



Minutes of a meeting of the Constitution Committee held at County Hall, Glenfield on Tuesday, 24 September 2013.

PRESENT

Mr. N. J. Rushton CC (in the Chair)

Dr. R. K. A. Feltham CC  
Mr. S. J. Galton CC

Mr. Max Hunt CC  
Mr. J. B. Rhodes CC

12. Minutes.

The minutes of the meeting held on 12 June 2013 were taken as read, confirmed and signed.

13. Question Time.

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

14. 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).

15. Urgent Items.

There were no urgent items for consideration.

16. 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.

17. Statement of Accounts and Annual Governance Statement 2012/13.

The Committee considered a report of the Director of Corporate Resources which presented the 2012/13 Statement of Accounts for approval, provided information on the main areas of the accounts and reported the key findings from the external audit of the accounts. A copy of the report marked 'Agenda Item 6' is filed with these minutes.

It was noted that the Corporate Governance Committee had considered a report the Council's external auditors on the statement of accounts. The Committee had given its support, subject to two minor drafting amendments.

Members paid tribute to officers for their management of County Council finances, the quality of which had been commended by the Council's external auditors.

Arising from discussion the following queries were raised:-

- (i) The deterioration of the pension liability was of concern but the County Council's level of funding when compared to other local authorities was average. Since the close of the 2012/13 financial year there had been some improvement in the proportion of the Pension Scheme which was funded and it was expected that, in the long term, the Scheme would return to being 100 percent funded.
- (ii) The County Council was treating the Local Authority Mortgage Fund advance as capital expenditure, in accordance with professional advice received from its Treasury Management advisors, Sector. However, the external auditor had advised that it should be treated as revenue expenditure reflecting guidance received from the Audit Commission. There were differing views nationally and the Audit Commission was seeking legal advice on the correct treatment of such matters, which was awaited. The Committee was advised that the final decision would not have any great impact on the County Council.
- (iii) £7.4m had so far been advanced to Lloyds TSB for the Local Authority Mortgage Scheme. In the previous week, Lloyds TSB had advised that it was putting the scheme on hold as funding from the national government had now been made available. Members would be updated on this issue in due course.
- (iv) The transfer of assets from the County Council to Academies was not having an impact on the County Council's ability to raise funding as it was a tax raising body and could fund borrowing from revenue. However, the transfers did show a reduction in fixed assets owned by the County Council.
- (v) The East Midlands Shared Services scheme had gone live in April 2014. Some teething problems were still being experienced. Once these problems had been resolved it was intended that the scheme would be marketed to other Councils.

RESOLVED:

That the Statement of Accounts for 2012/13 be approved.

2.00 - 2.15 pm  
24 September 2013

CHAIRMAN