

CIVIC AFFAIRS

29 January 2020

5.30 - 6.15 pm

Present: Councillors McPherson (Chair), Sargeant (Vice-Chair), Chadwick, Dalzell, Davey and Thornburrow

Officers:

Head of Finance: Caroline Ryba

Head of Human Resources: Deborah Simpson

Democratic Services Manager: Gary Clift

FOR THE INFORMATION OF THE COUNCIL**20/1/Civ Apologies**

Apologies for absence were received from Mr Rob Bennett, the Council's Independent Person.

20/2/Civ Declarations of Interest

There were no interests to declare.

20/3/Civ Minutes

The minutes of the meetings held on 9 October 2019 were approved as a correct record and signed by the Chair.

20/4/Civ Public Questions

There were no public questions.

20/5/Civ Statement of Accounts 2018/19

The Committee received an oral update from the Head of Finance on the delayed external audit by Ernst & Young (EY) of the accounts 2018/19 and the knock-on delay for all the associated reports listed for 29 January committee which had also not been included on the agenda.

In response to the oral update Councillors questions and comments were:
Ensure that the city council was managing the delay with EY;
Noted that local authority auditing was variable across the country;
Was the Council tied-in to a contract with EY;
What if EY don't make the new date of completion;
What was the resource impact of the delay on the city council;
Clarify what the legal deadline is.

The Head of Finance said the following in response to Members' questions:

The issue with auditing of local authority accounts was widespread although EY appeared to be in the most difficult position of the audit companies. The audit industry is making a case to central Government that the deadlines set are no longer achievable. There is a review (the Redmond review) of auditing practice and the Public Sector Auditing Appointments (PSAA) is lobbying to make deadlines more achievable.

The Council is in year 1 of 5 with EY, which is a contract arrangement done through the PSAA. The Council and other affected public bodies who have EY as the external auditor are working with PSAA on service delivery. The Council alone cannot end the contract.

The legal requirement is that the Council publishes its accounts by 31 July. It is not a requirement that they are fully audited. The Council therefore published in July with the qualification that they were unaudited. EY had sought its own legal advice on the requirement, as it impacted on a number of its audits.

EY met with Heads of Finance to discuss the audit of 2019/20 and is proposing that these are reported in autumn 2020 (ie. not July).

EY is meeting Chairs of Audit Committees in February to discuss the issues raised by its delays. As of early January eight audits were still outstanding

The resource impact for the Council has been that officers who would have been working on the budget were working on the audit and this will be the same for 2020 if the audit is reported in the autumn (which is what EY is proposing). The Head of Finance was of the view that this may be a pragmatic approach taking into account a new finance team will be in place.

The Committee agreed to hold a special meeting on Wednesday 11 March to consider the agenda items listed on the Forward Plan for the 29 January which had not been reported.

20/6/Civ Draft Pay Policy Statement 2020/21

The Committee received a report from the Head of Human Resources.

The report set out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31 March each year.

The Head of Human Resources reported that there had been delays in the agreement for national pay awards for chief executives, chief officers and the NJC and that there was a national meeting to consider the NJC pay award scheduled on 5 February. It is expected that no pay awards would be in place to implement for 1 April and whatever was agreed would be backdated. The NJC settlement was expected to be for one year only while there is consideration of the implications of the Government's new National Living Wage rate of £10.54 by 2024.

Regarding the amendment circulated on 28 January and tabled, the Head of Human Resources explained that the additional recommendation at 2.6 reflected the position now the Council is about to commence a recruitment process for a new Chief Executive.

The Committee asked what would need to take place for former Cambridge Live staff to be on the same as City Council pay terms and conditions. The Head of Human Resources said the recommendation in the report with regard to pay awards was one action.

Unanimously resolved to recommend to Council:

- i. the draft Pay Policy Statement 2020/21 attached as Appendix 1 of the Officer's report.
- ii. to delegate authority to the Head of Human Resources to update the Pay Policy Statement 2020/21 should a chief executive and/or chief officer and/or NJC pay award be agreed.
- iii. that a pay award mechanism is introduced with effect from 1 April 2020 for staff on Cambridge Live terms and conditions of employment, based on comparison to the NJC pay award and authority is delegated to the Head of Human Resources to implement any future pay awards, following consultation with the Chief Executive and Executive Councillor for Finance and Resources.

The Committee also unanimously agreed:

- iv. To note an oral update regarding any progress on national pay awards for chief executives or chief officers or employees covered by the NJC, with effect from 1 April 2020.
- v. To note that a review of senior officer salaries has been undertaken in 2019 and that no change to the current pay levels of the Chief Executive, Strategic Directors and Heads of Service was recommended as a result of that review.
- vi. To ask the Head of Human Resources to undertake a further review of the Chief Executive pay level in 2020 and to include reference to this review in the Draft Pay Policy Statement 2020/21

20/7/Civ Amendment to Council Procedure Rules

The Committee received a report from the Democratic Services Manager. The report sought approval to change the rules for Council Meetings regarding:

- (i) the duration of the meetings
- (ii) the length of time allocated to Group Leaders for introducing Annual Statements.

The Committee noted that the changes would come into effect for the July 2020 and May 2020 meetings respectively.

Unanimously resolved to recommend to Council a change to Council Procedure Rule 10 and the Scheme for Annual Statements as set out in this report.

The meeting ended at 6.15 pm

CHAIR