Committee considered a report (reference S60, previously circulated) detailing proposed guidelines for granting Discretionary Rate Relief for local businesses with large increases in their rates bills as a result of the revaluation on the 1st April 2017. The Finance Manager & S151 Officer, Ian Smith, explained that the proposed scheme was intended to allocate the funding received by this Council for this purpose from Central Government.

Councillor Dupré asked if Mr Smith believed that the Government's assumption regarding this Council's share of the £300M of available national funding to each billing authority was reasonable. Mr Smith stated that the majority of ARP authorities had capped at 10%, so this Council was consistent with those authorities.

In response to comments by the Chairman, Mr Smith agreed to review the wording in paragraph 1 of the Guidelines to clarify that relief was for one year at a time and to review the wording of the last box of the Qualifying Factors on page 2 to clarify the position regarding businesses operating at regional or national level.

The Chairman and Councillor David Ambrose-Smith questioned how eligible businesses would be made aware of the availability of the relief. Mr Smith stated that this would take place via the business database held by the Economic Development Team and he confirmed that this database was comprehensive. Members suggested that a Press Release also could be issued.

It was resolved:

1. That approval be given to the guidelines to award relief to local businesses with a rateable value under £200,000 and an increase resulting from the 2017 revaluation of above 10% as detailed in Appendix 1 of the submitted report, subject any minor textual amendments to reflect Member comments at the meeting referred to above.
2. That the Section 151 Officer in conjunction with the Chairman of Committee be given delegated power to determine the percentage increase cap for future years while the scheme is in operation.

32. **BUDGET MONITORING REPORT**

The Committee considered a report (reference S61, previously circulated) detailing budget monitoring information for services within the responsibility of the Resources and Finance Committee and then, as part of its corporate remit, for the Council as a whole.

In response to a question by Councillor Sharp, the Finance Manager & S151 Officer, Ian Smith, confirmed that the variances on Housing Benefits and CIL were purely due to timing. The Chairman commented that variances were frequently caused by income generation rather than not spending what was expected.

It was resolved:

1. That the projected year-end underspend of £115,000 for this Committee compared to its approved revenue budget of £5,470,908 be noted.
2. That the overall Council projected year-end underspend of £355,000 compared to its approved revenue budget of £12,828,958 be noted.
3. That it be noted that this Committee has one capital project, the Internet, HR and Payroll system, linked to it and this is forecast to come in on budget.
4. That it be noted that the overall position for the Council on Capital is a projected outturn of £16,672,573 and there are no variations reported at this stage in the year.

33. **GENDER PAY REPORTING**

Further to Minute 18 of the meeting held on 19 June 2017, the Committee received a report (reference S62, previously circulated) on gender pay within the Council. The HR Manager, Nicole Pema, introduced herself and explained that the report showed the mean and median gender

pay gap for this Council at 7.7% and 10.3% respectively. A recent Guardian newspaper article had shown the national pay gap at 18.1%.

Councillor Dupré commented that this was a concise but informative report that generally was positive for this Council. However, there was no comparator information at this stage against which we could assess ourselves. Ms Pema stated that the 20 organisations that had currently published gender pay results on the Government website were a diverse range and that, as bodies with over 250 staff had until the end of the year to comply with the legislative requirements on reporting, this data was likely to emerge over a prolonged period.

Councillor Morris referred to fact that the reporting rules applied the extended definition of employees which included casual employees and self-employed people, as stated in paragraph 3.2 of the report. Ms Pema commented that the Council was unlikely to have people in this category.

Members requested that an Annual Report be submitted to this Committee showing the mean and median calculations for this authority and comparator data with other similar authorities.

It was resolved:

That the report be noted and an Annual Report be submitted to this Committee showing the mean and median calculations for this authority and comparator data with other similar authorities.

34. **OUTSTANDING ANNUAL REPORTS OF REPRESENTATIVES ON OUTSIDE BODIES**

Further to Minute 23 of the meeting held on 19 June 2017, the Committee considered a report (reference S63, previously circulated) containing the outstanding 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. The Committee thanked officers for their success in obtaining reports from Councillors.

Councillor Dupré referred to the recurring comments in Internal Drainage Board (IDB) reports that Members did not understand their role on these bodies and why there was the requirement for such a high level of representation from this Council on them. It was suggested that this might be a suitable subject for a Member Seminar. The Chairman highlighted the important land drainage and maintenance role performed by IDBs. Councillor David Ambrose-Smith commented that Members needed to attend IDB meetings to build up their knowledge. However, it might be better to have a core of Councillors serving on these bodies who could build-up this knowledge and make meaningful contributions. Councillor Alderson stated that he was a Council representative on Swaffham IDB and found it very interesting and enlightening to find out about these bodies.

Councillor Morris stated that he was willing to be appointed to the vacancy on the Middle Fen and Mere IDB.

It was resolved:

1. That the outstanding 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.
2. That Councillor Chris Morris be appointed to the vacancy on the Middle Fen and Mere Internal Drainage Board.

35. **FORWARD AGENDA PLAN**

Members received the Forward Agenda Plan for the Committee.

The Democratic Services Manager reported that an item had been referred to this Committee by full Council on 13 July 2017 to consider the Council's Contract Procedure Rules. These would be submitted to the 21 September meeting of the Committee.

Further to Minutes 29 & 33 above, the Chairman referred to the two additional items on the Safeguarding Policy and Gender Pay Data Annual Report to be added to the Agenda Plan.

It was resolved:

That the Forward Agenda Plan be received and the following items be added as detailed:

Item on Contract Procedure Rules referred from full Council meeting on 13 July 2017 be added to Agenda Plan for 21 September meeting.

Item on Safeguarding Policy be added to Agenda Plan for a future meeting.

Item on Gender Pay Data Annual Report be added to the Agenda Plan for July meeting each year.

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

It was resolved:

That the press and public be excluded during the consideration of the remaining items 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).

37. **APPOINTMENTS, TRANSFERS AND RESIGNATIONS**

The Committee received a report detailing:

- (i) staff appointments, transfers and resignations for the period 1st April to 30th June 2017; and
- (ii) a summary of the main responses given by staff for leaving the Council's employment and feedback received during Exit Interviews.

In response to questions from Members, the HR Manager, Nicole Pema, confirmed that the staff turnover rate of 2.1% compared very favourably with other Councils and explained the position of the Council regarding seasonal working.

Councillors expressed concerns at the comments made in an exit interview regarding communications within the Council. The Chief Executive stated that a lot of work was being done in this area, including the organisation of a series of corporate staff briefings in the early autumn.

It was resolved:

That the content of the information report be noted.

The meeting closed at 5:25pm.

Chairman:.....

Date: 21 September 2017