

Accounts and Regulatory Committee

Town Hall, Colchester
22 September 2009 at 6.00pm

This committee deals with

items such as the approval of the Council's Statement of Accounts, hearing and determining all appeals by employees relating to dismissal, and makes recommendations to the Council on functions such as Health and Safety and Elections.

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There is wheelchair access to the Town Hall from West Stockwell Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call, and we will try to provide a reading service, translation or other formats you may need.

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COLCHESTER BOROUGH COUNCIL
ACCOUNTS AND REGULATORY COMMITTEE
22 September 2009 at 6:00pm

Members

Chairman : Councillor Dennis Willetts.
Deputy Chairman : Councillor Christopher Arnold.
Councillors Dave Harris, Gerard Oxford, Wyn Foster,
Martin Goss, Theresa Higgins, Jackie Maclean, Jon Manning,
Lesley Scott-Boutell and Nick Taylor.

Substitute Members : All members of the Council who are not Cabinet members or members of this Panel

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief.

Pages

1. Welcome and Announcements

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched off or to silent;
- location of toilets;
- introduction of members of the meeting.

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any personal

interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgement of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

5. Minutes

1 - 4

To confirm as a correct record the minutes of the meeting held on 30 June 2009.

6. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

7. Office of High Steward

5 - 7

See report from the Head of Corporate Services.

8. Annual Statement of Accounts

See report from the Head of Resource Management.

9. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

ACCOUNTS AND REGULATORY COMMITTEE

30 JUNE 2009

Present:- Councillors Foster, Goss, Harris, Maclean, Manning, G.Oxford, Taylor and Willetts

Substitutions:- Councillor Gamble for Councillor T Higgins
Councillor Barlow for Councillor Scott-Boutell

Apologies:- - Councillor Arnold

3. Minute

The minute of the meeting of the 21 October 2008 was confirmed as a correct record.

The minute of the meeting of the 20 May 2009 was confirmed as a correct record.

4. Have Your Say

Mr. Cornes addressed the panel to speak about the VAF project. Mr. Cornes said the VAF project was well into the fourth year of construction but still had no end date or final cost in sight. Banner Holdings contract had been terminated and the contract with QS consultant Turner and Townsend we were told, was to be ended shortly.

Mr. Cornes said he had heard Mace is set to be appointed to organise and complete the VAF and that they would be paid up to £72,000 to identify what needs to be done to complete both the outside and interior to the building and how much they think the cost of all works would be, then the Council, he understood would think it would be sensible to let them complete the building. Mr. Cornes said you do not appoint a company to identify what work needs to be done and then hand them the work, you may as well hand them an open cheque. Mace build to make money and will not take on the VAF out of kindness. He believed every item of work carried out on the VAF to date must be known as it has been paid for via the Bill of Quantities and the work outstanding in the same bill is what is left to be done. If this is not the case what has the architect, Adams Kara Taylor, Turner and Townsend and other professionals and Council officers been up to.

Mr. Cornes said this would explain why so much taxpayers money has been frittered away and asked whether anyone has been at the helm or controlling the work on site. This project has cost millions of pounds to date and no one knows what work still remains to be completed. This just beggars belief. Mr. Cornes urged the Council to stop the work now before costs escalate even more, engage a legal firm that deals with construction claims to pursue claims against those not performing to contractual requirements and consider other uses for the building.

Mr. Cornes briefly explained what he believed to be the proper way to conduct the contract tender process for a medium size contract such as the VAF and the benefits to offering

incentives to the contractor(s) to complete works ahead of schedule. Mr. Cornes concluded by saying with the Members of Parliament's expenses now being published, it was now the time for this Council to publish all documents relating to the VAF, for all to view and to come clean about this financial disaster.

Mr. Paul King, District Auditor, attended the meeting for the following item.

5. 2007/08 Annual Audit and Inspection Letter

Mr. King introduced the report on the 2007-08 Annual Audit and Inspection Letter. Mr. King drew the member's attention to the key messages (page 3 of the document) and specifically to key message number 4 and comments about the visual art centre project by Mr. Geoff Benrose of the Audit Commission, this in reference to the comments by the previous speaker.

In response to Councillor Willetts, Mr. King said the 2009-10 audit fee had increased by 1.25%, and whilst this was above the very low rate of inflation the fee proposed is 11 per cent below the scale fee.

RESOLVED that the Committee noted the 2007-09 Annual Audit and Inspection Letter, the Annual Audit Fee 2009-10 and Annual Inspection Letter 2009-10.

6. Review of the Governance Framework and Draft Annual Governance Statement

Ms. Hayley McGrath, Risk and Resilience Manager, attended the meeting for this item and introduced the report 'A Review of Governance Framework and Draft Annual Governance Statement'.

In response to Councillor Harris, Ms. McGrath said there is a cross pollination of suggestions and improvements across departments, officers and members where the issues are generic, for example, password access on all Council systems.

In response to Councillor Taylor, Ms. Ann Wain, Executive Director said the Head of Corporate Management had been tasked with considering ways to strengthen the Council's project management processes. Ms. McGrath confirmed that the Strategic Risk Register monitors all project issues.

Ms. McGrath confirmed to Councillor Foster that a six monthly progress report would be forthcoming this year that would enable an opportunity to monitor and evaluate previous issues.

Councillor Willetts thanked Councillor Dopson, Portfolio Holder for Performance and Partnerships for her suggestion that this was a good opportunity for scrutiny to consider how best to imbed the six principles of good governance into the thoughts of all members and the decision making process.

RESOLVED that the Committee:

- i) Considered and noted the review of the Council's compliance with the six principles of good governance including the review of effectiveness of the internal control arrangements.
- ii) Approved the Annual Governance Statement for 2008-09.

7. To approve the Draft Statement of Accounts

Mr. Steve Heath, Finance Manager, attended the meeting for this item and introduced the report 'Draft Statement of Accounts 2008-09'.

Mr. Heath responded to Councillors Gamble and Taylor in reference to the Council's Icelandic Banks Investments saying impairment to the statement of accounts was based on a 95 per cent return on investment, this based on CIPFA (Chartered Institute of Public Finance) guidance to presume a 90 – 100 per cent return, though as with all investments, there was a risk.

In response to Councillor Willetts, Mr. Heath confirmed that whilst the Council's accounts indicate their share of assets and liabilities of the overall pension fund showed a deficit of £51.93 million, officers were confident that the arrangements for pension funds are sound.

RESOLVED that the Committee:

- i) Considered the report and supporting information, and approved the pre-audit Statement of Accounts for 2008-09.

8. 2008-09 External Audit Report

Ms. Elfreda Walker, Finance Manager, attended the meeting for this item and introduced the '2008-09 External Audit' report.

RESOLVED that the Committee:

- i) Commented upon, and noted the External Audit (Audit Commission) activity to date.

9. 2008-09 Internal Audit Report

Ms. Elfreda Walker, Finance Manager, attended the meeting for this item and introduced the '2008-09 Internal Audit' report.

Ms. Walker confirmed to Councillor Willetts that the final outcome to the recommendation of audit 319 Purchasing Cards, was an issue about the way the checks were being undertaken, rather than there were no checks at all, and the end result of the current arrangements was the same. Mr. Charles Warboys, Head of Resource Management confirmed that there was not an issue with this audit, spot checks are undertaken and he was content with the current arrangements.

In response to Councillor Harris, Ms. Walker confirmed that whilst the table of Key Performance Indicators show only 50 per cent of Priority 1 recommendations being implemented this only represented one recommendation of two overall recommendations, and the second recommendation was currently in the implementation stage. Mr. Warboys confirmed that showing the actual position in this way was in line with the Council's approach to improved transparency.

In regards to Audit 325, Sickness Absence, Ms. Wain confirmed to Councillor Gamble that personal development plans for staff with management responsibilities would be available

where needed, pointing out that the current new arrangements to address previous poor sickness records had resulted in a quite significant improvement to performance results.

RESOLVED that the Committee:

- i) Commented upon, and noted the Council's performance relating to:
 - Performance of internal audit by reference to national best practice benchmarks;
 - Executing the Internal Audit plan for 2008-09;
 - Status of outstanding recommendations as at 31 March 2009.

22 September 2009

Report of	Head of Corporate Management	Author	Amanda Chidgey
Title	Office of High Steward		☎ 282227
Wards affected	Not applicable		

This report gives details of a request from Sir Ivor Crewe regarding the Office of High Steward

1. Decisions Required

- 1.1 The Committee is requested to consider the contents of a letter dated 26 July 2009 from Sir Ivor Crewe formally offering his resignation from the Office of High Steward;
- 1.2 The Committee is further requested to consider approving the following recommendation to the Council:

“*RECOMMENDED* that –

- (i) Sir Ivor Crewe’s wish to relinquish the role of High Steward for the reasons set out in his formal letter of resignation, be accepted and
- (ii) No arrangements be made at the present time regarding the appointment of a successor to the Office of High Steward”

2. Alternative Option

- 2.1 The Committee has discretion as to how it wishes to respond to the request from Sir Ivor Crewe.

3. Background Information

- 3.1 The office of High Steward was created in Colchester by means of a Royal Charter dated 9 July 1635, which was also the Charter that first gave the town a Mayor in place of two annually elected Bailiffs. The Charter sets out the duties of the High Steward as being:-

“to advise and direct the Mayor and Commonalty of the same Borough in the chief business touching that Borough.”

- 3.2 The Charter goes on to say that after the death or resignation of a High Steward:-

“...at a time fitting.....it shall be rightfully lawful for the Mayor, Aldermen, Assistants, Common Council and Free Burgesses of the Commonalty of the Borough..... to choose and prefer one other as High Steward....”

- 3.3 Professor Crewe was Colchester’s 22nd High Steward following a period of five years whilst the Office had been vacant. His predecessor was the late Lord Alport, who had assumed the Office of High Steward following a ceremony in the Town Hall in October

1967 and had represented Colchester in the House of Commons for 11 years. Lord Alport died in 1998.

4. Standard References

- 4.1 There are no specific Strategic Plan references or consultation and publicity considerations; or financial, equality, diversity and human rights; community safety; health and safety or risk management implications in this matter.

From: The Master
Sir Ivor Crewe



University
College
Oxford
OX1 4BH

26 July 2009

Amanda Chidgey,
PO Box 884,
Town Hall,
Colchester
CO1 1PJ

Dear Ms. Chidgey,

Office of High Steward

Thank you for your letter of 21 July.

I can confirm that I wish to relinquish the office of High Steward of Colchester. It has been an honour to hold the office and I have been proud to be associated with Colchester and the borough council through this office. On taking office I had hoped to be able to occupy it for a longer period than has proved possible. Unfortunately, it is no longer practical for me to play the role of High Steward, because I have moved away from Colchester on my appointment as Master of University College Oxford. Although I shall continue to have an honorary position at the University of Essex and expect to visit the University and the town from time to time, I would not be able to be present on those occasions when it has been customary for the High Steward to attend. In these circumstances I think it appropriate to resign from the Office.

The High Steward's Badge of Office is in my safekeeping. I expect to be making a visit to Colchester in the autumn, on which occasion I shall arrange to return the Badge to the Town Hall. I shall write to you again once I know the date of my visit.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Ivor Crewe'.

Ivor Crewe
Master

cc Adrian Pritchard, Chief Executive

