

CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Minutes of the meeting held on Wednesday, 31st January, 2024 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr P.J. Cullum (Chairman)
Cllr S. Trussler (Vice-Chairman)

Cllr C.W. Card
Cllr A.H. Gani
Cllr Christine Guinness
Cllr Nadia Martin
Cllr S.J. Masterson*
Cllr Sarah Spall
Cllr Nem Thapa
Cllr Jacqui Vosper
Cllr G. Williams

Apologies for absence were submitted on behalf of Cllr D.E. Clifford.

*Cllr S.J. Masterson attended the meeting as a Standing Deputy.

Non-Voting Member

Mr Tom Davies (ex officio)

28. MINUTES

The minutes of the meeting held on 27th November 2023 were agreed and signed as a correct record of the proceedings, subject to an amendment that Cllr Sarah Spall be recorded as present at the meeting.

29. APPOINTMENTS

The Committee **AGREED** the appointment of Cllr D.E. Clifford as a Member of the Committee in place of Cllr Ade Adeola for the remainder of the 2023/24 Municipal Year.

30. POLLING DISTRICTS AND POLLING PLACES REVIEW 2023-24

The Committee considered the Corporate Manager – Democracy's Report No. DEM2401 on the outcome of the formal review of polling districts and polling places 2023/24, which set out proposals for Rushmoor's polling districts and places. The review, which was a requirement for all constituencies in England, had been carried out with the support of the Elections Group and had included a full public consultation.

The Committee was advised of the formal review requirements and the process that had been followed, together with a summary of the comments raised during the consultation as set out in paragraph 4 of the report.

The Chairman of the Elections Group attended the meeting to summarise and present the proposals set out in Annex 1 to the Report. The key changes related to Wellington Ward (additional polling place at Smith Dorrien for the Wellesley area), Rowhill Ward (existing polling places at the Field Centre and the Traction Club to be made permanent) and Aldershot Park Ward (relocation of polling place from Lido car park mobile station to Aldershot Cricket Club).

RESOLVED: That

- (i) the recommendations for polling districts and places as set out in Annex 1 to Report No. DEM2401 be adopted, and
- (ii) authorisation be given to the Corporate Manager – Democracy to issue the appropriate notice and publish the required changes to the electoral register as a result of the review.

31. PAY POLICY STATEMENT AND GENDER PAY GAP

The Committee considered the Executive Director Report No. PEO2401, which sought approval for a Pay Policy Statement for 2024/25, as set out in the Report. The Pay Policy Statement set out the framework within which pay was determined within the Council and provided an analysis comparing the remuneration of the Chief Executive with other employees of the Authority. The Report also set out the calculations of the gender pay gap, which the Council was required to publish annually under the Equality Act 2010 (Specific Duties and Public Authorities Regulations 2017).

The Committee noted that the comparisons looked at the ratio between the Chief Executive and the full-time equivalent salary for a permanent member of staff employed in the lowest grade within the structure. The ratio for 2024/25 was 5.9:1. The second ratio included within the analysis looked at the relationship between the median remuneration of all staff compared to the Chief Executive. It was noted that the ratio for 2024/25 was 3.5:1 the same as the previous year.

The Committee noted that the average difference (or 'gap') in pay rates between male and female salaries had decreased from 13.8% to 12.69%. The number of female employees had increased in Quartile 4 which was the highest pay quartile. As last year, both the median female hourly rate and the median male hourly rate had increased and the median gap has again decreased slightly from 10.9% to 9.52%.

The Committee:

- (i) **RECOMMENDED TO THE COUNCIL** that approval be given to the Pay Policy Statement 2024/25, as set out in the Executive Director Report No. PEO2401; and
- (ii) **RESOLVED** that the Gender Pay Gap report, as set out in the Report, be noted.

32. **RUSHMOOR DEVELOPMENT PARTNERSHIP PROGRESS REVIEW**

The Committee considered the Executive Director's Report No. ED2401, as Council Shareholder, on the latest progress review from the Rushmoor Development Partnership (RDP). The Report provided commentary on progress and delivery through the Partnership during 2022 and 2023 on the key regeneration sites agreed as part of the initial RDP Business Plan.

The partnership in which the Council and Hill Partnerships Limited's staff worked together, had enabled a commercial approach to be taken to bringing forward sites such as Parsons Barracks and Union Yard in Aldershot, and the realisation of the Civic Quarter Masterplan. Overall, the RDP had made a positive contribution to moving forward the Council's regeneration objectives over the period of the report. The Committee was invited to note the progress achieved and that a future report on the role of the company or new project plans would come forward in due course.

RESOLVED: that Report No. ED2401 be noted.

33. **ANNUAL CAPITAL STRATEGY 2024/25**

The Committee considered the Executive Head of Finance Report No. FIN2401 which set out the proposed Capital Strategy for the year 2024/25 to 2026/27, including the Prudential Indicators for capital finance for 2024/25. The Report gave a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services, along with an overview of how associated risk was managed and the implications for future financial sustainability. The Strategy had been written in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) "Prudential Code" and the "Treasury Management Code of Practice" 2021, and the Department for Levelling Up, Housing and Communities (DLUHC) guidance on Local Government Investment.

The Committee was advised that decisions made during the year on capital and treasury management would have financial consequences for the Authority for many years into the future. They were therefore subject to both a national regulatory framework and to local policy framework, which were summarised in the report.

It was advised that the Council had incurred prudential borrowing of £168 million, in relation to its capital expenditure. As the debt as short term it would need to be replaced on an ongoing basis. However, the Council was expecting to reduce its borrowing need by selling £40m of assets to generate capital receipts over the next

three years. This would reduce the revenue costs associated with borrowing going forward.

With regard to a query regarding the disposal of assets, it was noted that the Council's properties were valued each year and capital receipts from such sales, could be used to fund revenue streams, reduce debt and invest in development.

The Committee **RECOMMENDED TO THE COUNCIL** that the Capital Strategy for 2024/25 to 2026/27 and Prudential Indicators for 2024/250 as set out in the Executive Head of Finance Report No. FIN2401 be approved.

34. **ANNUAL TREASURY MANAGEMENT STRATEGY AND ANNUAL NON-TREASURY MANAGEMENT INVESTMENT STRATEGY 2024/25**

The Committee considered the Executive Head of Finance Report No. FIN2402 which set out the proposed Treasury Management Strategy and Non-Treasury Management Strategy for the year 2024-25, including the borrowing and investment strategies and treasury management indicators for capital finance for 2024-25 and the Minimum Revenue Provision (MRP) Statement.

Treasury risk management at the Council was conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code), which required approval of a treasury management strategy before the start of each financial year. The Executive Head of Finance's Report No. FIN2402 fulfilled the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. The CIPFA Code also required the Authority to have a separate Non-Treasury Investment Strategy (as set out in Appendix 2 to the report) which had to be approved before April 2024. Local authorities were also required by regulation to have regard to the provisions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) 2021.

The report set out the purpose, functions and activities of the treasury management operation and the non-treasury investment management operations and set out the Treasury Management Strategy, Annual Borrowing Strategy and Annual Treasury Management Investment Strategy (Appendix 1), Non-Treasury Investment Strategy (Appendix 2) and the Council's Minimum Revenue Provision (MRP) Statement (Appendix 3). These policies and parameters provided an approved framework within which officers undertook the day-to-day capital, treasury and non-treasury investment activities.

Following discussion on the report, the Executive Head of Finance advised that the Bank of England were predicting a base rate of 3% by the middle of 2026, this would be monitored and reviewed as necessary.

The Committee

(i) **RECOMMENDED TO THE COUNCIL** that

- (a) the Treasury Management Strategy 2024-25, Annual Borrowing Strategy 2024-25 and the Annual Treasury Management Investment Strategy (as set out in Appendix 1 to the Executive Head of Finance Report No. FIN2402) be approved;
- (b) the Annual Non-Treasury Investment Strategy 2024-25 (set out in Appendix 2) be approved; and
- (c) the Minimum Revenue Provision (MRP) Statement (set out in Appendix 3) be approved.

35. ANNUAL STATEMENT OF ACCOUNTS/EXTERNAL AUDIT OPINION - UPDATE

The Executive Head of Finance provided an update to the Committee on the current position regarding the Annual Statement of Accounts and External Auditor's Opinion.

It was advised the Government planned to lay statute in June, 2024 to reset the audit process. This would result in the next audit taking place on the current years finances in Autumn, 2024. All outstanding accounts, prior to 2023/24, would remain unaudited and published on the website with a national disclaimer explaining the situation.

RESOLVED: That the update be noted.

36. INTERNAL AUDIT - AUDIT UPDATE

The Committee received the Audit Manager's Report No. AUD2401 which provided a progress update on the 2023/24 Audit Plan.

In response to a question regarding staff levels to carry out the current year's remaining work, the Audit Manager advised the Committee that a plan of action was in place to appoint external auditors to deliver the Plan.

RESOLVED: That the Audit Manager's Report No. AUD2401 be noted.

37. SELECTION OF THE MAYOR AND DEPUTY MAYOR 2024/25

The Committee considered the Chief Executive's Report No. DEM2402 which set out the current position on the selection process for the Mayor and Deputy Mayor for the 2024/25 Municipal Year.

Following a review of the criteria for the selection of the Mayor and Deputy Mayor, the Council had adopted a revised protocol in December 2022. In accordance with the updated procedure, all Councillors had been invited to indicate their interest in the role of Deputy Mayor for 2024/25, progressing through to Mayor in 2025/26.

The Corporate Manager – Democracy reported that since the publication of the agenda, an update had been received from the Chief Executive to advise that Cllr Gaynor Austin be recommended for the role of Deputy Mayor in 2024/25 and confirmed that Cllr Austin's nomination met the criteria by order of seniority and eligibility.

The Committee was advised that this year's Deputy Mayor, Cllr Mara Makunura, had confirmed her wish to proceed through the normal progression to the position of Mayor for 2024/25.

The Committee expressed support for the nominations. During discussion, reference was made to the Mayoral protocol and balancing the dual roles of councillor and Mayor as the First Citizen of the Borough.

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

- (i) Cllr Mara Makunura be appointed as Mayor-Elect for the 2024/25 Municipal Year; and
- (ii) Cllr Gaynor Austin be appointed as Deputy Mayor-Elect for the 2024/25 Municipal Year.

The meeting closed at 8.53 pm.
