

**SUPPLEMENTARY ITEMS FOR
COUNCIL
7.30 pm on Thursday, 20 September, 2018
In the Council Chamber, Civic Centre**

The attached documents are due to be considered at the meeting listed above and were unavailable for circulation when the agenda for the meeting was published. The agenda item to which the documents relate is noted below.

AGENDA

11. Minutes of Cabinet and Committee Meetings

To note the following Cabinet and Committee minutes:

- g) Minutes of meeting Tuesday, 4 September 2018 of Scrutiny Committee (Pages 2 - 4)
- h) Minutes of meeting Wednesday, 5 September 2018 of Special Audit and Standards Committee (Pages 5 - 7)

**MINUTES OF THE SCRUTINY COMMITTEE
HELD ON**

4 September 2018

7.30 - 9.05 pm

PRESENT

Committee Members

Councillor Bob Davis (Chair)

Councillor David Carter (Vice-Chair)

Councillor Simon Carter

Councillor Joel Charles

Councillor Tony Edwards

Councillor Shona Johnson

Councillor Edna Stevens

Councillor Chris Vince

Councillor Phil Waite substitute for Councillor Maggie Hulcoop

Officers

Donna Beechener, Revenues and Benefits Manager

Cara Coxhead, Area Housing Manager

Simon Freeman, Head of Finance and Deputy to the Managing Director

Jane Greer, Head of Community Wellbeing

Adam Rees, Governance Support Officer

Other Attendees

Dave Cope, District Operations Manager for Essex DWP

12. **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Maggie Hulcoop.
Councillor Phil Waite was in attendance as her substitute.

*The Chair announced that items 9 and 10 would be considered before
Item 8.*

13. **DECLARATIONS OF INTEREST**

None.

14. **MINUTES**

RESOLVED that the minutes of the meeting held on 24 July 2018 are
agreed as a correct record and signed by the Chair.

15. **MATTERS ARISING**

None.

16. **WRITTEN QUESTIONS FROM MEMBERS OF THE PUBLIC**

None.

17. **WRITTEN QUESTIONS FROM COUNCILLORS**

None.

18. **RESPONSES OF THE CABINET TO REPORTS OF THE SCRUTINY COMMITTEE**

None.

19. **REVIEW OF THE IMPACT OF PERMITTED DEVELOPMENT - SCOPING REPORT**

Jane Greer, Head of Community Wellbeing, presented a scoping report for the Review of the Impact of Permitted Development.

The Committee agreed that the possibility of using Article 4 Directions should be considered as part of the review. It was also agreed that the review should look at the protocols surrounding the transfer of people on a housing needs register into other council areas, and whether these protocols needed strengthening.

RESOLVED that the scope of the review of the Impact of Permitted Development, as set out in the report, was agreed subject to the addition of the following:

- A** Explore the possibility of using Article 4 Directions to limit permitted development.
- B** Review the protocols surrounding the transfer of people on housing needs registers into other council areas, and whether these protocols needed strengthening.

20. **REVIEW OF POLICING IN THE TOWN - SCOPING REPORT**

Jane Greer presented a scoping report for a review of policing in the town. The Committee agreed to invite Nick Downing, Assistant Chief Constable – Essex Police, the Police Federation, the Police Chiefs Association, and the Police and Crime Commissioner to participate in the review.

RESOLVED that the scope of the review of policing in the town, as set out in the report, was agreed subject to the following:

- A** The addition of Nick Downing, Assistant Chief Constable – Essex Police, the Police Federation, the Police Chiefs Association, and the Police and Crime Commissioner to the list of stakeholders to be invited to participate in the review.

21. **REVIEW OF UNIVERSAL CREDIT IN HARLOW - UPDATE REPORT**

The Committee received an update report on the review of Universal Credit in Harlow. The Chair asked Dave Cope, the District Operations Manager for Essex DWP to give an overview of how Universal Credit (UC) was being implemented, as well as how the DWP was dealing with any identified issues. Councillors were then invited to ask questions.

The Committee considered the identified issues and agreed that Cabinet should be asked to note the delays in payments being made to housing providers as well as the increase in the level of rent arrears.

RESOLVED that the Committee recommended to Cabinet that:

- A** It notes the continued operational issues that the transition to Universal Credit is having for the Council and its services during the first 12 months of the live scheme in Harlow and in particular:
- i) Delays in payments being made to housing providers.
 - ii) The increased level of rent arrears.

22. **WORK PLAN**

The Committee received a report summarising its work plan for 2018/19.

The Chair informed the Committee that the West Essex CCG had declined an invitation to attend the meeting in October to participate in the Review of the Closure of Osler House. The Committee expressed their disappointment and asked that a letter was written by the Managing Director to the CCG expressing this. It was agreed that the Osler House Action Group would still be invited to the meeting.

RESOLVED that the work plan be noted.

23. **REFERENCES FROM OTHER COMMITTEES**

None.

24. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE COMMITTEE

**MINUTES OF THE AUDIT & STANDARDS COMMITTEE
HELD ON**

5 September 2018

7.30 - 8.15 pm

PRESENT**Committee Members**

Councillor Karen Clempner (Chair)
Councillor Simon Carter
Councillor Jean Clark
Councillor Tony Edwards
Councillor Michael Hardware
Councillor Eddie Johnson
Councillor Russell Perrin
Councillor Chris Vince

Officers

Simon Freeman, Head of Finance and Deputy to the Managing Director
John Dyson, Principal Finance Manager
Jo Maskell, Governance Support Officer

ALSO PRESENT

Suresh Patel, Associate Partner, Ernst & Young LLP

APOLOGIES

Councillor Stefan Mullard
Councillor Ian Beckett

25. DECLARATIONS OF INTEREST

Both Councillors Simon Carter and Chris Vince declared a non-pecuniary interest in agenda item 4 (Audit Results Report) as they were members of the HTS (Property & Environment) Board of Directors.

26. MANAGEMENT LETTER OF REPRESENTATIONS 2017/18

Following the deferment at its last meeting on 31 July 2018, the Committee received a revised report and draft letter of representation to formally acknowledge the audit of the 2017/18 financial statements.

It was noted that the two main areas of concern, which had led to the deferment at the last meeting, had now been addressed.

Having sought technical advice, one unadjusted misstatement relating to the Council's treatment and approach to the depreciation of Housing assets remained. For the sake of transparency, the result of this difference in methodology had been demonstrated in Appendix A of the management letter.

RESOLVED that the Letter of Representations, at Appendix 1 of the report, is acknowledged and approved.

27. **AUDIT RESULTS REPORT 2017/18 (ISA 260)**

Further to Minute 21 (31/7/18), the Committee received a report and the external auditor's draft findings on their audit of the Council's financial statements.

The external auditor gave an update on the audit work completed since their report to the last meeting of this Committee. It was noted that the external auditors were content with the Council's response to their concerns regarding the two technical adjustments they had requested. A pragmatic way forward had been agreed, as the issues raised did not impair the material accuracy of the accounts nor alter the bottom line of the Council's reserves and balances.

As the external auditors had previously given their assurance on their value for money assessment, it was noted that this had been duly noted at the last meeting of this Committee.

RESOLVED that the Audit Results Report be reviewed alongside consideration of the Statement of Accounts (see following item).

28. **AUDITED ANNUAL ACCOUNTS**

Further to minute 22 (31/7/18), the Committee received the 2017/18 Statement of Accounts, together with a tabled list of amendments (appended to these minutes) that had been made to the accounts since the report had been published.

These accounts were considered alongside the auditor's results report (see Minute 27).

RESOLVED that the 2017/18 Statement of Accounts, at Appendix 1 of the report, be approved.

29. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE COMMITTEE

Appendix to Minutes (Tabled)

Amendments To The Statement of Accounts 2017/18

Page No.	Description of Amendment
26	Restatement of PPE & Assets Held for Sale has changed from £313,000 to £494,000.
27	The 2016/17 original Cash Flow figures have been added to the statement.
28	Table 1 to the Cash Flow has been updated with the original 2016/17 figures.
28	The 2016/17 figures in table 2 which shows the Investing and Financing Activities in the Cash Flow Statement have been amended.
50	Note 1 'Expenditure and Funding Analysis' – the restated 2016/17 figures have been amended.
51	The table 'Adjustment Between Funding and Accounting Basis' has been updated.
63	Note 10 'Property Plant and Equipment' – the Cost of Valuation at 31 March 2017 has been updated.
102	Inserted 'do not' into the sentence : The accounting statements, upon cessation of the organisation, do not include Kier Harlow pension figures. Also incorporated within the single entity accounts are the HTS (Property and Environment) Ltd IAS19 reported figures.
103	The pensions numbers have been updated in the following sentence: The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement in the "actuarial gains or losses line as ta 31 March 2018 was a loss of £40.071million (as at 31March 2017 it was a loss of £53.556 million) due to an actuarial loss restated 2016-17 £18.132 million and the gain during 2017/18 of £13.485 million.
104	The parentheses in table 1 have been amended. The figures in the following sentence have also been updated: The funded liabilities have increased by £32.3 million, while funded assets have increased by £50.2 million to reveal a net reduction of £17.9 million.
124	Note H12 'HRA Share of Contributions To / From The Pensions Reserve – the figures have been amended and the sentence now reads: Incorporated within the single entity accounts are the HTS (Property and Environment) Ltd pension figures. The actual payments for pensions made to the pension fund from the HRA of £1,450,000 (2016/17: £380,000) plus the continuing pension payments in relation to underfunding and early retirements awarded to HRA employees of £1,758,000 (2016/17: £1,761,000) are removed from the HRA and replaced by the current service cost applying the principles of IAS 19 making a total amount removed of £2,733,000 (2016/17: (£8,909,000)). The corresponding entry is to the Pensions Fund Reserve. The current service cost included in the HRA is the IAS 19 reported sum of £475,000 (2016/17: £537,000) which represents the pension costs of current staff.