

**CIVIC AFFAIRS**26 June 2015  
5.00 - 7.30 pm

**Present:** Councillors McPherson (Chair), Benstead (Vice-Chair), Holt, Robertson and Sinnott and Pitt

**Officers present:**

Chief Executive: Antoinette Jackson

Director of Resources: Ray Ward

Head of Legal Services: Simon Pugh

Head of Finance: Caroline Ryba

Democratic Services Manager: Gary Clift

Principal Accountant (Technical &amp; Financial Accounting): Charity Main

Principal Auditor: Bridget Bishop

Committee Manager: Sarah Steed

**Others present:**

Councillors Bick, Hipkin and Herbert for Item 15/35/Civ

Director of Ernst &amp; Young: Mark Hodgson

Deputy Independent Person: Rob Bennett

**FOR THE INFORMATION OF THE COUNCIL****15/31/CIV Apologies for Absence**

Apologies for absence were submitted from Sean Brady (Independent Person) and Councillor Cantrill, Councillor Pitt attended as the alternate.

**15/32/CIV Declarations of Interest**

No interests were declared.

**15/33/CIV Minutes of Previous Meeting**

The minutes of the meetings held on 18 and 28 May 2015 were approved as a correct record and signed by the Chair.

**15/34/CIV Public Questions**

There were no public questions.

## **15/35/CIV Cambridgeshire Boundary Review**

The committee received a report from the Democratic Services Manager regarding the Cambridgeshire Boundary Review.

The Liberal Democrat Group had circulated three amendments to the Boundary Commission's draft recommendations.

Councillor Hipkin addressed the committee and made the following points:

- i. It would be good to have the City Council support for 63 rather than 61 County Councillors; this would assist County Councillors that may find themselves disadvantaged.
- ii. Happy that the City Council did not support a two member division in the City.
- iii. The Boundary Commission should give higher priority to community cohesion.

Councillor Bick addressed the committee on the Liberal Democrat amendments and made the following points:

- i. Supported the comments made by Councillor Hipkin.
- ii. All 3 proposals were based on the Local Government Boundary plans.
- iii. Invited the Committee to consider Mill Road as an obvious boundary.
- iv. The numbers used in the proposal were credible and deserved consideration.

Councillor Herbert addressed the committee and made the following points:

- i. Growth included additional growth, there were no proposals in the Local Plan which significantly altered the numbers to the south of the city.
- ii. There was some merit to support the County Council in exact numbers.
- iii. There may be some merit in amendment 3 however the County Council were better placed to discuss this. The robustness of electoral equality between Castle and Newnham, to advocate two separate divisions should be further explored.

After discussion on the Liberal Democrat amendments, members requested that each proposal be voted on separately.

### (1) St Paul's and St Matthews proposed Divisions

**On a show of hands proposal (1) was lost by 2 votes to 4 votes.**

(2) Romsey Ward (with adjustments to Barnwell, QE, St Matthew's / "Easterly")

**On a show of hands proposal (2) was lost by 2 votes to 4 votes.**

(3) Arbury and Castle & Newnham / Castle division

**On a show of hands proposal (3) was lost by 2 votes to 4 votes.**

On dealing with electoral equality of Castle / Newnham Councillor Pitt proposed the following amendment to the Officer recommendation 2.i) (additional text underlined)

To oppose the two member division recommended by the Commission for Castle/Newnham and to propose instead two single member divisions for Castle and Newnham with Madingley Road being the basis of the boundary line as submitted by the City Council to the Commission in January 2015.

This would enable inclusion of some addresses from Castle to Newnham eg: Churchill College.

**On a show of hands the Committee resolved unanimously to endorse the amended recommendation 2.i).**

**On a show of hands the Committee resolved unanimously to endorse the officer recommendation 2.ii).**

Councillor Robertson proposed the following additional recommendation 2.iii) The division named Barnwell be named Abbey

**On a show of hands the additional recommendation 2.iii) was agreed by 4 votes to 0.**

### **15/36/CIV Review of the Members Allowances Scheme**

The committee received a report from the Democratic Services Manager regarding the review of the Member Allowances Scheme.

In response to members' questions the Chief Executive summarised the amendments Members requested to the Panel's Terms of Reference in paragraph 3.7 to the Officer recommendation 2.1) (additional text underlined):

To recommend a scheme or schemes to the Council which-

- i. recognises that councillors undertake council work for the sake of public service and not private gain
- ii. recognises in both basic and special responsibility allowances the varying demands placed upon councillors, dependent upon their roles and responsibilities
- iii. fairly and equitably compensates councillors, so far as the Panel thinks appropriate, for the time and effort they can reasonably be expected to devote to their work as a councillor
- iv. is economic, efficient to administer and effective
- v. is easy to understand and explain
- vi. recognises the level of out of pocket expenses councillors incur
- vii. has flexibility to reflect changes of responsibilities of councillors during the course of the year
- viii. ensures that a benchmarking exercise is undertaken with other comparable Councils.
- ix. ensures that equality and diversity implications are considered so that a diverse range of Councillors can be attracted.

**Resolved** (unanimously) to:

- i. Agree the Panel's Terms of Reference in paragraph 3.7 as amended.
- ii. Agree the approach to recruiting the Panel as set out in paragraph 3.9

### **15/37/CIV Changes To The Officer Employment Procedure Rules In Respect Of Disciplinary Action**

The committee received a report from the Head of Legal Services regarding the changes to the Officer Employment Procedures Rules in respect of disciplinary action.

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

- i. The independent person was appointed to act as a statutory watchdog; one of their duties was to consider complaints about councillors' code of conduct and he was satisfied there were sufficient resources to be able to cover any absences.

**Resolved** (unanimously) to recommend to Council to:

- i. Amend the Officer Employment Procedure Rules in accordance with Appendix 1 to this report.

- ii. Amend the terms of reference of the Employment (Senior Officer) Committee in accordance with Appendix 2 to this report.
- iii. Authorise the Head of Human Resources to convene a panel of “independent persons”, as and when required by the Local Authorities (Standing Orders) (England) Regulations 2001 and to determine its procedure.

### **15/38/CIV Annual Report On Prevention Of Fraud & Corruption Policy**

The committee received a report from the Principal Auditor regarding the annual report on the Prevention of Fraud & Corruption Policy.

In response to members’ questions the Principal Auditor, Benefits Manager and the Chief Executive said the following:

- i. Regarding investigations into Council Tax discounts, the amounts recovered were quite small but the number of cases was large.
- ii. At any given time there was approximately 8400 benefit claims, the numbers of fraud involved were small but some were of high value.
- iii. There was a two pronged approach for investigations, there was a robust approach for checking applications and the claim would be monitored for error and fraud during the period of the claim.
- iv. The Whistleblowing procedure was in place to allow officers to raise concerns about possible corruption in the Council. The risks of both fraud and corruption would be covered as part of the action in the Annual governance Statement to review fraud risks facing the Council.
- v. The risk of corruption was also mitigated through a number of checks and balances during the course of the Council’s procurement processes it was not just about waiting for people to point out fraud and/or corruption.

**Resolved** (unanimously) to:

- i. Approve the changes recommended to the Policy at Appendix 1
- ii. Note the details of the fraud-whistleblowing activity provided for in the 1 April 2014 – 31 March 2015 in section 3 of the report.

### **15/39/CIV Effectiveness of Internal Audit: Annual Review 2014 / 2015**

The committee received a report from the Director of Business Transformation regarding the Review of Effectiveness.

Councillor Pitt thanked the Audit Team for their hard work and also requested that the proposed external assessment of Internal Audit gave consideration to the support that the Civic Affairs Committee could offer.

**Resolved** (Unanimously) to:

- i. Note the Review of Effectiveness

### **15/40/CIV Annual Audit Opinion 2014 / 2015**

The committee received a report from the Head of Internal Audit presented by the Principal Auditor regarding the Annual Audit Opinion 2014/15.

In response to members' questions, the Chief Executive and the Principal Auditor said the following:

- i. Audit work did not pick up ward based complaints, if there was a significant complaint then the Ward Councillor would have been informed. The Committee was provided with an annual complaints report which was another mechanism to check when things did not go quite right.
- ii. Since the last Committee there were three overdue actions from pre-2012/13 audit reports. Internal Audit were working with the managers concerned on these and there were reasons why these matters were not closed.
- iii. The fact that the Committee was showing interest in overdue actions helped to focus the attention of Officers.

**Resolved** (unanimously) to:

- i. Note the opinion of the Head of Internal Audit.

### **15/41/CIV Assurance Framework, Draft Annual Governance Statement and Draft Code of Corporate Governance 2014/15**

The committee received a report from the Head of Legal Services and Monitoring Officer and the Head of Internal Audit regarding the Assurance Framework, Draft Annual Governance Statement and the Draft Code of Corporate Governance 2014/15.

The Committee made the following comment:

- i. Hoped the action plan delivered what was needed and it also provided a useful summary of where the Council was going.

**Resolved** (unanimously):

- i. To note the arrangements for compiling, reporting on and signing the Annual Governance Statement (AGS).
- ii. Reviewed the draft AGS and incorporated action plan (Appendix A) having regard to the Head of Internal Audit Annual Opinion and
- iii. Advised the Leader of the Council and the Chief Executive on any issues that arose from the draft AGS and action plan.
- iv. Recommend to Council to approve the Code of Corporate Governance (Appendix B) on the 23 July 2015.

**15/42/CIV External Audit 2014/15 Audit Plan**

The committee received a report from the Principal Accountant (Technical & Financial Accounting) regarding the External Audit 2014/15 and an Audit Plan from the Director of Ernst & Young.

In response to members' questions the Director of Ernst & Young said the following:

- i. Materiality was defined as the level at which an omission or error would mislead a lay person. This was a matter on which every auditor exercised their professional judgement.
- ii. The valuation of the investment in the CCLA Property Fund on p168 of the report was identified as risk partly because the investment was new and because the value was above the threshold.

**Resolved** (unanimously) to:

- i. Note the contents of the external audit plan.

**15/43/CIV Statement of Accounts 2014-15**

The committee received a report from the Principal Accountant (Technical & Financial Accounting) regarding the Statement of Accounts for the year ended 31 March 2015.

The Principal Accountant (Technical & Financial Accounting) circulated an A4 sheet which detailed changes to the accounts since the Civic Affairs agenda had been published and also a further A4 sheet which explained the accounting for the CCLA Property Fund.

In response to members' questions the Principal Accountant (Technical & Financial Accounting) and the Director of Ernst & Young said the following:

- i. In relation to the changes made to the accounts since the publication of the agenda, confirmed that the fourth item on the A4 update sheet which detailed changes to the accounts did not affect the level of General Fund reserves. However, it did reduce earmarked reserves as the amount was now included as a provision on the Council's balance sheet.
- ii. The overall opening valuation in the accounts had not changed in relation to Clay Farm; what had changed was the split between the land which was to be retained and the value for the land which was to be sold. There was a specific clause with the s106 agreement which detailed how the affordable housing land should be valued. Once the land was built on, the land would be re-valued.
- iii. The Council purchased units in the CCLA Property Fund at the offer price. This reflected the legal and professional fees incurred by the CCLA on investing the money in property. When the property was valued for accounting purposes the Code of Practice on Local Authority Accounting mandated that the bid price was used and this was why there was an unrealised loss on p223 of the report. It was not unusual to have an unrealised loss.

**Resolved** (unanimously) to:

- i. Note the contents of the draft Statement of Accounts presented at Appendix 1 and approve the accounting policies and treatments on which they are prepared.

The meeting ended at 7.30 pm

**CHAIR**