

Minutes of a meeting of the Constitution Committee held at County Hall, Glenfield on Monday, 29 June 2009.

PRESENT

Mr. S. J. Galton CC  
Mr. Max Hunt CC  
Mr. D. R. Parsons CBE CC

Prof. M. E. Preston CC  
Mr. J. B. Rhodes CC

1. Election of Chairman.

That Mr D R Parsons CBE CC be elected Chairman for the period ending with the date of the Annual Meeting of the County Council in 2010.

Mr D R Parsons CBE CC – in the Chair

2. Appointment of Deputy Chairman.

That Mr J B Rhodes CC be appointed Deputy Chairman for the period ending with the Annual Meeting of the County Council in 2010.

3. Minutes.

The minutes of the meeting held on 10 March 2009 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 2008/09.

The Committee considered a report of the Director of Corporate Resources which presented the 2008/09 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.

Revised versions of pages 12, 35 and 39 were tabled at the meeting. A copy of these pages is also filed with the minutes.

Arising from discussion the following points were raised:-

### (i) Pension Assets and Liabilities

Concern was expressed that the County Council's pension liabilities exceeded the pension fund assets. The position of the pension fund was regularly monitored by the Pension Fund Management Board, although the next actuarial valuation was not due until March 2010. Even if the financial situation improved, there would still be a significant deficit. However, the Government had recently put proposed changes out to consultation which might reduce the impact of the valuation. It was also anticipated that there would be consultation on more radical changes to the pension scheme in the near future.

### (ii) Income and Expenditure Account

Concern was expressed that the Income and Expenditure Account had a £41m deficit for the year. However, members were assured that the County Council had actually underspent during 2008/09. The deficit was recorded because of adjustments that had to be made to the overall figure, such as the inclusion of the pension fund.

### (iii) Officer Remuneration

It was noted that the number of employees earning of £50,000 had increased from 2007/08. The majority of these employees were teachers, who had had an incremental increase in their salaries. There had been no significant increase in the number of middle managers employed by the Council.

### (iv) Borrowing

Long term borrowing had fallen significantly, whereas there had been an increase in borrowing repayable on demand or within 12 months. The reduction in long term borrowing was a result of beneficial interest rates; it had been advantageous to repay a lot of debt with cash. Equally, low interest rates meant that there were advantages to short term borrowing.

### (v) Land

It was noted that the amount of land held by the County Council had decreased. The Council sold land every year; however the current financial situation meant that it would be less beneficial to do so over the next couple of years. A Scrutiny Review Panel had been established to consider the future of County Farms and Industrial Properties, but the occasion of the election meant

that it was not clear how work on this would continue.

(vi) Investment Strategy

The County Council's Treasury Management Strategy, which included the Investment Strategy, was considered by the Corporate Governance Committee and the full Council. The protocol for lending and borrowing had been reviewed and tightened following the recent collapse of the Icelandic banks.

RESOLVED:-

That the Statement of Accounts for 2008/09 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. Review of the Constitution.

The Committee considered a report of the Chief Executive which enabled recommendations to be put to the meeting of the County Council on 8 July 2009 relating to the proposed changes to the structure of Overview and Scrutiny Bodies. A copy of the report marked 'C' is filed with these minutes.

The Committee also considered a supplementary report which outlined the proposed new structure of Overview and Scrutiny Bodies, and a response to the report from Mr Max Hunt CC. Copies of these reports are filed with the minutes.

Arising from discussion the following points were raised:-

- (i) It was intended that the changes to the structure of Overview and Scrutiny Bodies would make scrutiny more focussed. However, it would be up to the Scrutiny Commission to determine how the new structure would work; for example they would agree job descriptions for Commissioners and Deputy Commissioners and the number and work programme of standing and task and finish panels. The number of members on task and finish panels could also be decided by the Scrutiny Commission.
- (ii) Consideration would need to be given to whether task and finish panels should meet in public or private. Regardless of this, it was important that proper records were kept of all meetings.
- (iii) It would still be possible for all Groups to appoint Spokesmen of Overview and Scrutiny Bodies, although the Committees would be managed by the Chairman and Deputy Chairman. Concern was expressed that pre-meeting briefings would no longer be cross-party; however it was acknowledged that this was the reality of the results of the election. Information could still be disseminated to Groups via the Spokesmen.
- (iv) The procedure for the Councillor Call for Action, which allowed any Member of the Council to refer any local government matter which

affected their ward to an Overview and Scrutiny Committee, was set out in one of the Advisory Notes to Members of the County Council. These were published in the elected member area on the intranet.

- (v) The opportunity to call-in key decisions made by the Cabinet had always been available, although it had rarely been used. The decision to use call-in would still need to be made by scrutiny members.
- (vi) The Constitution had already been amended to reflect the introduction of electronic petitions. The County Council had software which made e-petitioning available; this service would be launched in the autumn. Petitions could be considered by Overview and Scrutiny Committees and, with regard to Highways issues, the relevant Highways Forum. The system was flexible and if the subject of the petition was being considered by another body, such as the Cabinet, the petition could be presented there.
- (vi) The overall membership of the Scrutiny Commission was determined by the political balance rules. Any changes to the positions each Group took on the Commission would, in effect, need to be negotiated with the majority party.

RESOLVED:-

- (a) That the proposed revised structure for Overview and Scrutiny Bodies now submitted be approved for submission to the County Council at its meeting on 8 July 2009;
- (b) That the Chief Executive be requested to prepare the necessary revisions to the Constitution to give effect to the proposed structure for consideration by the Council;
- (c) That the County Council be recommended to request the Independent Remuneration Panel to put forward recommended changes to the Members' Allowances Scheme to reflect the proposed new structure and the new political composition of the Council, on the basis that any resultant revisions to the scheme will apply retrospectively from the date on which the new structure is adopted.

10. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on 7 September 2009 at 3.00pm.

10.00 am - 11.02 am  
29 June 2009

CHAIRMAN