

**CIVIC AFFAIRS**

28 June 2017  
6.00 - 7.30 pm

**Present:** Councillors McPherson (Chair), Benstead (Vice-Chair), Gawthrope, Holt, O'Connell and Robertson

**Officers:**

Chief Executive: Antoinette Jackson  
Head of Finance: Caroline Ryba  
Head of Legal Practice: Tom Lewis  
Head of Internal Audit: Steve Crabtree  
Democratic Services Manager: Gary Clift  
Strategic Procurement Officer: Heidi Parker  
Fraud Team Leader: James Stevens  
Committee Manager: Claire Tunnicliffe

**Others Present:**

Ernst & Young External Auditor: Suresh Patel  
Ernst & Young External Auditor: Hayley Clark  
Independent Person: Sean Brady  
Independent Remuneration Panel Member: Jane Phillips

<b>FOR THE INFORMATION OF THE COUNCIL</b>
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**17/21/Civ Apologies for Absence**

Apologies were received from Mr Rob Bennett (Deputy Independent Person).

**17/22/Civ Declarations of Interest**

Name	Item	Interest
Councillor Benstead	17/30/Civ	Personal - Trustee of Cambridge Live
Councillor O'Connell	17/30/Civ	Personal - Trustee of Cambridge Live

**17/23/Civ Minutes of Previous Meeting**

The minutes of the meetings held on 15 and 25 May 2017 were signed as a correct record by the Chair.

**17/24/Civ Public Questions**

No public questions were received.

**17/25/Civ Special Responsibility Allowances**

The committee received a report from the Independent Remuneration Panel (the Panel) which contained recommendations following a review of the current allowances for special responsibility.

The recommendations of the Panel were as follows:

- i. That two new Special Responsibility Allowances (SRA) be created, Executive member without portfolio, for the Chair of the City Deal Board (if that be a member of the City Council) and Member of the City Deal Board.
- ii. That the SRA for the Chair of Planning be raised in relation to the Chairs of all other committees.
- iii. That SRAs be removed from all committee members with the exception of the Planning Committee.
- iv. That the Chair and Vice-chair of the Planning Committee do not receive an additional SRA as a Member of that committee.
- v. That the SRA for the Minority Group Leader be removed.
- vi. That SRAs for spokespersons of both Opposition and Minority groups be retained for scrutiny committees only and SRAs for spokes of other committees be removed.
- vii. That the number of SRAs that any Councillor may hold be limited to two.
- viii. That the SRAs be set as in the Table below.

Role	Percentage of basic allowance
Leader	275%
Executive Councillor including Deputy Leader	200%
Exec Councillor without portfolio (Chair of City Deal board)	50%
Member of City Deal Board	25%
Chair of Planning	150%
Chair of Scrutiny	40%
Chair of Licensing	20%
Chair of Civic Affairs	25%

Chair of Area Committee	20%
Lead Councillor on JDCC	50%
Group leader, main opposition party (fixed multiple regardless of size of the group)	100%
Opposition and Minority spokes (fixed multiple regardless of size of the group)	35%
Vice-chair of Planning	50%
Member of Planning	15%

The Panel had recommended that a further review should be undertaken two years from completion of the report, from February 2017.

The Democratic Services Manager advised that he would seek clarification from the Panel to confirm if those Councillors who sat on one Committee, but shadowed two Executive Councillors, would accrue two SRAs or one.

Councillor Robertson stated the following:

- i. Did not want to deter people from applying for the role of Councillor due to lack of financial support.
- ii. The work of the Planning Committee was not restricted to just the Chair. In respect of the onerous nature of the Committee's work and the amount of meetings scheduled, the responsibility paid to all Members should continue.
- iii. In acknowledgment to the time consuming nature of the work and gravity of decisions that were made by the Licensing Committee, the extra responsibility paid to Members should not be scrapped.
- iv. The remuneration of the SRA for the City Deal did not reflect the amount of the work and level of decision being undertaken.
- v. Immediate recognition of the Combined Authority and Crime Panel needed to be actioned.

Resolved (unanimously) to recommend to Council:

- i. To agree the recommendations of the Independent Remuneration Panel, and to report to Council an Allowances Scheme 2017/18 for adoption.
- ii. That the Council approves any budgetary requirement up to £5,535 (plus 2,240 or 1,120 depending on the City Deal appointment) from Reserves for 2017/18 and with subsequent years' funding coming from efficiencies in Democratic Services budgets.

**17/26/Civ Statement of Accounts 2016-17**

The committee received a report from the Principal Accountant (Technical & Financial Accounting) regarding the Annual Report and Statement of Accounts for the year ended 31 March 2017.

A representative from Ernst and Young opined the audit (although not yet completed) was of a high standard, no errors were found and complimented the engagement of council staff.

In response to members' questions the Principal Accountant (Technical & Financial Accounting) said the following:

- i. There had been no changes to the accounting policies but to the format of the Statement of Accounts. The Comprehensive Income and Expenditure Statement had been presented in line with the council's portfolios.
- ii. Assets referred to as surplus were not operational assets; this could be buildings which were currently empty as opposed to assets which had formally been declared for sale.
- iii. Reserves referred to as 'unusable' was not a phrase specified by Central Government but arise as a result of accounting practice.

Resolved (unanimously):

- i. To note the contents of the draft Statement of Accounts presented in Appendix 1 of the officer's report and approve the accounting policies and treatments on which they are prepared.

**17/27/Civ Timetable and Process for Approval of the Statement of Accounts From 2017/18**

The Committee received a report from the Principal Accountant (Technical & Financial Accounting) regarding the Audit and Accounts Regulation which govern the preparation, approval and of local authority accounts. From the 2017/18 financial year these regulations would change the statutory timetable for the approval and audit of the Statement of Accounts.

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

- i. Historically general elections were held in the months of February, May, June and October. If an election was called in July, non-political business could be undertaken if agreed (such as the Statement of Accounts) but ultimately it was a decision of the Senior Management Team.
- ii. The cycle of meetings 2017/18 would be presented to the September meeting of the Civic Affairs Committee. Discussions were still on-going to determine if the new July meeting would be in addition to, or replace, the meeting in June.

**Resolved** (unanimously):

- i. To agree to take a report at the February meeting of the Civic Affairs Committee in each year at which approval would be sought for any required changes in accounting policy and any expected significant areas of judgement would be highlighted.
- ii. To approve a change in the calendar to move the meeting of the Civic Affairs Committee normally held in June each year until the end of July to facilitate the statutory requirement for them to approve audited accounts by the 31 July.

**17/28/Civ Contract Procedure Rules Update**

The committee received a report from the Strategic Procurement Officer which stated that the current contract procedure rules needed to be amended to reflect current legislation and facilitate compliance.

The Strategic Procurement Officer advised the following regarding the Contract Procedure Rules proposed document:

- i. Was in a revised format to distinguish legislation and council requirements, defining the process in concise steps and had created a clear list of do's and don'ts.
- ii. Separated out values into appendices to facilitate legislation amendments.
- iii. Sought to amend the Key Decision requirement, (regarding permission to procure) to £1m.
- iv. Included a strategy of Corporate Contracting, frameworks & dynamic purchasing systems (DPSs) and was supported by a new suite of templates, agreed with South Cambridgeshire District Council (SCDC), designed to facilitate accessibility to opportunities to Small Medium Enterprises (SMEs).

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

- i. To agree the adoption of the new procedures
- ii. To confirm the change to the Key Decision threshold
- iii. To agree a corporate contracting strategy.
- iv. To agree a shared documentation approach
- v. To agree the new procedures would take effect as of 01.08.17
- vi. To mandate all staff and managers responsible for procurement attend a Contract Procedure Rules Update Briefing session.

### **17/29/Civ Financial Regulations and Procedure Rules update**

The committee received a report from the Head of Finance which had reviewed the council's current financial regulations and financial procedure rules which form Part 4F of the council's constitution. It made recommendations for minor changes in Part 4F and in other parts of the constitution which had a financial aspect.

The Head of Finance assured the Committee the alignment of financial regulations and procedures with South Cambridgeshire District Council would not have a negative impact on the processes undertaken by the City Council.

**Resolved** (unanimously):

- i. To approve changes to the financial regulations and financial procedure rules as set out in 4.4 and Appendix 1 of the council's constitution.
- ii. To support a project to investigate aligning financial regulations and procedures with South Cambridgeshire District Council; and
- iii. Amend the Scheme of delegation to council officers in relation to capital approvals, to align it with proposed procurement limits.

### **17/30/Civ Annual Report on Fraud and Corruption 2016 / 2017**

The committee received a report from the Head of Internal Audit regarding the Annual Report on the Prevention of Fraud and Corruption Policy.

In response to members' questions the Head of Internal Audit and the Fraud Team Leader, said the following:

- i. Various audits were undertaken through the year to look at areas of corruption such as contracts. A working group had been set up to look at

fraud and corruption across Cambridge as part of the Serious Organised Crime audits.

- ii. In total there had been seven special investigations in 2016/17 which contrasted to the usual two or three that were usually undertaken annually which has implications for audit coverage. It was however too early to say if there were any emerging trends.
- iii. The Revenue and Benefits department had identified in the first part of 2017/18 an increase in irregularities concerning exemption and discount of council tax compared the previous year.
- iv. Social housing fraud was currently on par with 2016/17 which had seen a rise compared to previous years in Cambridge.
- v. While it had been reported there had been a rise in exemption and discount for council tax and social housing fraud statistically the figures were still very low.
- vi. Campaigns were being planned for both staff and residents on how to identify fraud.
- vii. The electoral register was republished annually and used against various data sets to cross check information.
- viii. Cambridge City Council employed a total of three officers working in the fraud team supplemented by Internal Audit. In comparison, South Cambridgeshire District Council had recently created a licensing / fraud team of four officers; Fenland East Cambridgeshire District Councils used outside agencies and Peterborough had one officer as they do not have housing stock, but supplemented by Internal Audit; while Huntingdon District Council had their own internal fraud hub.

Councillor McPherson congratulated the Fraud Prevention Team's nomination for the 'Mentor of the Year' award in the Apprentice and Employer Apprenticeship Awards event 2016; and thanked the Fraud Prevention Team for their hard work in over the last financial year

### **17/31/Civ Draft Annual Governance Statement and Local Code of Corporate Governance**

The committee received a report from the Head of Internal Audit on the Draft Annual Governance Statement and Local Code of Corporate Governance.

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

- i. Both Cambridge City Council and South Cambridgeshire District Council undertook internal reviews on shared services, reviewing

process, procedures and the potential impact and issues that may occur.

- ii. Three reviews had been planned for the Single Shared Waste Service which would be undertaken by South Cambridgeshire District Council.
- iii. If specific knowledge was required on certain projects the Council would pay for external expertise but could not advise of the cost as did not have this to hand.

**Resolved** (unanimously):

- i. To note the arrangements for compiling, reporting on and signing the AGS;
- ii. To note the progress made by the Council on issues reported in the 2015 / 2016 AGS;
- iii. To note the issues emerging during 2016 / 2017 considered for inclusion in the AGS;
- iv. To note the new Local Code of Corporate Governance to support the introduction of the new Governance Framework; and
- v. To note the draft AGS for the financial year 2016 / 2017.

**17/32/Civ Annual Head of Internal Audit Opinion 2016 / 2017**

The Committee received a report from the Head of Internal Audit regarding the Annual Audit Opinion 2016/17.

The Head of Internal Audit explained the audit plan did not look at the same area of service each year as this would not be constructive. To give full assurance each year to the same area of service would mean the organisation would not learn and move forward.

**Resolved** (unanimously):

- i. The Committee reviewed and provided challenge to the opinion of the Head of Internal Audit.

**17/33/Civ Mayoral Allowance**

The Committee received a report from the Democratic Services Manager which advised that the allowances for the Mayor and Deputy Mayor had not been reviewed since 2004.



Councillor Benstead informed the Committee that as former Mayor, there were expenses which he had not considered before coming into Office. For example damage to clothing caused by the chains; increased reliance on taxis as the role of Sergeant of Mace had become part time, and purchasing of raffle tickets at charity events which had increased in cost.

Councillor O'Connell suggested the allowances for the Mayor and Deputy Mayor should be calculated the same as a Special Responsibility Allowance.

**Resolved** (unanimously):

- i. Agreed that a second report should be presented at a future meeting of the Civic Affairs Committee for consideration so that members of the Committee and the Democratic Services Manager consult with previous Mayors to obtain their opinion.

### **17/34/Civ Cambridge City Council Boundary Review**

The Committee received a report from the Chief Executive affirming a response had been received from the Local Government Boundary Commission for England (LGBCE) who had identified Cambridge City Council as potentially requiring an electoral review. The LGBCE had asked for the Council's views on whether electoral imbalances identified were likely to be counterbalanced in the next three years.

Councillor O'Connell spoke of the disparity in Trumpington ward numbers and fully supported the recommendation.

Councillor Benstead reiterated the Chief Executive comments that there was no guarantee the boundary commission would take into consideration recommendations put forward by the City Council.

**Resolved** (unanimously):

To agree the Chief Executive would respond to the LGBCE's letter explaining that the imbalances are unlikely to be counterbalanced within three years and confirming that the City Council would like to be included in the Commission's future work programme.

The meeting ended at 7.30 pm

**CHAIR**