

Minutes of a meeting of the Constitution Committee held at County Hall, Glenfield on Monday, 30 June 2008.

PRESENT

(in the Chair)

Mr. S. J. Galton CC
Dr. M. O'Callaghan CC
Mr. D. R. Parsons CC

Prof. M. E. Preston CC
Mr. N. J. Rushton CC

1. Election of Chairman.

That Mr D R Parsons CC be elected for the period ending with the date of the Annual Meeting of the County Council in 2009.

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 2009.

3. Minutes.

The minutes of the meeting held on 3 March 2008 were taken as read, confirmed and signed.

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.

No declarations were made.

8. Statement of Accounts for 2007/08.

The Committee considered a report of the Director of Corporate Resources presenting the 2007/08 Statement of Accounts for approval and informing 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 raised:-

(i) Energy Costs

Concern was expressed that rising energy prices would have an adverse effect on the accounts. The County Council usually let contracts on a long term basis, which meant that they were not so subject to market fluctuations. They were based on historical activity and so made certain assumptions about inflation. However, it was likely that there would be an adverse impact on the County Council's accounts when contracts were renewed. A flexible contract would avoid this problem but would be subject to the vagaries of the market.

(ii) Accounting Changes

The accounting changes on financial instruments had an impact on the Income and Expenditure but would not impact on the borrowing costs charged to council tax.

(iii) Accounting Standards

It was explained that the length and complexity of the accounts resulted from adhering to accounting standards. The Chartered Institute of Public Finance and Accountancy was reviewing the format of local authority accounts and the introduction of Internal Financial Reporting Standards would also have an impact.

(iv) Accounting System

Reference was made to the problems of meeting the statutory deadline for the production of accounts which was caused by a complete re-installation of the accounting system. The Committee acknowledged the exceptional efforts made by staff to produce the accounts on time.

(v) Reserves

The Committee was assured that appropriate mechanisms were in place to regulate the spending of reserves. Each reserve effectively had terms of reference for its use. The high level of insurance reserve was a result of the County Council's decision to have a significant amount of self insurance to keep premiums low. This also meant that appropriate reserves were required. However, the Director of Corporate Resources had recently commissioned the insurance brokers to undertake of the level of insurance reserves held by the County Council.

(vi) School Balances

The interest from the School Balances was returned to schools, whether because it was part of the school's devolved budget or part of the pooled budget. Although the revenue budget of some schools was in deficit, this was offset by capital and committed reserves. The overall pooled budget for schools was not in deficit.

(vii) Impaired Assets

Although there had been no major incidents relating to buildings, the reassessment of the lives of assets from 100 years to 70 years was categorised as an impairment. However, it was likely that any reductions would be offset against an upward valuation in the future. It was reported that recent advice would necessitate a change in accounting entries.

(viii) Deferred Charges

Deferred charges were expenditure on assets which were not owned by the County Council such as foundation schools.

(ix) Income and Expenditure Account

The Income and Expenditure Account was in deficit primarily due to changes in the way capital and was accounted for.

RESOLVED:

That the Statement of Accounts for 2007/08 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. Proposals for moving the date of Local Elections to the same date as European Elections in 2009.

The Committee considered a report of the Chief Executive regarding the County Council response to a consultation paper issued by the Department for Communities and Local Government on the possibility of holding local and European elections on the same day in 2009. A copy of the report marked 'C' is filed with these minutes.

It was noted that the Government had recently issued a further consultation paper concerning whether elections should be moved from the traditional Thursday to the weekend and that this would be the subject of a report to the Committee's next meeting.

It was indicated that, should the issue of whole election by postal vote arise, the Committee would not support this measure in local elections.

RESOLVED:

That the following response be agreed:-

- (a) That the Government should seek to move the date of the local elections in 2009 from 7 May to 4 June, so that they are held on the same day as the European Parliamentary elections;
- (b) That, if elections to principal authorities are moved, the Government should also seek to move the date of any parish council elections scheduled to take place on 7 May 2009;
- (c) That the comments of the District Councils in the area on the practical issues which would arise and how these might be addressed be supported.

10. Possible Election of Chairman of Scrutiny Commission.

The Committee considered a report of the Chief Executive in response to a request for a report on the possibility of the post of Chairman of the Scrutiny Commission being elected at the Annual Meeting of the Council. A copy of the report marked 'D' is filed with these minutes.

RESOLVED:

That no further action be taken on this matter.

11. Members' Allowances 2007/08.

The Committee considered a report of the Chief Executive informing the Committee of the action taken to publicise the level of payments on members' allowances for 2007/2008. A copy of the report marked 'E' is filed with these minutes.

RESOLVED:

That the action taken by the Chief Executive to publicise the level of payments on members' allowances in 2007/2008 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.