

CIVIC AFFAIRS8 July 2020
5.30 - 7.31 pm**Present:** Councillors Sargeant (Chair), Davey (Vice-Chair), Chadwick, Dalzell, O'Reilly and Thornburrow**Officers:**

Chief Executive: Antoinette Jackson

Head of Finance: Caroline Ryba

Head of Shared Internal Audit Service: Jonathan Tully

Deputy Head of Finance: Jody Etherington

Democratic Services Manager: Gary Clift

Committee Manager: Claire Tunnicliffe

Others Present:

Ernst & Young Associate Partner: Suresh Patel

Ernst & Young External Audit Manager: Tony Poynton

Independent Person: Rob Bennett

FOR THE INFORMATION OF THE COUNCIL**20/24/Civ Apologies**

No apologies were received.

20/25/Civ Declarations of Interest

Name	Item	Interest
Councillor Thornburrow	20/27/Civ	Personal: Executive Councillor for Planning Policy and Open Spaces
Councillor Sargeant	20/27/Civ	Personal. Vice Chair of Joint Development Control Committee
Councillor Chadwick	20/27/Civ	Personal: Member of the Planning and Transport Scrutiny Committee

20/26/Civ Public Questions

There were no public questions.

20/27/Civ Greater Cambridge Joint Planning Committee

The County Council resolved in May 2020 to withdraw from the Joint Development Control Committee (JDCC) after July 2020. The effect of their resolution was that the current JDCC would no longer be quorate.

The report of the Joint Director for Planning and Economic Development was first considered by the Planning and Transport Scrutiny Committee on 30 June 2020 for comments on the establishment of a new Committee (suggested name was the Greater Cambridge Joint Planning Committee GCJPC) and set out the proposed terms for the new Joint Committee to come into effect from 1 August 2020.

The Joint Director for Planning and Economic Development updated the Committee on amendments to the original proposed Terms of Reference by both the Planning and Transport Scrutiny Committee and the South Cambridgeshire District Council's Civic Affairs Committee (which met on 1 July 2020).

The amendments were:

- i. Amend the membership of the new committee so there would be six Cambridge City Council (CCC) members and 6 South Cambridgeshire District Council (SCDC) members rather than three members each.
- ii. Retain the name of the Committee as the Joint Development Control Committee rather than the Greater Cambridge Joint Planning Committee and reflect this throughout the terms of reference document.

Confirm that the Chair and Vice-Chair positions rotate between Cambridge City Council and South Cambridgeshire District Council each municipal year.

Provide for County Council members to address the new Committee.

In response to questions from the Committee, the Joint Director for Planning and Economic Development said the following:

- i. The current membership of JDCC comprised: six CCC members, six SCDC members and four Cambridgeshire County Council members. It was originally proposed that the new committee should have three members from CCC and SCDC but both local authority's scrutiny committees resolved to increase this back to six members each.

- Members felt that three members from each authority was not enough to consider strategic planning applications.
- ii. Confirmed that Cambridgeshire County Council would be included in the updated Terms of Reference, 14.1 Attendance at the Committee by other members of the Councils when presented to the full Council meetings for approval.
 - iii. Under the scheme of delegation to officers the current arrangements provided for a threshold of 100 dwellings and officers had not proposed to change this. If the committee proposed a scheme of officer delegation for 10 units and below only, then almost every application would be brought forward for scrutiny's committee's consideration as this equated to the threshold for "major applications" which was the Committees focus.
 - iv. Following legal advice, and in the interests of clarity, it was proposed to amend the "Functions of the Committee" as defined in the report to make clear the power of the Committee to amend and modify Standing Orders and to consider previous applications of the former JDCC
 - v. The Standing Orders before the meeting provided for County Council members to "call in" applications to the Committee and officers therefore proposed to amend these prior to Full Council to remove this provision.

Resolved (unanimously) to recommend to Council:

- i. On the withdrawal of Cambridgeshire County Council to dissolve the JDCC between Cambridge City Council and South Cambridgeshire District Council as surviving members, pursuant to section 101 (5) Local Government Act 1972 and cease all delegations to the same with effect from 31 July 2020; and
- ii. To establish a new joint planning committee between Cambridge City Council and South Cambridgeshire District Council (to be called the Joint Development Control Committee) with the Terms of Reference as set in Appendix A and to delegate functions to the joint committee and officers as set out therein, pursuant to section 101 (5) and section 102 Local Government Act 1972 with effect from 1 August 2020
- iii. To agree that any ongoing planning matters or any other continuing action relating to development covered by the terms of reference in appendix A which would otherwise fall to be determined by the previous Committee will, after 31 July 2020, transfer to the newly formed Joint Development Control Committee for determination

- iv. To authorise the Joint Director of Planning and Economic Development, in consultation with the Chair and Vice Chair of the Committee, to decide whether to refer any development control matters for determination by the Joint Development Control Committee where the boundary of the site concerned overlaps or is adjacent to the boundary between Cambridge City Council and South Cambridgeshire District Council
- v. To authorise the Monitoring Officer to make any consequential amendments to the Council's constitution arising from the above decisions
- vi. Appoint 6 members (and substitutes) from Cambridge City Council to serve upon the new Joint Development Control Committee from August.
- vii. To amend the "Functions of the Committee" to insert two additional provisions:

The following points were noted:

The review, change, amendment, or modification of the Standing Orders of the Committee.

Any matter related to an application previously determined by the Joint Development Control Committee for Cambridge Fringes and which would continue to form a part of this Committees functions.

To amend part e of the scheme of delegation to exclude County Council members from the capacity to "call in" applications under the scheme

20/28/Civ Ernst & Young Audit Plan 2019/20

Before this item was presented the Chair advised the minutes of 4 June (published on the website) required an amendment for item 20/22/Civ under the recommendation iii (additional text underlined, deleted text ~~struck through~~) which both the Chair and Opposition Spokes had been consulted on.

- iii. Delegate to the Chair of the meeting and in consultation with the Opposition Spokes to approve any amendments to the Statement of Accounts arising from remaining audit procedures, provided that these do not have a material impact on the Council's reserves or result in any changes to the Auditor's ~~report~~ opinion.

Resolved unanimously to note the change.

The committee received a report from the external auditor which summarised their approach to the audit of the financial statements and value for money (VFM) conclusion for 2019/20. The plan also highlighted what EY considered to be the most significant audit risks.

In response to Members' and the Independent Person's questions, the Head of Finance, Head of Shared Internal Audit Service and Deputy Head of Finance said the following:

- i. Investment properties made up a large proportion of the balance sheet and was an area of risk highlighted by the auditors. Due to the effects of Covid-19 it will be difficult to give the normal level of assurance on the valuations regarding the investment properties.
- ii. The review of the valuations of properties had shown that COVID-19 had not had the same impact on dwellings as it had on retail; therefore, the valuation methodology on the dwellings side had not seen significant changes.
- iii. There had been a further decrease in the valuation on dwellings based on the national house price index which had been used by the valuers to base their opinions, therefore there would be a small decrease similar to that of 2018/19.
- iv. Discussions had taken place with the valuers to ensure that the same audit issues did not occur as last year; checks were in place to make sure the relevant documents were up to date to support their judgements.
- v. The valuations of investment property are more volatile with valuers typically forming their opinion on values based on the capitalisation of future income streams. Therefore, the valuers had formed their opinion on the impact that COVID-19 had by reducing the rental income expectations, by between three to six month lost rent.
- vi. There would be no impact on the council's useable reserves because of the decreases.
- vii. More confident this year there was enough resources in the finance team to manage the budget and the audit simultaneously, although there was concern there was not much room between the two deadlines.
- viii. Currently the finance team were on course to meet the July deadline but were doing so using all the hours available.

The Associate Partner of Ernst and Young and the Manager of the audit said the following:

- i. EY had recognised the need for continuity within their audit team for the council which was part of the reason for a split visit in August and then in October / November. Two members of staff had been retained from the 2018/19 audit to work on the 2019/20 audit. There would also be the same Associate Partner and Manager of the audit.
- ii. Confirmed only one assessment of performance materiality level was permitted.
- iii. EY uses 2% of gross revenue expenditure on the provision of services for the council as the benchmark for materiality.
- iv. The fee negotiation had been discussed with officers to seek agreement but the PSAA (Public Sector Audit Appointments) made the final decision.
- v. The last EY tender was in 2017, since that time one audit had been completed. The bases for the increased fees was due to an escalation in audit quality expectations, such as the rise in workloads on the testing of valuations which was significantly different to that in 2016/17.

Resolved (unanimously) to:

Note the contents of the external audit plan 2019/20.

20/29/Civ Annual Head of Internal Audit Opinion

The Committee received a report from the Head of the Shared Internal Audit Service regarding his opinion on the overall adequacy and effectiveness of the organisation's internal control environment, governance, and the risk management framework.

The Head of Shared Internal Audit Service said the following in response to Members' questions and questions from the Independent Person:

- i. The use of spreadsheets when carrying out gas safety checks had been highlighted as a risk from the audit report; this had been addressed by the introduction of a management system which was part of Orchard Asset Management software that is planned to go live around December 2020.
- ii. Currently the spreadsheets were still being updated manually but were now being done daily.
- iii. Acknowledged that not being able to inspect properties due to COVID-19 was a hazard. Those properties did have future appointments in place.

- iv. Safeguarding was looked at on a regular basis, working with external agencies did have an increased risk and would be recognised in the auditplan going forward.
- v. Would take forward the matter of water usage as part of the overall risk appraisal.
- vi. Was not aware of any projects funded by disabled facility grants which had been delayed due to COVID-19.
- vii. An annual review was undertaken to provide assurance that grant funding (allocated as part of the Better Care Fund) had been spent in accordance with the scheme conditions. A sample of applications were checked from the annual funding allocation.

The Chief Executive, the council's safeguarding champion and chair of the corporate safeguarding group, wanted to give the reassurance that significant work had been done in the past with volunteers as emphasised in previous audits. The mutual aid groups were slightly different as they were in a hybrid territory being their own entities. The council's relationship was an enabling one rather than managing; going forward the council needed to explore how safeguarding would be brought into those relationships.

Resolved (unanimously) to:

Note the contents of the Annual Head of Internal Audit Opinion.

20/30/Civ Annual Report on Counter Fraud and Corruption

The Committee received a report from the Head of Shared Internal Audit Service regarding the annual review of the Councils counter fraud arrangements. The report also referred to summary of fraud / whistle-blowing activity for the period 1 April 2019 to 31 March 2020.

Councillor Dalzell welcomed the investigations into council housing fraud and freeing up homes for those who legitimately required them. Queried if there were any additional investigations regarding corruption in other areas of the council's operations.

The Head of Internal Audit replied during 2019 / 2020 Internal Audit conducted six investigations which could have included corruption. In all cases, if appropriate, actions were agreed with management to improve controls which could mitigate risks of fraud and error

Resolved (unanimously) to:

Note the contents of the annual report on prevention of fraud and corruption policy.

20/31/Civ Virtual Council Meetings-conventions-1 month review

The Committee received a report from the Democratic Services Manager which reviewed after one month the local conventions on how council meetings were run in a virtual way arising from the provisions in the Coronavirus Act 2020 and associated Regulations.

The Democratic Services Manager informed the Committee of an amendment to the recommendation i (deleted text struck through).

- i. Note that the officers recommend no change to the conventions at this stage. ~~except for how voting is undertaken at Full Council (see appendix), but they will be kept under review taking into account both local and national experience.~~

The Committee noted the deletion. The Committee was advised that a member had requested that the Chair when taking the vote went first to the spokes (rather than alphabetical) and that this change had happened. Chairs had operated the conventions pragmatically and there had been no concerns expressed.

Following a discussion on the increased time that virtual meetings seemed to take the Democratic Services Manager and Chief Executive said the following:

- i. Indicated that it would be appropriate for Members to reflect on contributions made at meetings. With meetings being recorded, behaviour and contributions can be easily reviewed.
- i. Stressed the importance of regular breaks.
- ii. Conversations regarding timings for full council meetings had been held with the Mayor and group leaders.
- iii. Would investigate personal development opportunities on working in a virtual meeting environment.
- ii. Noted the concerns raised regarding voting at full council; there needed to be a clear view on how members had voted on each item of business and this was being discussed with the Mayor to ensure that a procedure would be in place.

Resolved (unanimously) to:

- i. Note that the officers recommend no change to the conventions at this stage.
- ii. Consider any changes to the conventions Members have suggested in light of experience at meetings held so far.
- iii. Note that a longer term review of the use of virtual meetings will be undertaken as the national experience matures and in line with the council's own transformative agenda.

The meeting ended at 7.31 pm

CHAIR