

CIVIC AFFAIRS7 February 2024
5.30pm – 6.47pm

Present: Councillors McPherson (Chair), Davey (Vice-Chair), Bennett and Sheil

Also present Virtually: Councillors Young and Robertson. Officers Matthew Crosby Interim Deputy Chief Financial Officer

Officers:

Assistant Chief Executive: Andrew Limb
Chief Financial Officer: Caroline Ryba
Head of People: Lynsey Fulcher
Head of Shared Internal Audit Service: Jonathan Tully
Democratic Services Manager: Dan Kalley
Principal Internal Auditor: Stephanie Fisher
Meeting Producer: Boris Herzog

FOR THE INFORMATION OF THE COUNCIL**24/1/Civ Apologies**

Apologies were received from the Council's Independent Person Rob Bennett.

24/2/Civ Declarations of Interest

There were none received.

24/3/Civ Minutes

The minutes of the meeting on 18 October 2023 were approved as a correct record and signed by the Chair.

24/4/Civ Public Questions

There were no public questions.

24/5/Civ 2023/24 Statement of Accounts - Accounting Policies and Significant Areas of Judgement

The Committee received a report from the Chief Financial Officer and S151 Officer. The Committee were introduced to Matthew Crosby as Interim Deputy Chief Financial Officer.

In terms of the 2023/24 accounts there were no significant changes to the accounting principles for the accounts. The draft accounts for 2023/24 could be drafted based on the 2022/23 accounts. Guidance on their publication would need to be considered. The external auditors, Ernest & Young (EY) were thinking how this would work in practice.

Members were informed that the rent regulations issues that had been identified in the Housing Revenue Account (HRA) were likely to have an impact on both the 2022/23 and 2023/24 accounts. EY had been briefed on the issues but it was unclear what impact this would have. Furthermore, this may have an impact on the accounts when they come to be audited.

In response to questions the Chief Financial Officer stated:

- i. EY would attend future meetings of the committee when there was progress on the signing off of the accounts. An audit plan was in the process of being produced by EY and this would also be presented to Committee.
- ii. The 2022/23 accounts had been published on the Council's website since June 2023 and were still unaudited.
- iii. The most recent set of contracts the Council had with the external auditors were reduced in terms of the fees being charged in comparison with the previous contract. This had caused some issues including a number of external auditors not being able to recruit and retain staff in order to complete audits. In addition, a number of local authorities had struggled to recruit and retain staff within their finance teams and produce accounts in line with statutory timeframes, fortunately that was not the case at the Council.
- iv. Local authority accounts had become more complex to complete and audit. This was another reason for a slower rate of accounts being signed off.
- v. The government was aware of the issues and it was anticipated that proposals would be consulted on shortly to re-set the accounting process.
- vi. The draft accounts had been published on the Council's website and there was a statement published with this to outline that the accounts were in draft form.

- vii. Each year the Council received an actuarial report on the numbers that needed to go into the accounts and were provided by an expert. The pension liability was usually the largest figure in the accounts. This was an unusable reserve and did not impact the income and expenditure account. The only impact was when the triennial actuary report was produced which could impact the rate of pension contributions.
- viii. The draft accounts on the website had a statutory notice, which made clear that the accounts had not been audited.
- ix. There had been communication from residents with regards to any concerns over the accounts that had been published on the website, or that they had not yet been audited.
- x. This was the first year that the pensions had been an asset rather than a liability, although it was a small asset in terms of the figures.
- xi. Thanks were given to the Chief Financial Officer and S151 Officer for her work and the committee wished her well for the future.

RESOLVED (4 votes for, 0 against):

- i. To note that there are no significant changes to accounting policies anticipated for the 2023-24 Statement of Accounts.
- ii. To note and approve the proposed critical judgements and major sources of estimation uncertainty in respect of the 2023-24 Statement of Accounts.
- iii. To note the position regarding the outstanding audit of the 2022-23 Statement of Accounts and the impact of the delay in concluding audit procedures on production of the 2023-24 Statement of Accounts.

ACTIONS:

- i. The Committee agreed that a letter be written to Michael Gove outlining the Council's concerns over the delays in the auditing of the statement of accounts.

24/6/Civ Internal Audit Update

The Committee received an update on the work of Internal Audit. The report was introduced by the Head of Internal Audit.

The report highlighted the work of the team and a forward plan of the work that was scheduled to be carried out, along with a current opinion on the controlled environment.

In response to questions the Head of Internal Audit stated:

- i. It was not possible to carry out an audit on all housing safety aspects, the team picked those that they felt were of higher priority, this was based on meetings with officers and directors within that service area. Once these had been completed the team would move on to other areas such as damp and mould.
- ii. There was nothing critical that the team had to drop as a result of having to do those audits in relation to housing.
- iii. Thanks was given to the Head of Internal Audit for their assistance to the Combined Authority.
- iv. In terms of carrying out a review of the issues around damp and mould, it was anticipated that this would be done later in the year. The pace of change in terms of the areas being audited, meant that officers had kept the forward plan to a maximum of items coming up in the next six months. The plan was to convey to the committee those key items coming up, whilst allowing the flexibility to change plans if urgent work arose.
- v. Those items highlighted in the plan around housing were already in progress. It was likely the areas around damp and mould would be in the next report that was presented to committee, however if the other items were reviewed early then the issues around damp and mould could potentially be considered earlier.

RESOLVED (4 votes for, 0 against) to note the contents of the report.

24/7/Civ Risk Management Strategy and Framework

The Committee received a report on the Risk Management Strategy and Framework. The report was introduced by the Principal Auditor.

Members had concerns over the reporting of the risk register and there seemed to be a gap on this being reported to scrutiny members and members of the executive.

In response to questions the Principal Auditor stated:

- i. Officers noted the concerns around this not going to the relevant scrutiny committee's and would look into this.
- ii. Leadership team received quarterly updates on the risk register. It was then the responsibility of the leadership team to take the risk register to the Executive members.

- iii. In terms of partnerships there were opportunities for stakeholders to feed back into the risk framework to make sure that these risks were captured. This had not been audited recently, however this could be within scope going forward.

RESOLVED (4 votes for, 0 against)

That the Committee noted and commented on the revised Risk Management Strategy & Framework (Appendix A), and agreed that Officers can continue to make subsequent minor updates and amendments.

24/8/Civ Pay Policy Changes and Draft Pay Policy Statement 2024/25

The Committee received a report in relation to the Pay Policy Changes and the Draft Pay Policy Statement 2024/25. The report was introduced by the Head of People.

A number of recommendations were contained within the report, to help the Council become a more attractive employer in a competitive employment market.

In response to questions the Head of People stated:

- i. There were only around 30 people employed by the Council who were at the lowest pay band. There were challenges across all grades in employing staff to the Council, however it was less so at the lower grades as most staff at this level were on zero hour relief contracts so had flexibility as to when they worked.
- ii. The rationale for taking on apprentices on permanent contracts was to discourage people from leaving the organisation. This recommendation would also apply to any apprentices that were currently working for the Council.
- iii. It was acknowledged that apprentices had learning and developmental areas to go through whilst working. If an apprentice was not performing as per their contract they would be subject to the same processes with HR as any other employee who was not reaching the required standard.
- iv. At the current time there were 21 apprentices working for the Council, of these there were 11 who would benefit from the increase in the living wage to £12.50.
- v. In terms of the Investors In People Partnerships it was important that the principles continued in some form internally if the accreditation did not continue.

RESOLVED (4 votes for, 0 against)

- i. The recommendation that all Director and Assistant Director roles are evaluated using the HAY Job Evaluation methodology.
- ii. The introduction of an Additional Responsibility Allowance to recompense colleagues for taking on additional responsibility above and beyond their current role.
- iii. The increase of the Cambridge Weighting rate from £11.00 per hour to £12.50 per hour.
- iv. The inclusion of apprentices into the Real Living Wage and Cambridge Weighting pay, meaning that no apprentice with Cambridge City Council will earn less than £12.50 per hour on 1 April 2024. In addition all apprentices will be employed on permanent contracts.
- v. The recommendation that the Investors in People (IIP) accreditation is not renewed in November 2024, whilst the Council will continue to uphold the principles outlined by the IIP.
- vi. The change in delegation for fixed term non-leadership team Director level roles and to recommend to Council to amend the Constitution in accordance with paragraph 6.3 of the report.
- vii. Review and recommend to Council the draft Pay Policy Statement 2024/2025 attached as Appendix 1.
- viii. Note the implementation of the nationally negotiated pay awards.

24/9/Civ Update to Flag Protocol

The Assistant Chief Executive introduced the report and stated that the policy had been updated.

RESOLVED (4 votes for, 0 against)

- i. To adopt the revised list of flags to be flown over the Guildhall at Appendix A; and
- ii. That from time to time additional flags may be flown in special circumstances, where they are consistent with the Council's vision, objectives and obligations, through agreement of the Leader and Chief Executive at the time.

24/10/Civ Officer Delegated Decisions

10a Powers of the Chief Executive, Cambridge City Council-delegation
The Committee noted the contents of the report.

10b To Implement the Joint Negotiating Committee for Chief Executives of Local Authorities Pay Award for 2023-24

The Committee noted the contents of the report.

10c To implement the National Joint Council for Local Government Services (NJC) Pay Award for 2023-24 for employees on Bands 1-11.

The Committee noted the contents of the report.

The meeting ended at 6.47pm

CHAIR