

**MINUTES OF THE EXTRAORDINARY MEETING OF THE POLICY, FINANCE AND
DEVELOPMENT COMMITTEE HELD AT THE COUNCIL OFFICES, STATION ROAD,
WIGSTON ON TUESDAY, 25 JULY 2017 COMMENCING AT 7.00 PM**

PRESENT

Councillor Mrs S B Morris (Chair)
Councillor D A Gamble (Vice Chair)

COUNCILLORS

G S Atwal
E R Barr
L A Bentley
G A Boulter
Mrs K M Chalk
M L Darr
B Dave
R F Eaton
Dr T K Khong

OFFICERS IN ATTENDANCE

S J Ball (Senior Democratic Services Officer / Legal Officer)
M Hone (Interim Chief Finance Officer / Section 151 Officer)
A Thorpe (Planning, Development and Regeneration Manager)

OTHERS IN ATTENDANCE

A Persaud (CW Audit Services, Audit Manager - Internal Auditor)
T Crawley (KPMG, Director - External Auditor)

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillors J W Boyce, R E Fahey, J Kaufman and R E R Morris.

2. APPOINTMENT OF SUBSTITUTES

None.

3. DECLARATIONS OF INTEREST

Councillor G A Boulter declared a non-pecuniary interest in agenda item 18 insofar as the applicant was known to him in his capacity as a Borough and County Councillor.

4. MINUTES OF THE PREVIOUS MEETING HELD ON 28 MARCH 2017

RESOLVED THAT:

The minutes of the previous meeting of the Committee held on 28 March 2017 be taken as read, confirmed and signed.

5. ACTION LIST ARISING FROM THE MEETING HELD ON 28 MARCH 2017

The Committee was informed that all but the fourth action point in relation the Annual Health and Safety Plan (at min. ref. 84) arising had been duly completed.

RESOLVED THAT:

The Action List be noted by Members.

6. PETITIONS AND DEPUTATIONS

None.

7. ANNUAL INTERNAL AUDIT REPORT 2016/17

The Committee gave consideration to the report and appendix (at pages 13 - 30) as jointly-delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer and Audit Manager at CW Audit Services, Mr Anand Persaud, which should be read together with these minutes as a composite document.

The Committee heard that the overall audit opinion given was that of significant assurance and that there generally was a sound system of internal controls in place designed and in the main consistently applied to meet the Council's objectives. It was reported that there were two weaknesses in control i.e. budgetary control /medium-term financial strategy (MTFS) and compliance with financial regulations therefore limiting the levels of assurance given in those areas. These were to be addressed in more explicit terms in a revised draft of the Annual Governance Statement (AGS).

The Committee requested that a follow-up report in relation to those audit areas given 'moderate' assurance be brought back to the next meeting of the Committee.

It was moved by the Chair, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

- (i) The report included on the audit opinion and the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control be noted; and**
- (ii) The conclusion that the Council has an effective internal audit service be supported by Members.**

8. ANNUAL EXTERNAL AUDIT ISA 260 GOVERNANCE REPORT 2016/17

The Committee gave consideration to the Annual External Audit ISA 260 Governance Report for 2016/17 ("the 2016/17 report") tabled at the meeting as jointly-delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer ("Chief Finance Officer") and the KPMG Director, Mr Tony Crawley, which should be read together with these minutes as a composite document.

The Committee was advised that there were delays in bringing the 2016/17 report to Members ahead of the meeting due to the intensity of the work required within what was a trial-run of the revised timetable for audit submissions to be implemented from the next financial year. It was said that assurances had been received from the Senior Management Team (SMT) to ensure the proper preparation of audit working papers and the deadline for closure was to be met in the future. An update report on the final position for 2016/17 was to be prepared and circulated in due course.

The Committee heard that it was anticipated that an unqualified audit opinion on the Council's 2016/17 financial statements was to be issued by 30 September and that the Annual Governance Statement complied with all issued guidance. It was said that the Council had also made proper arrangements to ensure it took properly informed decisions, worked with partners and other third parties and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. Members were asked to submit any technical questions to the Chief Finance Officer outside the meeting, the responses to which would be circulated to all Members in due course.

The Committee was further advised that: a full review of intangible assets was to be carried out as part of the year-end asset rationalisation exercise to be completed by September 2017 and; the Chief Finance Officer was to meet with pension fund actuaries at the appropriate times to duly review and document actuarial assumptions. The latter was said to be accorded particularly significance given their potential impact on the sufficiency of pension contributions and the triennial review status of the pension fund by the pension provider, Leicestershire County Council.

The Committee requested that the risk implications of actuarial assumptions on the pension scheme be ascertained and quantified with a view to arranging a Members' seminar on the same.

It was moved by the Chair, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

The contents of the Annual External Audit ISA 260 Governance Report for 2016/17 be considered and accepted.

9. STATEMENT OF ACCOUNTS 2016/17

The Committee gave consideration to the Statement of Accounts for 2016/17 tabled at the meeting as delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

The Committee was advised that there were similar delays in bringing the Statement of Accounts for 2016/17 to Members ahead of the meeting due to the foregoing reasons (at min. ref. 8).

It was moved by the Chair, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

- (i) The Statement of Accounts for the year 2016/17 be approved;**
- (ii) The Chief Finance Officer / Section 151 Officer be delegated authority to agree minor alterations to the statement as recommended by the Council's auditor; and**
- (iii) The "Letter of Representation" to be signed by the Chief Finance Officer / Section 151 Officer and the Chair of this Committee following this meeting be approved.**

10. ANNUAL GOVERNANCE STATEMENT 2016/17

The Committee gave consideration to the report and appendix (at pages 31 - 48) as

delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

The Committee was reassured that the two weaknesses identified in the Annual Internal Audit Report 2016/17 aforementioned (at min. ref. 7) were to be addressed in more explicit terms in a revised draft of the AGS.

It was moved by the Chair, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

The Annual Governance Statement for the year 2016/17 as set out in the Appendix (as to be amended) be approved and referred to the Leader of the Council and Chief Executive for formal certification.

11. COMMITTEE BUDGET OUTTURN REPORT 2016/17

The Committee gave consideration to the report and appendices (at pages 49 - 54) as delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

The Committee was advised that, in addition to the headline variances outlined at para. 3.2 of the report (at page 49), the variance recorded against the holding account marked '39901 - Senior Management Team' at Appendix 1 (at page 52) accounted for extraordinary budget allocations necessary to ensure the proper and satisfactory conclusion of the ongoing grievance and disciplinary investigations.

RESOLVED THAT:

The provisional Committee Budget Outturn Position for 2016/17 be noted by Members.

12. OVERALL COUNCIL POSITION OUTTURN REPORT 2016/17

The Committee gave consideration to the report and appendices (at pages 55 - 60) as delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

The Committee was advised that the revenue budget marked 'Horsewell Lane Project Professional Fees' of £13,900 at para. 7 (at page 57) to be carried forward was to be headed as a revenue budget until such time as any capital scheme in relation to the regeneration of Horsewell Lane, Wigston was to be brought forward and agreed.

It was moved by the Chair, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

- (i) The provisional Overall Council Position Outturn Positions for both the General Fund and Housing Revenue Account for 2016/17 be noted by Members; and**
- (ii) The requested revenue and capital carry forwards (as set out at para. 7 of the report) be approved.**

13. TREASURY MANAGEMENT ANNUAL REPORT 2016/17

The Committee gave consideration to the report and appendices (at pages 61 - 75) as delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

RESOLVED THAT:

The contents of the report be noted by Members.

14. INTERNAL AUDIT PROGRESS REPORT 2017/18

The Committee gave consideration to the report and appendix (at pages 76 - 92) as jointly-delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer and Audit Manager at CW Audit Services which should be read together with these minutes as a composite document.

The Committee heard that the agreed internal audit plan for 2016/17 has been substantially completed, with four audit reviews outstanding from 2016/17 and one from 2015/16. Those reviews outstanding were said to be a result of knowledge gap created by certain Officers having left the Council. Since the last report in March 2017, five full reviews for 2016/17 had been completed and awarded either a moderate or significant assurance. It was said that assurances had been received by SMT that the remaining 22 audit recommendations would be signed-off imminently.

The Committee was also advised that although records relating to the procurement of seven vehicles in 2016/17 could not be located for the audit process, this did not in itself necessarily suggest any undue impropriety. The implementation of robust saving plans to achieve financial balance over the term of the current MTFS was said to be in working progress following the meeting of the Council on 6 July at which an range of considered budget options for 2018/19 and 2019/20 were reviewed.

The Committee underlined the significance of addressing the high risk/priority matters raised in the report sooner rather than later and requested that a follow-up report in relation to those outstanding audit recommendations marked 'High' (1) or 'Medium' (2) be brought to the next meeting of the Committee. Members also emphasised the need for a balanced and benchmarked approach when market testing sub-constructors and the costs thereof *vis-à-vis* existing contractors.

RESOLVED THAT:

The content of the progress report for 2016/17 and 2017/18 be noted.

15. TIMETABLE: BUDGET OPTIONS 2018/19 AND 2019/20

The Committee gave consideration to the report (at pages 93 - 94) as delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

The Committee was advised that the budget option marked 'Administrative Offices' (at page 94) encompassed the office facilities located at the Bushloe House, the Depot and Brocks Hill sites. A detailed report on each was said to follow.

It was moved by the Char, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

- (i) **The contents of the report be noted; and**
- (ii) **The timetable for bringing back more detailed reports on each budget proposal (as set out in Appendix 1) be approved.**

16. COLLECTION AND WRITE-OFF OF MISCELLANEOUS DEBTORS

The Committee gave consideration to the report (at pages 96 - 98) as delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

RESOLVED THAT:

The contents of the report be noted by Members.

17. COURT DUTIES: LOCALLY COLLECTED TAXES

The Committee gave consideration to the report (at pages 99 - 100) as delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

It was moved by the Chair, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

Under the provisions of Section 223 of the Local Government Act 1972, that the Revenues Team Leader, Senior Recovery Officer, and Recovery Officer be duly authorised to appear in the Magistrates' Court on behalf of Oadby & Wigston Borough Council in respect of all duties concerning locally collected taxes.

18. ELLIOTT HALL YOUTH AND COMMUNITY CENTRE, SOUTH WIGSTON

The Committee gave consideration to the report and appendix (at pages 101 - 123) as delivered and summarised by the Planning, Development and Regeneration Manager which should be read together with these minutes as a composite document.

A debate thereon was had whereby some Members raised reservations regarding the proposed sum of the grant in relation to securing value for money. The Committee was advised that the sum was to be funded from the interest accrued from the section 106 monies derived from the development at the Tesco Superstore, South Wigston and was assured that its spending would be closely monitored to ensure value and that no other projects were to be compromised by its proposed grant. It was said that planning permission for the factory's change of use had been granted.

It was moved by Councillor L A Bentley, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

- (i) **A grant of £30,000 to 'Step Out South Wigston Youth Group' towards the establishment of the Elliott Hall Youth and Community Centre in South Wigston from funds identified in the Council's Capital Programme for 2017/18 (as set out in para. 3.4) be approved in principle; and**
- (ii) **Delegated authority be granted to the Chief Executive in consultation with the Chair of the Committee to agree the terms on which the grant is**

provided to 'Step Out South Wigston Youth Group'.

19. HOUSING WHITE PAPER: INCREASE IN PLANNING FEES IN THE BOROUGH

The Committee gave consideration to the report (at pages 124 - 126) as delivered and summarised by the Planning, Development and Regeneration Manager which should be read together with these minutes as a composite document.

RESOLVED THAT:

A 20% increase in planning fees in the Borough order to invest this additional fee income in the planning department be noted.

20. PROPOSED REVISED ORGANISATIONAL POLICIES

The Committee gave consideration to the report and appendices (at pages 127 - 227) as delivered and summarised by the Interim Chief Finance Officer / Section 151 Officer which should be read together with these minutes as a composite document.

A debate thereon was had whereby the Committee generally commended the revised policies. It was requested however that the proscription of recording equipment at formal meetings contained at part 8.1 of the proposed Grievance Policy and Procedure (at page 5/134) be reconsidered by Officers with a view to remove this from the Policy as such recordings were considered as acceptable by Members. Members stated that the maternity policy ought to be extended to include paternity matters. Access to similar corporate alert system was also said to be desirable to forewarn Members of the potential risks when arranging to meet with residents.

The Committee was advised that in relation to the proposed Sickness Absence Management Policy and Procedure, employees with stress-related illnesses or suffering from bereavement were offered the necessary assistance and provision e.g. counselling from external professionals if required. All affected employees finding themselves in such circumstances were said to be treated by the Council with an appropriate measure of discretion and compassion as was to be expected.

It was moved by the Chair, seconded by the Vice Chair and

UNANIMOUSLY RESOLVED THAT:

- (i) The following Organisational Policies be approved:**
 - (a) Grievance Policy and Procedure 2017 subject to (ii);**
 - (b) Maternity Policy and Procedure 2017;**
 - (c) Sickness Absence Management Policy and Procedure 2017; and**
 - (d) Lone Working Policy and Procedure 2017**
- (ii) The proscription of recording equipment at formal meetings contained at part 8.1 of the proposed Grievance Policy and Procedure (at page 5) be reconsidered by Officers with a view to remove.**

THE MEETING CLOSED AT 8.49 PM



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Chair

Policy, Finance and Development Committee (Extraordinary)
Tuesday, 25 July 2017

Chair's
Initials

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Tuesday, 31 October 2017
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