

Minutes of the meeting of the **JOINT AUDIT AND STANDARDS COMMITTEE** held in the Virtual Teams Meeting on Monday, 25 January 2021

PRESENT:

Councillors:	Oliver Amorowson	James Caston
	Mick Fraser	Bryn Hurren (Co-Chair)
	Robert Lindsay	John Matthissen
	Alastair McCraw	Mary McLaren
	Dave Muller (Co-Chair)	Mike Norris

In attendance:

Officers: Melissa Evans, Corporate Manager - Financial and Commissioning and Procurement
Rebecca Hewitt, Assistant Manager - Financial Accountant
Katherine Steel, Assistant Director – Corporate Resources and Section 151 Officer
Emily Yule, Monitoring Officer

13 DECLARATION OF INTERESTS

13.1 There were no declarations of interests.

14 JAC/20/9 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 30 NOVEMBER 2020

It was **RESOLVED:-**

That with the following amendment the Minutes of the meeting held on 30 November 2020 be confirmed as a true record and signed at the next practicable opportunity:

Paragraph 6.7 be amended to read - Mr Patel replied that CIFCO was consolidated as part of the group accounts in the 2018/19 Statement of Accounts.

15 TO RECEIVE NOTIFICATION OF PETITIONS IN ACCORDANCE WITH THE COUNCIL'S PETITION SCHEME

15.1 None received.

16 QUESTIONS BY THE PUBLIC

16.1 None received.

17 QUESTIONS BY COUNCILLORS

17.1 None received.

18 JAC/20/10 JOINT CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES 2021/22

18.1 Rebecca Hewitt – Assistant Manager Financial Accountant introduced report JAC/20/10 and gave an outline of all the appendices contained within the report.

18.2 Councillor Matthissen stated that in paragraph 5.1 of the report it refers to links to the Joint Corporate plan however, it had been expressed in various council meetings and by members of the public that the declaration of climate emergency had not been embedded into the Councils policies or works and enquired if the Committee could request that the Cabinet ensured that the declaration of a climate emergency was embedded into the Joint Corporate Plan.

18.3 The Monitoring Officer stated that the Cabinets were already embedding the declaration of a climate emergency across its corporate strategies and activities and to recommend this would be outside the remit of the Committee. However, the comment could be noted in the minutes and brought to the Cabinet members attention.

18.4 Councillor McLaren stated that paragraph 4.6 mentioned that some councils were taking increasing commercial risks and enquired if there was any evidence and what the consequences had been.

18.5 Katherine Steel – Assistant Director Corporate Resources replied that there had been a couple of examples which had been documented in the press recently regarding council owned energy companies.

18.6 Councillor McLaren enquired if this was something that Councillors should research.

18.7 The Assistant Director – Corporate Resources stated that a report written by external auditors was in the public domain which could be read by the members of the Committee.

18.8 Councillor McLaren enquired if definitive figures of grants paid were available.

18.9 The Assistant Director – Corporate Resources advised that there were approximately 10 different grants being administered and further information could be found on the Councils' websites.

18.10 Councillor McCraw advised that a table of business grants could be found in the Covid 19 section of the Councils' websites.

18.11 Councillor McLaren sought clarification of the phrase 'replacement refuse

freighters' in paragraph 2.6 of Appendix A.

- 18.12 The Assistant Director – Corporate Resources stated that the refuse freighters were the bin lorries and that these were replaced approximately every seven years.
- 18.13 Councillor McLaren enquired if the £2.98m capital investment for the former Councill Offices site in Hadleigh stated in paragraph 2.10 of Appendix A was the 50% investment with Norse Group Holdings.
- 18.14 The Assistant Director – Corporate Resources replied that this was a contribution to the development of the site.
- 18.15 Councillor McLaren asked if the contributions to the pension deficit stated in paragraph 6.1 of Appendix A were the minimum or the maximum payment required to be made.
- 18.16 The Assistant Director – Corporate Resources stated that contributions made were the annual contribution towards the deficit.
- 18.17 Councillor McLaren enquired if the proposed increase in rents self-defeating if residents are already struggling to afford their rent.
- 18.18 The Assistant Director – Corporate Resources replied that a large proportion of the tenants were in receipt of benefits which were also being increased which would allow them to pay the increase, but it was a fine balance.
- 18.19 Councillor Matthissen stated that the pension reductions seemed small in relation to the deficit and that it would take 33 years to completely reduce.
- 18.20 The Assistant Director – Corporate Resources replied that both councils pension funds were in a better position than they were and in the last tri annual valuation completed in March 2019 both funds were approximately 90% funded and could be fully funded in the short to medium term.
- 18.21 Councillor Matthissen enquired what engagement the finance staff had with the Climate Change Task and Finish Group.
- 19.22 The Assistant Director – Corporate Resources stated that there was no finance representation on the Task and Finish Group but they were engaged with the relevant Assistant Directors.
- 19.23 Councillor Lindsay informed the committee that the Climate Change Task and Finish Group had made their recommendations and was now finished.
- 19.24 Councillor Lindsay stated that he did not agree with the second sentence of paragraph 5.19 in Appendix C and asked if it could be amended or deleted.
- 19.25 The Assistant Director – Corporate Resources commented that advice from the Councils' Treasury Management advisor was that funds could not be

switched. They would need to be redeemed and reinvested and if this was done at this time money would be lost.

- 19.26 Councillor Norris enquired if the losses would be significant.
- 19.27 The Assistant Director – Corporate Resources stated they would be significant.
- 19.28 Councillor Matthissen enquired why the two middle school sites and paddock house did not appear in paragraph 3.10 of Appendix B.
- 19.29 The Assistant Director – Corporate Resources informed the committee that these sites had been transferred to the HRA account.
- 19.30 Councillor Caston questioned the size of the Gateway 14 site as two different sizes had been quoted in the report.
- 19.31 The Assistant Director – Corporate Resources stated that the Gateway 14 site had been purchased in two parts which may have caused the inconsistencies in the report which would be rectified.
- 19.32 To begin the debate Councillor Matthissen agreed with Councillor Lindsay's views regarding the wording of paragraph 5.19 in Appendix C. Councillor Caston stated that he did not agree.
- 19.33 Councillor McCraw stated that he had been concerned about the debt however his concerns had been allayed by the report and he **PROPOSED** the recommendations detailed in the report.
- 19.34 Councillor Muller thanked the officers for the report and **SECONDED** Councillor McCraw's proposal.
- 19.35 Councillor Lindsay stated that he could not support the recommendations because of the wording in paragraph 5.19 of Appendix C and sought reassurance that funds would be transferred.
- 19.36 The Assistant Director – Corporate Resources replied that as this was a complex area she did not feel able to give the reassurance needed.
- 19.37 Councillor McCraw suggested an additional recommendation that a report on ESG be brought to a future meeting of Joint Audit and Standards.
- 19.38 The Assistant Director – Corporate Resources agreed to bring a report on ESG to the May Joint Audit and Standards meeting.

It was **RESOLVED** :-

That the following be recommended to both Councils:

- (1) The Joint Capital Strategy for 2021/22, including the Prudential Indicators, as

set out in Appendix A.

- (2) The Joint Investment Strategy for 2021/22, as set out in Appendix B.
- (3) The Joint Treasury Management Strategy for 2021/22, including the Joint Annual Investment Strategy as set out in Appendix C.
- (4) The Joint Treasury Management Indicators as set out in Appendix D.
- (5) The Joint Treasury Management Policy Statement as set out in Appendix G.
- (6) The Joint Minimum Revenue Provision Statement as set out in Appendix H.
- (7) That the key factors and information relating to and affecting treasury management activities set out in Appendices E,F and I be noted
- (8) That a report on ESG Investments be brought to the May Joint Audit and Standards Committee with a view to proposing recommendations to Council.

19 JAC/20/11 FORWARD PLAN

- 19.1 The Assistant Director – Corporate Resources commented that the Forward Plan contained some duplication which needed to be amended.
- 19.2 The ESG Investment item needs to added to the Forward Plan in May as recommended in 3.8 from item JAC/20/10.
- 19.3 The Forward Plan needs to be extended past July 2021.

The business of the meeting was concluded at 11.16 am.

.....
Chair