

MINUTES OF A MEETING OF THE
 PERFORMANCE, AUDIT AND GOVERNANCE
 OVERSIGHT COMMITTEE HELD IN THE
 COUNCIL CHAMBER, WALLFIELDS,
 HERTFORD ON TUESDAY 29 OCTOBER
 2019, AT 7.00 PM

PRESENT: Councillor M Pope (Chairman)
 Councillors A Alder, S Bull, J Burmicz,
 L Corpe, A Curtis and T Stowe

ALSO PRESENT:

Councillors P Ruffles

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Richard Cassidy	- Chief Executive
Andrew Figgis	- Economic Development Officer
Ashok Mistry	- Finance Business Partner
Nicola Munro	- Principal Accountant
Chris Smith	- Business Engagement Manager
Alison Street	- Finance Business Partner
Robert Winterton	- Financial Services Manager
Ben Wood	- Head of

Communications,
Strategy and
Policy

201 STATEMENT OF ACCOUNTS – PRESENTATION

The Financial Services Manager gave a presentation on the Draft Statement of Accounts. The presentation provided a summary of:

- why the audit process had been delayed;
- when the off-site worked commenced and when this would finish; and
- that as at 29 October – 10 outstanding items were being reviewed.

The Financial Services Manager provided a summary of the proposed changes to the Statement of Accounts and why these had been requested by the External Auditor. He explained that PAGO at its meeting on 19 November 2019, would be asked to approve the Statement of Accounts and seek authority for the Chairman to sign off the accounts. The Committee would also be asked to approve that the Chairman be allowed to sign the Letter of Representation.

Members sought clarification on a number of issues including:

- The review of 10 outstanding issues and whether these related to Council activity;
- Whether Officers had provided all the evidence needed to conclude the review (so that further delays would be avoided);

- The proposed change to IAS19 (Pension) required to the statement of accounts and the disclosure ruling;
- Minor errors which had been picked up by the External Auditor;
- Going forward, how external auditor providers were chosen;
- Information provided to the External Auditors and comparisons to what had been provided in the past;

At the request of Members, the Financial Services Manager agreed to circulate the draft Audit Report to Members.

The Committee received the report.

RESOLVED – that the presentation be received.

202 TREASURY MANAGEMENT OUTTURN 2018/19

The Executive Member for Financial Sustainability submitted a report reviewing the Council's treasury management activities for 2018/19 including the prudential indicators and the associated impact on the 2019/20 treasury management strategy.

The Financial Business Partner provided a summary of the report adding that there were no significant changes to the outturn. She explained that there was some intrinsic debt (£6m) which would be cleared in May 2020.

The Chairman and Members sought and were provided with clarification in relation to a number of issues including:

- The level of reserves;
- The Council's negative capital financing requirement

(CFR), when this was set, how this was determined and what this was used for;

- Confirmation that the Council's level of reserves stood at between £39m - £40m, where and how long these were held on deposit and whether the funds deposited in approved countries, were limited;
- The rate of return on the monies invested with Millstream; and
- why the Public Works Loan Board (PWLB) had increased their borrowing rates.

Members supported the recommendation to advise the Executive that the Treasury Management Outturn for 2018/19 be approved.

It was moved by Councillor A Alder and seconded by Councillor L Corpe that the recommendation be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED - that the Executive be advised that Members support approval of the Treasury Management 2018/19 activity and Prudential Indicators.

203 TREASURY MANAGEMENT MID-YEAR REVIEW

The Executive Member for Financial Sustainability submitted a report on the Council's treasury management activities for the first six months of 2019/20 financial year including the prudential indicators. The Finance Business Partner explained that the only major change was the significant reduction in capital spends owing to some larger projects being re-profiled and explained how this would affect future borrowing.

The Chairman and Members debated the report at length and sought clarification on a number of issues including, the Council's long term liabilities, why the Council would need to borrow in April 2021 and the various projects which would require a loan from the Public Works Loan Board (PWLB). The Finance Business Partner explained the rationale behind the need to change to the Prudential Indicators for the Capital Financing Requirement.

Members supported the recommendation to receive the report and to advise the Executive that Performance Audit and Governance Oversight members support the Treasury Management Outturn activity and proposed changes to the prudential indicators for the first six months of the 2019/20 financial year.

It was moved by Councillor A Alder and seconded by Councillor J Burmicz that the recommendation as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the (A) report be received and

(B) the Executive be advised that Performance Audit and Governance Oversight Members support the Treasury Management Outturn activity and proposed changes to the prudential indicators for the first six months of the 2019/20 financial year.

204 ECONOMIC DEVELOPMENT STRATEGY – UPDATE

The Executive Member for Planning and Growth submitted a report which provided an update on the Economic Development Vision for East Herts. The Head of

Communications, Strategy and Policy provided a summary of the report in terms of achievements since 2015 based on the six key themes and the challenges the Council could face after BREXIT in terms of supporting local businesses and the local economy.

The Head of Communications, Strategy and Policy explained that 11,700 businesses were registered in the District but this figure had become skewed and it was difficult to establish which were “shell” companies which masked statistics in terms of macro-economics.

The Head of Communications, Strategy and Policy referred to the need to hold onto employment land as this was being lost at a rapid pace and converted into more profitable residential land. Members noted that 20HA of employment land had been identified within the District Plan to provide an additional sustainable level of employment space over a period for the next 10 – 15 years. It was noted that the use of an Article 4 Direction could play some part in protecting land. Further work was being undertaken on this aspect.

Members debated the report at length in terms of:

- Approaches taken by neighbouring authorities (such as Welwyn Garden City) in developing business land;
- The role of the Herts LEP in identifying the net loss of employment space over the last decade;
- The potential to work with others on e.g. DIZ, tourism, inward investors and why certain towns had been targeted;
- the challenges of boundaries and how this impacted on employment land/investment opportunities;
- Whether Life Sciences in the Cambridge corridor

could be extended south and the need to attract global “players”. It was noted that a bid for Euro Development Monies had been submitted for investment in three sectors including Life Sciences and Stansted Airport.

- The success of Launch-pad in Bishop’s Stortford and the need to accommodate the facility within plans for the Old River Lane;
- The need to protect the vibrancy of all Town Centres, including Sawbridgeworth Town Centre and how business rate relief could help some new businesses;
- The roads and poor infrastructure in the approach to Buntingford which could detract businesses from establishing a presence locally;
- The need to review inward investment and encourage employment opportunities in the District. The role of the District Plan in this process was acknowledged.

Members further debated the need to encourage employment opportunities in the District and that there should be greater narrative in supporting what was being done in the five towns in the district. This was supported.

Following a review of the Economic Development Vision it was moved by Councillor A Alder and seconded by A Curtis that the recommendations on (A) the need to encourage employment opportunities in the District and (B) that there be greater narrative in supporting what was being done in the five towns in the district be conveyed to the Executive Member for Planning and Growth. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the progress made against the

Economic Development Vision be noted; and

(B) that Members' views that greater narrative be included within the Plan in supporting what was being done in the five towns in the District be conveyed to the Executive Member for Planning and Growth and that Officers prepare a written statement for circulation on how the five towns are being supported.

The meeting closed at 8.45 pm

Chairman
Date