

Minutes of a meeting of the Constitution Committee held at County Hall, Glenfield on Friday, 29 June 2007.

PRESENT

Mr. S. J. Galton CC
Mr. D. R. Parsons CC
Mr. N. J. Rushton CC

Dr. M. O'Callaghan CC
Prof. M. E. Preston CC

1. Election of Chairman.

That Mr D R Parsons CC be elected Chairman for the period ending with the date of the Annual Meeting of the County Council in 2008.

Mr D R Parsons CC – in the Chair

2. Appointment of Deputy Chairman.

That Mr N J Rushton CC be appointed Deputy Chairman for the period ending with the Annual Meeting of the County Council in 2008.

3. Minutes.

The minutes of the meeting held on 8 March 2007 were taken as read, confirmed and signed subject to the following being added to the end of the first sentence in the preamble of minute 28:-

“...in relation to the appointment of Chief and Deputy Chief Officers and Political Assistants.”

4. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

5. Questions asked under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

6. Urgent Items.

There were no urgent items for consideration.

7. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

All members of the Committee declared a personal non-prejudicial interest in respect of the item entitled Members' Allowances 2006/07 (minute 9 refers).

8. Statement of Accounts for 2006/07.

The Committee considered a report of the Director of Corporate Resources which presented the 2006/07 Statement of Accounts for approval and informed the Committee of the key issues within the accounts. A copy of the report, marked 'B', is filed with these minutes.

Arising from discussion, the following points were made:-

(i) Pension Fund

The Committee was advised that Leicestershire County Council's Pension Fund was the best funded of all County Council pension funds. This in part was as a result of exercising prudence when negotiating employment packages and redundancies. It was noted that the FRS17 valuation methodology was applied to private companies and public bodies alike despite the obvious differences between them.

(ii) Reserves

In response to questions as to whether the level of reserves was believed to be excessive, the Director of Corporate resources indicated that the £8.5 million balance on the County Fund was currently within the target range of 2 to 3% of net expenditure. He added that other reserves were held in order to meet specific liabilities.

The level of reserves for insurance claims was also queried. The Committee was advised that this covered claims where it was not clear if the County Council was liable. Advice on the level of reserves required was taken from external insurers.

(iii) Financial Arrangement with Leicestershire County and Rutland Primary Care Trust (LCRPCT)

The financial arrangement with LCRPCT was proceeding according to the schedule outlined in the report to Cabinet on 5 March 2007. It was not anticipated that there would be any problems with the arrangement, which was felt to be beneficial to both parties.

(iv) Borrowing

There had been more long term borrowing than capital financing requirement in 2006/07. This was because advantage had been taken of the low interest rates. The County Council borrowed money in advance in order to "forward fund" the Capital Programme.

(v) Retirements

Reference was made to the decision to fund early retirements in full rather than

over five years, as had previously been the practice. The Committee was advised that paying in full ultimately generated a saving. The level of underspend had provided an opportunity for this to happen and if at all possible this would be the practice in the future.

(vi) Changes to the Financial Statement

The Director of Corporate Resources advised that it was likely that there would be some changes to the financial statements. These mainly related to the need to agree the accounting treatment of the items within the statement of recognised gains and losses with the External Auditor. These changes would not impact on the County Fund.

RESOLVED:

That the Statement of Accounts for 2006/07 be approved, subject to the Director of Corporate Resources being authorised to make such amendments which are not of a material nature as he considers appropriate following further discussions with the External Auditor.

9. Members' Allowances 2006/2007.

The Committee considered a report of the Chief Executive on the action taken to publicise the level of payments on members' allowances for 2006/2007. A copy of the report, marked 'C', is filed with these minutes.

RESOLVED:

That the action taken by the Chief Executive to publicise the level of payments on members' allowances in 2006/07 be noted and that the details be published with the minutes of this meeting in accordance with the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003.

3.30 - 4.00 pm
29 June 2007

CHAIRMAN