

CIVIC AFFAIRS

25 June 2014
6.00pm - 9.00 pm

Present: Councillors McPherson (Chair), Benstead (Vice-Chair), Cantrill, Pitt and Hart

Officers present:

Chief Executive: Antoinette Jackson
Head of Legal Services: Simon Pugh
Head of Internal Audit: Steve Crabtree
Head of Human Resources: Deborah Simpson
Principal Auditor: Bridget Bishop
Section 151 Officer: Alex Colyer
Support Services Manager: Karl Tattam
Fraud Prevention Team Leader: James Stevens
Accountant: Charity Main
Committee Manager: Glenn Burgess

Others present:

Leader of the Council: Councillor Herbert
Independent Person: Sean Brady
Deputy Independent Person: Rob Bennett

FOR THE INFORMATION OF THE COUNCIL

14/27/CIV Apologies for absence

Apologies were received from Councillors Moghadas and Robertson.

14/28/CIV Minutes of previous meeting

The minutes of the meetings held on 2 June and 12 June 2014 were agreed as a correct record and signed by the Chair.

14/29/CIV Declarations of Interest

No interests were declared.

14/30/CIV Public Questions

There were no public questions.

14/31/CIV Annual Review of Prevention of Fraud and Corruption Policy

The committee received a report from the Principal Auditor regarding the Annual Review of Prevention of Fraud and Corruption Policy.

In response to members' questions the Principal Auditor and the Fraud Prevention Team Leader said the following:

- i. Corruption would generally be raised through the Whistle Blowing Policy.
- ii. No corruption had been identified during 2013/14.
- iii. Weaknesses in business processes were identified and addressed in order to minimise the risk of fraud and corruption.
- iv. Increased resources, in the form of an additional member of staff funded until July 2015, had resulted in a higher value of fraud being identified.
- v. It was not felt that fraud had increased during 2013/14 – simply that increased resources had enabled more issues to be identified.
- vi. A Data Sharing Protocol was in place and information regarding fraud and corruption was shared between many different agencies including the Police.
- vii. The National Fraud Initiative would continue but not under the control of the Audit Commission.
- viii. 10 cases of social housing fraud had been identified in 2013/14. However it was likely that more cases existed.
- ix. The Prevention of Fraud and Corruption Policy would be reviewed before April 2015 and brought back to the Civic Affairs Committee.

Resolved to:

- i. Note the details of fraud/whistle-blowing activity provided for the period 1 April 2013 – 31 March 2014 in section 3 of the officer's report and the outcomes from the 2012-13 National Fraud Initiative (NFI) in Section 5 of the officer's report.

14/32/CIV Effectiveness of Internal Audit: Annual Review 2013/14

The committee received a report from the Head of Internal Audit regarding the Effectiveness of Internal Audit: Annual Review 2013/14.

In response to members' questions the Head of Internal Audit said the following:

- i. The number of outstanding audit actions had fallen from over 200 in 2012/13 to less than 50 in 2013/14.
- ii. The reduction in audit actions was a reflection of how seriously the Senior Leadership Team (SLT) took the issue.
- iii. Discussions were ongoing with other local authorities within the county to look to undertake Peer Reviews in order to reduce costs.
- iv. Agreed to include an action timetable in future reports to the committee.

Resolved to:

- i. Note the Annual Review 2013/14

14/33/CIV Annual Audit Opinion 2013/14

The committee received a report from the Head of Internal Audit regarding the Annual Audit Opinion 2013/14.

In response to members' questions the Head of Internal Audit said the following:

- v. 83% of the areas audited achieved an assurance level of 'significant'. Whilst the number of audits during 2013/14 had been lower than previous years there had been coverage across all Council sections.
- vi. The vast majority of the actions from 2011/12 had now been completed. An update on these outstanding actions would be brought back to a future meeting.
- vii. 25 actions were still outstanding from 2012/13 but these were being actively followed up.
- viii. Actions and deadlines were agreed with service areas and these were actively followed up by Senior Leadership Team (SLT).

Members of the committee raised concern about the number of outstanding actions, some dating back years, and felt these should be addressed through senior officers. It was also suggested that Heads of Service could be invited to future committee meetings to provide further information on why the actions had not been progressed.

The Chief Executive assured the committee that SLT took these outstanding actions very seriously and it was important that managers took responsibility to ensure that the actions set were realistic and achievable. It was agreed that a more in-depth analysis of the outstanding actions could be undertaken and reported back to the committee for further discussion.

Councillor Pitt proposed the following additional recommendation:

- i. Request that a report on the outstanding and overdue actions, as set out in the officers report, be brought back to a future meeting including:
 - steps proposed to resolve
 - target dates
 - senior officer accountability

The additional recommendation was agreed unanimously.

Resolved (unanimously) to:

- i. Note the Annual Audit Opinion 2013/14 report.
- ii. Request that a report on the outstanding and overdue actions, as set out in the officers report, be brought back to a future meeting including:
 - steps proposed to resolve
 - target dates
 - senior officer accountability

14/34/CIV Assurance Framework, Draft Annual Governance Statement and Draft Code of Corporate Governance 2013-14

The committee received a report from the Head of Legal Services regarding the Assurance Framework, Draft Annual Governance Statement and Draft Code of Corporate Governance 2013-14.

In response to members' questions the Head of Legal Services and the Chief Executive said the following:

- ix. A full risk assessment and robust business planning would form part of any decision on potential shared services. Internal Audit would also be involved in any project teams prior to it going to the relevant Scrutiny Committee for a final decision.
- x. The City Council worked hard to ensure that local residents could interact and engage with the democratic process.
- xi. Acknowledged the need for shared service arrangements to reflect the values, aspirations and service standards of the City Council. Agreed that this be reflected in the Action Plan.
- xii. Acknowledged the need to report back on the new budget setting arrangements. Agreed that a report be brought back to the committee when the new Head of Finance was in post.

In response to members' questions the Head of Human Resources said the following:

- i. The City Council had Investors in People accreditation since 1995 and there was a requirement to review this every 3 years. The next full assessment would take place in 2015.

Resolved (unanimously):

- ii. To note the arrangements for compiling, reporting on and signing the Annual Governance Statement.
- iii. That the Council approves the Code of Corporate Governance (Appendix B of the officer's report) at Full Council on 24th July.
- iv. That a report on the budget setting process be brought back to a future meeting.

14/35/CIV Statement of Accounts 2013/14

The committee received a report from the Section 151 Officer regarding the Statement of Accounts 2013/14.

Minor amendments were table - available via:
<http://democracy.cambridge.gov.uk/documents/b8304/Statement%20of%20Accounts%20-%20tabled%20updates%2025th-Jun-2014%2018.00%20Civic%20Affairs.pdf?T=9>.

In response to members' questions the Section 151 Officer and the Accountant said the following:

- xiii. There had been some debate nationally amongst practitioners and auditors in respect of the appropriate basis for business rates appeals provisions. Officers had already spoken to Ernst & Young's technical team on this issue and believe that the approach taken was consistent with their viewpoint. However, officers understand that the Audit Commission intended to consult with audit firms to ensure that provisions have been calculated on a consistent basis nationally. This was therefore an area where further guidance may emerge as external audits commence and before the statutory deadline for council accounts to be audited at the end of September.
- xiv. The Council continues to be supported in respect of its investment in LBI by its legal advisors, Bevan Brittan. The statement of accounts reflected their latest briefings and officers would continue to review the position reported in the accounts until they were finally approved in September.

Councillor Cantrill referred to the Movement in Reserves Statement on Page 125 of the agenda and asked about the relationship between the surplus/deficit on the provision of services and 'cash-backed' reserves available to the Council to spend.

The Accountant (Projects and Publications) explained that the surplus on the provision of services was the 'accounting' result, comparable to the result for a commercial organisation using International Financial Reporting Standards. The 'adjustments between accounting basis and funding basis under regulation' then adjusts this accounting result to get back to the cash backed balances available to the Council to spend in usable reserves as shown at the bottom of the statement. The net transfers to earmarked reserves shown on the Movement in Reserves are the sum of the transfers in and out of earmarked reserves as shown in Note 5 to the accounts.

Councillor Pitt asked about the £1.0m adjustment to pensions referred to in paragraph 7.17 of the covering report and balance on the pensions earmarked reserve as reported in Note 5 (page 141 of the agenda). The Accountant (Projects & Publications) explained that the £1.0m adjustment was the result of changes in the pensions accounting standard and had no overall impact on the Council's pension liability. It meant that part of the movement in the liability was now analysed and reported differently in the Comprehensive Income and Expenditure Statement. The Section 151 Officer explained that the balance on the pensions earmarked reserve was a prudent fund that the Council had agreed to set up to fund expected increases in the employer pension contribution rate. In response to Councillor Cantrill he said that increases in employer pension contributions were cost, rather than asset performance led.

Resolved (unanimously) to:

- i. Note the contents of the draft Statement of Accounts presented (as amended) at Appendix 1 of the officer's report.
- ii. Approve the accounting policies and treatments on which they were prepared.

14/36/CIV Local Government Pension Scheme - Employers Discretions

The committee received a report from the Support Services Manager regarding the Local Government Pension Scheme - Employers Discretions.

In response to members' questions the Support Services Manager said the following:

- i. Whilst there were some very minor changes to the scheme, this did not affect the discretions available.

Resolved (unanimously):

- ii. To approve the proposed policy statement on employer discretions (Appendix A of the officer's report).
- iii. To authorise the Head of Human Resources and Director of Business Transformation to determine decisions relating to the merits of individual cases.

- iv. That Council officers would continue to review the statement every 3 years and / or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council), and any recommended changes will go before Civic Affairs for approval.

14/37/CIV Elections May 2014 (Review) and Update on Individual Electoral Registration

The committee received a report from the Chief Executive regarding Elections May 2014 (Review) and an update on Individual Electoral Registration (IER).

In response to members' questions the Chief Executive said the following:

- v. Whilst the election count can be time consuming, logistically it was a very complicated process. The size of the room, the number of counters available and the potential for Election Agents to call for a recount added to the complexities. Members of the Election Staff had worked at other Local Authorities and the difficulties faced by Cambridge City Council were not unique.
- vi. Presiding Officers were instructed not to provide turn out figures to Election Agents. Legislation did not require this information to be shared with Agents and it was therefore the decision of individual Returning Officers.
- vii. Election Agents had expressed their thanks to the City Council Elections Team.
- viii. An additional member of staff had been added to the Elections Team in 2012/13 in anticipation of the increased work required for IER. Additional funding was also being made available from the Government in order to manage the transition period. Cambridge City Council was hoping to use this to fund dedicated paid staff to manage the canvas.
- ix. The Elections Team were working closely with Universities and Colleges in preparation for IER.
- x. The City Council's Access Officer tested all Polling Stations to ensure they were fit for purpose.
- xi. Finding suitable Polling Stations in Newnham had been challenging and additional suggestions from local Councillors were welcome.
- xii. Legislation required that Tellers not be able to see into the Polling Stations. It was therefore unfortunate that on occasion this meant that they had to sit outside some of the venues.

- xiii. Training was provided for Presiding Officers and Poll Clerks prior to every election.

Resolved (unanimously) to:

- i. Notes the issues raised in the report.

14/38/CIV Efficient Decision-Making and Scheme of Delegation to Officers

The committee received a report from the Head of Legal Services regarding efficient decision making and the Scheme of Delegation to officers.

The Leader of the Council explained that, whilst Scrutiny Committees were essential to the decision making process, it was important that officers were able to progress quickly with the routine work of the Council. A revised Scheme of Delegation would therefore allow for speedier action without losing the scrutiny of important decisions.

Councillors Cantrill and Pitt welcomed the report but felt that further detail on the specific changes to delegations should be brought back to the Civic Affairs Committee prior to being taken to the individual Scrutiny Committees. Concern was raised that any changes to delegations could increase the level of risk to the Council.

The Head of Legal Services responded that responsibility for the level of delegation sat with individual Executive Councillors and should therefore be taken to the Scrutiny Committees for consideration and comment. Concern was expressed about building in an extra 'loop' to this process and the amount of detail that may need to be provided. It was noted however that any Constitutional changes would need to be brought back to the Civic Affairs Committee prior to being formally approved by Council.

Councillor Pitt proposed the following additional recommendation:

- i. On completion of the wider review of delegated powers a further report be brought to the Civic Affairs Committee for comment.

The additional recommendation was agreed unanimously.

The Leader of the Council supported the proposal that a further report be brought back to the Civic Affairs Committee. Members were asked to alert officers to any particular elements of the current Scheme of Delegation that concerned them.

Councillor Pitt raised concern that by allowing more flexibility for decisions to be made between Committee cycles officers may not plan their workloads around the meeting calendar.

The Head of Legal Services agreed to expand on this in the further report to be brought to back to the Civic Affairs Committee.

Resolved (unanimously):

- ii. That the Head of Legal Services draft changes to the Council's constitution to allow Executive decisions to be made between cycles where this is expedient in the interest of good decision-making, subject to appropriate safeguards.
- iii. That officers review delegations in respect of Finance, Human Resources and Property, and submit any proposed changes to the Executive Councillor for Finance and Resources.
- iv. That officers review practice and procedures for member consultation in relation to human resources decisions.
- v. That officers undertake a wider review of delegated powers to ensure that decisions are being made at the appropriate level and report proposals for consideration by the appropriate Executive Councillor or Committee.
- vi. That on completion of the wider review of delegated powers (as above) a further report be brought to the Civic Affairs Committee for comment.

14/39/CIV Transfer of Planning Items From Area to Central Planning Committee

The committee received a report from the Head of Planning Services regarding the transfer of planning items from Area Committees to the central Planning Committee.

The committee agreed that a special Civic Affairs Committee would be held on Tuesday 15 July 2014 at 5pm to discuss the specific constitutional impact of any proposed changes.

In response to members' questions the Leader of the Council said the following:

- i. Whilst there was no requirement to bring this item to the Civic Affairs Committee it was felt important that members were given an opportunity to comment on the proposals.
- ii. A full report setting out the proposals in detail would be taken to the Environment Scrutiny Committee on 8 July 2014, and then to Council on 24 July 2014.

In response to the report Councillor Cantrill made the following points:

- i. Area Committees allowed the public to engage with the democratic process at a place and time that suited them – i.e. in the evenings and in their own locality. Planning applications were also heard within in a distinct timeframe – for example between 6pm and 7.30pm.
- ii. The Guildhall could be quite a formal setting for the public and be intimidating for public speakers.
- iii. On average during 2013/14 each central Planning Committee lasted 5 hours and this would dramatically increase with the addition of local planning applications. A mechanism was needed to allow the public to know what time their applications would be heard.
- iv. Raised concern about the quality of decision making at very long meetings and suggested the introduction of a 'guillotine' on the length of each meeting.

In response to the report Councillor Benstead made the following points:

- v. Supported the decision to bring the report to the Civic Affairs Committee for comment.
- vi. Agreed with Councillor Cantrill that a mechanism was needed to allow the public to know what time their applications would be heard. Suggested that this could be discussed in more detail at the Environment Scrutiny Committee on 8 July.
- vii. Some areas in the City were very large. Holding meetings at a central and easily accessible location such as the Guildhall would therefore be beneficial.

- viii. A recent meeting of East Area Committee had 10 planning applications to determine and did not finish until 11.25pm.
- ix. On occasion, due to the large number of planning applications to determine, the East Area Committee had had to reconvene on another date. This confirmed that concerns identified by Councillor Cantrill with regard to timings and lengthy meetings already existed under the current system.

In response to the report Councillor Pitt made the following points:

- i. Raised concern that there would be, on average, between 5 and 15 additional planning applications for each central Planning Committee. This equated to a 200% increase across the year.

The Head of Planning Services thanked the committee and confirmed that their comments would be circulated to members of the Environment Scrutiny Committee.

The meeting ended at 9.00 pm

CHAIR