



Minutes of the meeting of the **Corporate Governance & Audit Committee** held virtually on Monday 10 January 2022 at 2.00 pm

Members Present: Mr F Hobbs (Chairman), Dr K O'Kelly (Vice-Chairman), Mr J Brown, Mr A Dignum, Mr T Johnson, Mr D Palmer and Mr P Wilding

Members not present: Miss H Barrie

In attendance by invitation: Mr R Briscoe, Mrs E Lintill, Mrs C Purnell, Mr A Sutton and Mrs S Taylor

Officers present: Mr N Bennett (Divisional Manager for Democratic Services), Mr M Catlow (Group Accountant (Technical and Exchequer)), Mr P Jobson (Taxation Manager), Ms K Standing (Divisional Manager, Revenues, Benefits and Customer Services) and Mr J Ward (Director of Corporate Services)

119 **Chair's Announcements**

Apologies for late arrival to the meeting had been received from Cllrs Brown, Johnson and O'Kelly.

The Chairman announced a change to the order of the agenda, where item 8 [Progress Report – Update on Audit Plan 2021-22] would be dealt with as the first item at the meeting.

120 **Approval of Minutes**

The minutes of the meeting held on 25 October 2021 were agreed as a correct record.

121 **Urgent items**

There were no urgent items.

122 **Declarations of Interest**

There were no declarations of interest made.

123 **Public Question Time**

There were no public questions.

124 **Progress Report - Update on Audit Plan 2021-22**

Mr James provided members with a brief introduction to the item and then invited Miss Standing to provide members with a more detailed update regarding the rent in advance and the deposit guarantee schemes. Where she explained that both schemes were due for a review to be completed in the next year to ensure that they are both fit for purpose. She addressed concerns that had been detailed in the report and reassured members that she planned to work with the internal audit team to resolve the issues highlighted, in particular, addressing the lack of documentation held by the council once the review had been completed along with relooking at the overall strategy.

Cllr Johnson arrived 14:14pm

A number of questions were asked by members all of which were answered by Miss Standing. It was stated that members felt reassured with the answers provided and the Chairman requested that a progress report was brought back to the Committee to ensure that members are kept up to date with how the review is progressing.

RESOLVED

That the committee notes performance against the audit plan for 2021-22.

125 **Annual Debt Write Off Report 2020-21**

Mr Jobson drew members' attention to point 5.4 of the report, where he explained there was an error with the debt streams detailed in the table and confirmed the figures for the Committee. He explained that this was the first time this report had come to Committee as previously it had been circulated on the website. After running through the highlights of the report he then took questions from members.

From the questions asked it was clarified that the bad debt write off figures were reflective of the last 5 years, not just 2020-2021 and that the report detailed the gross level figures. It was requested that for future reports members would like to see an age level detailed against the debts. It was also understood from questioning that due to the council moving business resources around in order to best react to the pandemic since March 2020 the team had stopped a lot of their work and therefore there was a backlog for the team to now work through. It was also confirmed by Mrs Belenger that during the pandemic the Council were unable to take any action to recover any outstanding debts for a period of time which had impacted the Council not only from a collection aspect but also delayed debt recovery action which will be considered at the year end to ensure that write off provisions are adequate.. A further request was made for future reports to detail how much debt is outstanding at the end of each financial year covered in the 5 year timeframe.

Mr Jobson also confirmed that the council had used some of the COMF fund to introduce a new service tool called 'Town Joe' which was being used to make contact with people who are in arrears with their accounts and to provide a more bespoke form of support to help them clear their debt, he also confirmed that this

was one of the ways that the council were moving away from historic debt collection tactics.

The Chairman requested for Mr Jobson to bring a progress report back to the Committee later in the year so he can provide an update to members.

RESOLVED

That the committee notes the contents of this report together with the Write Off Report as shown in Appendix 1 to this report.

126 **Draft Treasury Management, Investment and Capital Strategies**

Mr Catlow confirmed that the report and its appendices would also be considered by Cabinet in February 2022 and Full Council in March 2022. He also explained that those members who attended the workshop held in December 2021 had already covered the material in full detail. He reminded members that Treasury management is a risk management activity, the key issues that the Committee need to concern itself with was that the recommendations satisfy the Councils risk management.

There were a number of questions asked of which all were answered by Mr Catlow. However, there was an in-depth conversation specifically covering the changes to commercial investments. There was a need for clarity on this topic due to the varying opinions expressed throughout the discussion. Mr Catlow confirmed that borrowing to finance commercial investments is not allowed under the changes communicated by CIPFA on 20 December 2021.

It was stated whilst the council could not complete new commercial investments, it could build on previous successful investments and example of unsold areas on land at Whitehouse Farm could be used as a second enterprise gateway which would lead to guaranteed income for the Council. It was then requested that for future meetings a representative for commercial estates should be in attendance.

The Chairman asked Mr Ward to provide clarity on the borrowing funds changes, where he confirmed you cannot borrow for commercial activity. He confirmed that PWB would look at the financial strategy for the remaining financial period and they would preclude any other borrowing within that strategy also.

RESOLVED

That the Committee considers the Treasury Management Policy Statement, the Treasury Management Strategy Statement, the Investment Strategy, and relevant Indicators for 2022-23, and;

That the Committee considers the Council's Capital Strategy for 2022-23 to 2026-27.

RECOMMEND TO CABINET AND COUNCIL

That the documents in 2.1 and 2.2 are recommended for approval.

127 Appointment of External Auditors 2023/24 to 2027/28

Mr Catlow drew members' attention to section 4 of the report, where he provided members with his reasons for recommending that the Council entered into a national contract.

RECOMMEND TO COUNCIL

That the Committee makes the following recommendations to Council on 25 January 2022:

That the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023; and,

Delegate authority to the Director of Corporate Services (S151 Officer) to sign the notice of acceptance of the invitation to opt in.

128 Governance Task and Finish Group

Mr Ward provided members with a brief introduction to the committee which included a synopsis of the previous 3 meetings of the Task and Finish Group that was created to undertake this review. He explained that there were 16 recommendations for the committee to review and decide on today.

The Chairman requested for all general comments first, he would then take the recommendations for noting en mass and then move onto the recommendations to Cabinet and/or Full Council individually.

Cllr Brown arrived at the meeting

The following questions and points were raised and have been summarised below;

- Recommendation 2.2 it was commented by two members that a longer trial would have been preferred.
- Recommendation 2.5 it was commented that the intention here was not for changes that would be considered 'big' decisions that would have political impact and therefore the wording of the recommendation was queried in terms of did it need to be more explicit. Mr Bennett confirmed that as Monitoring Officer he does have limitations which he outlined for members, he stated that as the recommendation specifically stated that 'changes would be made in consultation with...' this should reassure members and it simply allows for him to take prompt action when needed. Discussion between members focussed on the need to ensure that those being consulted needed to show politically neutrality. It was proposed that the Leader of the Opposition be added to the recommendation however this was not seconded, a further proposal from Cllr Wilding seconded by Cllr Dignam was that recommendation read;

To **recommend** to Full Council that any constitutional changes to local meeting practice enabled by future changes in the law are delegated to the Monitoring Officer in Consultation with the Chairmen of Corporate Governance and ~~the Leader of the Council~~ **Chairman of Overview and Scrutiny Committee.**

This amendment was put to the vote and carried.

- Recommendation 2.6 Cllr O’Kelly strongly disagreed with the wording stating that the definition of a ‘hybrid’ model of governance could be applied to this Council and made reference to Professor Copus’ additional comments made after the first meeting of the Task & Finish Group. Further comments were made regarding the issue of Cabinet not legally being able to delegate its powers to Panel’s and therefore it was felt that should recommendations be made by Panels which were then overruled by Cabinet that this did not sit with some members’ understanding of what should comprise a ‘hybrid’ model of governance. The Chairman sought advice from Mr Bennett where it was agreed that should members want to remove this recommendation they could. This was put to the vote and carried.
- Recommendation 2.9 the Chairman confirmed that the Chairmen of each panel would be involved in the decision making regarding its meetings being held in public or private session.
- Recommendation 2.10 clarity was sought in terms of where scrutiny would come into the Panel process. It was agreed that further work was needed to outline the detail regarding scrutiny. It was also requested that the names of all 4 Panels would be inserted to the recommendation;

To recommend to Full Council that the Constitution be amended such that political balance be achieved across all four panels **(Economic, DPIP, Environment & Housing & Communities)** on the same basis as that applied towards all full committees.

- Recommendation 2.12 it was commented that there was further work ongoing behind the scenes with officers and Group Leaders.
- Recommendation 2.14 the Chairman states that a counterbalance was needed for officers, there was a need for information to be found and located easily by members versus the amount of work this would cause for officers.
- Recommendation 2.15 comments made were inclusive of, what member training should look like, when and how it would be delivered and that a success from the pandemic was that virtual training and the ability to record sessions were of benefit for members to complete when it suits them best.

The Chairman thanked everyone for their comments and the recommendations were put to the vote and carried.

RESOLVED

2.1 To note with thanks the external report from Professor Colin Copus and Mr John Lynch on governance at the District Council.

2.2 To note the decision of Full Council to run a trial of evening meetings and to instruct officers to run a community survey in Summer 2022 to provide a wider assessment on meeting timings. To further note the advice that more meetings will be needed if a move to evening meetings is made, as well as other impacts set out in appendix two.

2.3 To note that the role of panels is to enable detailed consideration of matters so that recommendations can be made to committees.

2.4 To note that changes to the local government legislation will be required for any additional amendment as to how meetings are held remotely, and that the Council has applied as flexible an approach to how meetings are held that the law allows.

2.8 To carry out a full review of panels to build consistency of approach between those panels and to clarify their role in making recommendations. This review to include consideration of whether each panel should meet in public or private session.

2.11 That Corporate Governance and Audit Committee:

- a) consider and establish new arrangements for questions to the Executive and how to improve visibility and frequency of this section of the Full Council agenda; and
- b) recommend that questions to SLT be held every second meeting of Council as a separate session to that meeting.

2.13 To instruct the communications team to report on improvement methods of communication to members including consideration of a high-level dashboard.

2.14 To require the monitoring officer to report annually on member training delivery to this Committee.

2.15 That this Committee revisit the subject of Governance and operation of panels in 2023.

RECOMMEND TO FULL COUNCIL

2.5 To recommend to Full Council that any constitutional changes to local meeting practice enabled by future changes in the law are delegated to the Monitoring Officer in Consultation with the Chairmen of Corporate Governance and Overview and Scrutiny Committee

2.6 To recommend to Full Council that Council debate the preferred timing of meetings in November 2022 following the trial of evening meetings to inform Page 137 Agenda Item 10 the annual committee date setting item for meetings implemented from May 2023.

2.7 To recommend to Full Council the creation of a further panel to provide members with a forum to discuss Housing and Community activity of the Council.

2.9 To recommend to Full Council that the Constitution be amended such that political balance be achieved across all four panels (Economic, DPIP, Environment

& Housing & Communities) on the same basis as that applied towards all full committees.

2.10 To recommend to Full Council that all panels be chaired by a relevant cabinet member.

2.12 To recommend to Full Council that the calendar for the Business Routing Panel be amended such that it meets twice annually, and that panel chairmen be added to the membership of those meetings.

129 **Exclusion of the Press and Public**

There were no exempt items.

130 **Late items**

There were no late items.

The meeting ended at 4.10 pm

CHAIRMAN

Date: