

# Public Document Pack

Civic Affairs

Civ/1

Wednesday, 14 February 2018

## CIVIC AFFAIRS

14 February 2018

6.00 - 7.15 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 Human Resources: Deborah Simpson

Head of Internal Audit: Jonathan Tully

Democratic Services Manager: Gary Clift

Electoral Services Manager: Vicky Breeding

Committee Manager: Emily Watts

### Others Present:

Ernst & Young External Auditor: Suresh Patel

Deputy Independent Person: Rob Bennett

## FOR THE INFORMATION OF THE COUNCIL

### 18/1/Civ Apologies

Apologies were received from Acting Independent Person, Rob Bennett.

### 18/2/Civ Declarations of Interest

Name	Item	Interest
Councillor Robertson	18/12/Civ	Unite Member
Councillor Gawthrope	18/12/Civ	Unite Member
Councillor Benstead	18/12/Civ	GMB Member

### 18/3/Civ Minutes

The minutes of the meeting held on 13 September 2017 were signed as a correct record by the Chair.

### 18/4/Civ Public Questions

There were no public questions.

### **18/5/Civ Ernst & Young Annual Audit Letter**

The Committee received an Annual Audit Letter from Ernst & Young (EY) summarising the key issues arising from their 2017/18 audit.

In response to a question on the target level of reserves referenced in the report; Suresh Patel summarised the Council held a good level of the reserves and were used in an appropriate manner. Suresh noted the target level of reserves were of the minimum level.

Councillor O'Connell commented that the report was very comprehensive and credited the work of officers and the report authors.

Although not present at the meeting the comments had been received from the Acting Independent Person who stated the report made for very good reading and reflected well on the hard work of members and officers.

**Resolved** (unanimously) to:

- i. Note the contents of the Annual Audit Letter.

### **18/6/Civ 2017-18 Statement of Accounts - Accounting Policies and Significant Areas of Judgement**

The Committee received a report from the Principal Accountant (Technical & Financial Accounting) regarding the Audit and Accounts Regulation. From the 2017/18 financial year these regulations had changed the statutory timetable for the approval and audit of the Statement of Accounts.

The report highlighted the significant changes in accounting policy and significant areas of accounting judgement in relation to the Statement of Accounts.

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

- i. The example of the draft revised expenditure and funding analysis was to show all the information of the report in one place. This should simplify the reading of the report and make it easier for discussion.

- ii. The 5% referenced in the rateable values across the life of previous valuation lists provided a broad percentage consistent with those used by Central Government and finding advisors in assessing the likely level of appeals.
- iii. Noted the Acting Independent Person comments on the Business Rate Appeals provision at the 5% level which he had deemed reasonable but agreed that it would be kept under review.
- iv. A report would be taken to the February meeting of the Civic Affairs Committee 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.

**Resolved** (unanimously) to:

- i. Note and approve the proposed presentational changes, accounting policies and significant areas of accounting judgement in relation to the 2017/17 Statement of Accounts.

### **18/7/Civ External Audit Certification of Claims and Returns Annual Report 2016-17**

The Committee received the Certification of claims and returns annual report produced by Ernst & Young (EY), the Council's external auditor.

Suresh Patel summarised the audit plan and confirmed there were no significant issues.

**Resolved** (unanimously) to:

- i. Note the contents of EY's Annual report.

### **18/8/Civ Ernst and Young Audit Plan**

The Committee received an Audit Plan from Ernst & Young (EY) which summarised their approach to the audit of the financial statements and the value for money (VFM) conclusion for 2017/18. The Plan also highlighted what EY considered were the most significant audit risks emphasising the implementation of the new financial management system as a substantial risk.

In response to the report, the Principal Accountant (Technical & Financial Accounting) explained that officers had chosen not to parallel run during the migration process but had carried out extensive user acceptance testing. This

had included some aspects of parallel running of the old and new system. Currently over 700,000 lines of data from April 1 2016 to January 2018 had been migrated to the new financial management system. In conclusion a staged approach had been taken to manage any risks that may have occurred.

The Head of Finance confirmed Cambridge Investment Partnership had transferred their year-end to March 31 2018 and would be able to produce their accounts within the time scale set.

**Resolved** (unanimously) to:

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

### **18/9/Civ Independent Remuneration Panel-Special Responsibility Allowances Update**

The Committee received a report from the Democratic Services Manager which referred to Council's request in June 2017 for the Independent Remuneration Panel to review a small number of councillor roles which had not been covered under the Special Responsibility Allowance (SRA) and to recommend whether any should receive a SRA.

Separately, the Executive Councillor for Strategy and Transformation (the Executive Portfolio responsible for Democratic Services) had requested a short report on the Mayoral allowance and the budgets allocated to it.

In response to Members questions, Graham Jagger (Independent Remuneration Panel Member) said the following:

- i. At the time of writing the report in October 2017 there had been insufficient time to establish the impact of Councillor involvement, commitment and contribution to the appointment of the following:
  - a) Greater Cambridge Partnership Assembly.
  - b) Cambridgeshire and Peterborough Combined Authority.
  - c) Police and Crime Panel Member.

The Democratic Services Manager confirmed payment of the Mayor's taxi travel was taken from Civic and Twinning Cost Centre while tips for the taxi drivers were from the Mayoral allowance.

**Resolved** (unanimously) to:

- i. Agree with the IRPs recommendations for Council decision the following:
  - a) A special responsibility allowance of 25% of the Basic Allowance (£1,120) be paid to the Cabinet Member on the Cambridgeshire and Peterborough Combined Authority. This is for the 2017/18 Municipal Year ie backdated to May 2017.
  - b) To carry out further evidence gathering on the work of the City Councillor responsibilities on the Combined Authority, Greater Cambridge Partnership and Police and Crime Panel, reporting back to the Civic Affairs Committee in the new Municipal Year.
- ii. To agree that the statements on the Mayor's Allowance which will be included in the Mayor's Handbook.
  - iii. To agree that the IRP's remit will cover the Mayor and Deputy Mayor's Allowance (including all hospitality budgets) with any changes in time for implementation for the 2019/20 Mayoral year.

### **18/10/Civ Nomination for Honorary Councillor**

Councillor O' Connell proposed the nomination of former Councillor Colin Rosenstiel as an Honorary Councillor

Councillor Benstead seconded the nomination.

**Resolved** (unanimously) to:

Recommend to Council the appointment of the former Councillor Colin Rosenstiel as an Honorary Councillor.

### **18/11/Civ Internal Audit Plan & Strategy 2018 / 2019**

The Committee received the draft Internal Audit Annual Plan and Strategy for 2018 / 2019 for consideration. The plan had been subject to consultation with all Directorates, the Chief Executive and a copy shared with the External Auditor, Ernst and Young.

The Head of Internal Audit reassured Members that sharing the service with South Cambridgeshire District Council did not mean a loss of quality in the detail of future audit plans, and staff would work to align impending plans between the two local authorities. This would also assist in balancing staff resources. The recruitment process had begun to fill the three vacancies in the team.

Comments from the Acting Independent Person regarding universal credit representing a risk to the Council had been noted.

**Resolved** (unanimously) to:

- i) Approve the draft Audit Plan and Strategy.
- ii) Approve the supporting Charter and the Code of Ethics.

### **18/12/Civ Draft Pay Policy Statement 2018/19**

The Committee received a report from the Head of Human Resources which set out a draft Pay Policy Statement as required under the Localism Act.

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In response to Members' questions the Head of Human Resources advised that the trade union claim (for the budget provision) was 5% at an estimated cost of £1,000,000 to the Council. The impact of the proposed national pay offer contained a considerable element of bottom loading (higher percentage awards for the lower pay points) but there would be a minimal impact of this as the Council paid the living wage.

**Resolved** (unanimously) to:

- i. Recommend to Council the draft Pay Policy Statement 2018/19 attached as Appendix 1 of the Officer's report.
- ii. Recommend to Council the proposal to introduce a Cambridge Weighting to be paid to employees and agency workers earning less than £10 per hour, with effect from April 2018.
- iii. Recommend to Council to delegate authority to the Head of Human Resources to update the weightings on each relevant pay point, subject to the limit of £10 per hour, depending upon the current hourly rate and the Real Living Wage supplement payable at that time.
- iv. Note the position on the National Joint Council (NJC) pay offer which relates to Bands 1-11 of the City Council's pay scales, the national Chief Executive pay claim, and the national Chief Officer pay claim (relating to Strategic Directors and Heads of Service) and to receive an update at the meeting of Full Council on 22 February 2018.
- v. Recommend to Council to delegate authority to the Head of Human Resources to update the Pay Policy Statement 2018/19 should an NJC and/or Chief Executive and/or Chief Officer pay award be agreed.

**18/13/Civ Recruitment of Independent Person and Deputy**

The Democratic Services Manager explained interviews were held for the position of Independent Person and Deputy on the 13 February 2018. The interview panel was made up of the Chair of the Civic Affairs Committee and Opposition Spokes, with the Head of Legal Practice.

Because of the timing the Panel were not in a position to make a recommendation to the meeting of the Civic Affairs Committee on 14 February 2018.

A report from the panel will therefore be presented to the Civic Affairs Committee in March so they could make recommendations to Council for the meeting to be held in April 2018.

The meeting ended at 7.15 pm

**CHAIR**

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