

# LICENSING AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 30 January 2017 at the Council Offices, Farnborough at 7.00 pm.

## **Voting Members**

Cllr A. Jackman (Chairman)

Cllr Liz Corps  
Cllr A.H. Crawford  
Cllr B. Jones  
Cllr S.J. Masterson  
Cllr M.D. Smith  
Cllr Jacqui Vosper  
Cllr J.E. Woolley

Apologies for absence were submitted on behalf of Councillor Maurice Sheehan, Councillor Sophia Choudhary and Councillor Les Taylor.

## **21. MINUTES**

The Minutes of the Meeting held on 28th November, 2016 were approved and signed by the Chairman.

## **22. SELECTION OF THE MAYOR AND DEPUTY MAYOR 2017/18**

The Chief Executive reported on the outcome of the selection process for the Mayor-Elect and the Deputy Mayor-Elect for 2017/18. The Chief Executive had contacted the appropriate Members on the seniority list and reported that Cr. S.J. Masterson was the next Member able to accept the nomination for Deputy Mayor. Through normal progression, Cr. Sophia Choudhary, currently Deputy Mayor, would progress to the position of Mayor for 2017/18.

The Committee **RECOMMENDED TO THE COUNCIL** that:

- (i) Cr. Sophia Choudhary be appointed as Mayor-Elect for the 2017/18 Municipal Year; and
- (ii) Cr. Stephen John Masterson be appointed as Deputy Mayor-Elect for the 2017/18 Municipal Year.

## **23. THE AUDIT PLAN**

The Chairman welcomed to the meeting Mr. Adrian Balmer, Manager, Government and Private Sector of Ernst & Young who reported to the Committee on the Audit Plan which set out how the company intended to carry out its responsibilities as auditor. The Plan summarised an initial assessment of the key risks driving the

development of an effective audit for the Council and outlined a planned audit strategy in response to those risks.

**RESOLVED:** That the Audit Plan be noted.

#### **24. CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2015/16**

The Committee received a copy of Ernst & Young's Certification of Claims and Returns Annual Report 2015/16 in connection with the audit of the Council's claim to the Department for Work and Pensions in respect of the housing benefit subsidy. It was noted that the claim had been checked and certified with a total value of £37,327,041 and that the submission deadline had been met. Members also noted that the 2015/16 certification fee was £8,652 and that the indicative certification fee for 2016/17 was £7,511.

**RESOLVED:** That Ernst & Young's Certification of Claims and Returns Annual Report 2015/16 be noted.

#### **25. EXTERNAL AUDITOR'S SECTOR BRIEFING**

The Committee received Ernst & Young's Local Government Audit Committee Briefing paper, which covered Government and economic news, accounting, auditing and governance, regulation news and key questions for the audit committee.

**RESOLVED:** That the Local Government Audit Committee briefing paper be noted.

#### **26. FEES AND CHARGES - SKIN PIERCING**

The Committee considered the Head of Environmental Health and Housing's Report No. EHH1702, which sought approval for revised fees and charges for skin piercing registration functions provided by the Environmental Health and Housing Service

The Committee was advised that fees for the registration services had last been reviewed in January, 2011 and had been set at £125 to register a business premises and £92 to register a person. Following a review of the work required to deliver the registration activity, and based on the principle of full cost recovery for the services provided, it was proposed that the fee for the registration of the premises should be set at £180 and the fee per person should be set at £90. The fees would come into effect from 1st April, 2017.

**RESOLVED:** That approval be given to the revised fees, as set out in the Head of Environmental Health and Housing's Report No. EHH1702.

#### **27. INTERNAL AUDIT UPDATE**

The Committee received the Audit Manager's Report No. AUD1701, which set out the work of internal audit undertaken during the period September to December, 2016.

The Report set out details in respect of: Housing Benefits; treasury management; Council Tax billing and collection; Council Tax and NNDR recovery; server virtualisation; audit follow-ups; and, mobile devices follow-up. Members were also advised that audit work was currently underway in respect of Public Sector Internal Audit Standards, cash receipting, parking machine income and Activation Aldershot (Capital Project).

During discussion, a question was raised in respect of payment of National Insurance in connection with the calculation of Members' allowance payments at the start of a Municipal Year. It was agreed that this issue would be raised with Human Resources.

**RESOLVED:** That the Audit Manager's Report No. AUD1701 be noted.

## **28. ANNUAL TREASURY MANAGEMENT STRATEGY 2017/18 AND PRUDENTIAL INDICATORS FOR CAPITAL FINANCE**

The Committee considered the Head of Financial Services' Report No. FIN1703, which provided an update on the Treasury Management Indicators and Prudential Indicators for capital financing for the year 2016/17. The Report also set out the proposed Treasury Management Strategy for the year 2017/18, including the borrowing and investment strategies and treasury management indicators, the Prudential Indicators for capital finance for 2017/18 and the Minimum Revenue Provision Statement.

The Report advised that funds invested consisted of short-term cash available due to timing of income and expenditure (e.g. from movements in working capital or from reserves that needed to be available in the short term) and potentially longer-term investment funds derived from the Council's capital receipts. Arlingclose's advice continued to indicate that the Council should diversify investment risk by spreading smaller amounts over an increasing number of counterparties.

Members noted that the Council would now need to incur some borrowing to support the financing of its approved Capital Programme in the current year. The Council therefore would commence 2017/18 in a position where its investment holdings remained significant, but it also carried some debt. There would be an inevitable requirement to incur some additional borrowing to service capital expenditure in 2017/18. Careful observation of the Prudential Indicator "gross debt versus capital financing requirement" would need to be undertaken progressively throughout the financial year. This meant that the Council would have to redeem an element of its market investments towards the end of 2017/18 and in future years in order to reflect the requirements of this Indicator.

During discussion, Members raised questions concerning a cap on borrowing, property assets and sources of long-term and short-term borrowing.

**RESOLVED:** That Cabinet be recommended to approve:

- (i) the revised Treasury Management and Prudential Indicators for the year 2016/17, as set out in Appendix A to the Head of Financial Services' Report No.

FIN1703;

- (ii) the Treasury Management Strategy, Annual Borrowing Strategy and Annual Investment Strategy, as set out in Appendix B to the Report;
- (iii) the Prudential Indicators, as set out in Appendix C to the Report; and
- (iv) the Minimum Revenue Provision Statement, as set out in Appendix D to the Report.

## **29. FOLLOW UP FROM AUDIT RESULTS REPORT**

The Committee considered the Head of Financial Services' Report No. FIN1704, which set out the Council's response to an issue which had been raised by Ernst & Young in its Annual Audit Results Report and considered by the Committee on 26th September, 2016.

By way of background, the Committee was advised that the Audit Report had identified an uncorrected error in the accounts and the proposed treatment of this had been set out in the Letter of Representation from Management which had been discussed and approved by the Committee. In the Letter of Representation a commitment had been made to review the entire population of debtors and to correct any errors subsequently identified, prior to the submission of the accounts for 2016/17 and to adopt necessary procedures to ensure that all debtor balances were adequately evidenced and provided against where necessary.

The Committee was advised that the Accountancy Team within Financial Services had carried out a complete exercise on all debtors that fell outside of the verifiable systems (i.e. sundry debtors, Council Tax, business rates, housing benefit, purchase ledger) to identify all accounts where there had been no movement during 2015/16. These had then been reviewed for supporting evidence. This exercise had identified four other balances where sufficient supporting evidence of a collectable debt was no longer available and of action taken since. The total amount written back to the General Fund would be £91,877, which represented 1.85% of total debtors. It was advised that a process would be built into the annual accounts timetable going forward so that information relating to debtors was adequately maintained and an assessment would be made for any provision against bad debt and doubtful debt.

The Report informed the Committee that the debtors that fell outside of the main systems were a small fraction of the total debtors category and were largely highways related (where works were recharged to others such as Hampshire County Council) or are in receipt of rent deposits or car loans, all of which were recorded well within services. A working paper had been prepared to share with the auditors to demonstrate compliance with best practice and with the proposals set out in the Letter of Representation.

Members were also advised that the variance in the revenue account had been reported to the Cabinet as part of the October budget monitoring report (Report No. FIN1622) and had therefore been taken into account when estimating the outturn position for 2016/17.

**RESOLVED:** That the action proposed in response to the Audit Results Report, as set out in the Head of Financial Services' Report No. FIN1704, be noted.

### 30. **PAY POLICY STATEMENT**

The Committee considered the Corporate Director's Report No. CD1701, which set out the framework within which pay was determined at the Council and provided an analysis comparing the remuneration of the Chief Executive with others employed by the Council.

The Committee was advised that the ratio between the Chief Executive and the full-time equivalent salary for a permanent member of staff employed on the lowest grade was 7.1:1, which was lower than when the exercise had been undertaken for the previous year when the figure had been 7.5:1. It was also advised that the ratio that looked at the median remuneration of staff compared to the Chief Executive showed no change from the previous year and remained at 3.8:1.

The Committee **RECOMMENDED TO THE COUNCIL** that the Pay Policy Statement 2017/18 be adopted.

The meeting closed at 8.00 pm.

CLLR A. JACKMAN (CHAIRMAN)

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