

SUPPLEMENTARY DOCUMENTS

DIRECTOR OF STRATEGY,
PERFORMANCE AND
GOVERNANCE'S OFFICE
DIRECTOR OF STRATEGY, PERFORMANCE
AND GOVERNANCE
Paul Dodson

15 July 2020

Dear Councillor

COUNCIL – 16 JULY 2020

Please find enclosed the following reports, for consideration at the above meeting, which were unavailable when the agenda was printed.

7a). Minutes of the Performance, Governance and Audit Committee - 25 June 2020
(Pages 3 - 12)

19. **Leisure Contract** (Pages 13 - 50)

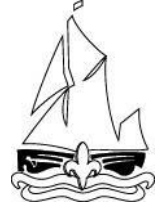
Members are reminded that this report is private and confidential.

Yours faithfully



Director of Strategy, Performance and Governance

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**MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
25 JUNE 2020**

PRESENT

Chairman	Councillor E L Bamford
Vice-Chairman	Councillor K W Jarvis
Councillors	B S Beale MBE, Mrs P A Channer, CC, M F L Durham, CC, A S Fluker, M S Heard, S P Nunn, N J Skeens, W Stamp, Mrs J C Stilts, C Swain and Mrs M E Thompson
In Attendance	Councillors C Mayes and C Morris

1017. CHAIRMAN'S NOTICES

The Chairman welcomed everyone to the first remote meeting of this committee, held under new regulations which came into effect on 4 April 2020 in response to the COVID-19 pandemic. She then took Members through some general housekeeping issues, the etiquette for the meeting and asked all Officers present to introduce themselves.

This was followed by a roll call of all Members present.

1018. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors B E Harker and J V Keyes.

1019. VERBAL UPDATE ON THE AUDIT OF THE STATEMENT OF ACCOUNTS

Prior to dealing with the agenda for the meeting the Chairman invited the Director of Resources to provide the meeting with a verbal update on the audit of the Statement of Accounts.

The Director of Resources reported that the draft Statement of Accounts was published on the website on 31 May 2020 ahead of this year's deadline which, as a result of COVID-19, was 31 August 2020. The External Audit commenced on 1 June 2020 and was ongoing and the deadline for the finalised audited set of accounts was 30 November 2020. Currently the audit was progressing well with the audit team communicating with council staff remotely via Microsoft Teams and other means on a daily basis

All outstanding audit requests were listed, and the schedule was maintained and reviewed regularly. There were no significant slippages or backlogs reported at this time and all audit requests had been replied to.

The auditors were sampling at the moment selecting from various parts of the process e.g. invoices. There were three more weeks of work on the virtual site until 10 July 2020 with a view to having all information compiled by the end of July 2020. External Audit has confirmed that all was still on schedule to meet the deadline and this was reviewed on a daily basis.

1020. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 27 February 2020 be approved and confirmed.

1021. DISCLOSURE OF INTEREST

Councillor Mrs P A Channer, CC, declared a non-pecuniary interest as a Member of Essex County Council in relation to any items on the agenda pertaining to that organisation.

Councillor M F L Durham, CC, declared a non-pecuniary interest as a Member of Essex County Council in relation to any items on the agenda pertaining to that organisation.

1022. PUBLIC PARTICIPATION

Mr Morris asked a question in relation to Item 7 on the Agenda End of Year Review of Corporate Performance

He believed that the council was failing some small and medium sized businesses in this current COVID-19 crisis by not giving them enough information on grants or coming forward with grants in time to save employment and businesses. He questioned whether we were going to be able to assist them as he was struggling to get the necessary information.

The Chairman advised Mr Morris that his concerns would be passed to the appropriate department.

1023. END OF YEAR REVIEW OF CORPORATE PERFORMANCE

As the Internal Audit Manager was experiencing difficulties joining the remote meeting the Chairman proposed that the Committee consider Agenda Item 7, Review of End of Year Performance, first. She then asked the Programmes Performance and Governance Manager to present the report.

The Committee considered the report, together with appendix 1, from the Director of Strategy, Performance and Governance that covered the end of year review of Corporate Performance, as at the end of quarter 4 (31 March 2020) against the Council's Thematic

Strategies. The content provided assurance that performance was being managed effectively to achieve Corporate outcomes. It also afforded the Committee the opportunity, where necessary, to make consensus suggestion of improvement.

The Programmes, Performance and Governance Manager took the Committee through the report and appendix. She reported that overall performance against measures for 2019/20 had been good. Referring to appendix 1 she drew Members attention to those areas within the three thematic strategies where there were issues around delivery of measures , largely due to the impact of COVID-19. It was noted from the appendix that the supporting plans, underpinning each of the strategies, provided the full detail on the status of each measure.

In response to questions raised by Members, Officers reported the following:-

- That in respect of thematic Strategy Place ‘Maintaining Open Spaces’ the long term aim was to have management plans in place. However, with some key staff vacancies as a result of transformation and the impact of COVID-19 this work had to be re-prioritised due to competing demands. This will remain a priority.
- That the development of an Air Quality Management Assessment Action Plan was in hand. The working Group had met week commencing 22/6 and a report covering the results of the consultation was scheduled for Council on 2/7/2020.
- That where resource issues were a factor this was largely due to COVID-19 but also impacted by the fact that the Council was still operating slightly below full staff establishment. It was agreed a meeting be scheduled with the Director of Strategy, Performance and Governance, Councillor E L Bamford and Councillor Mrs P A Channer, CC, to discuss this matter further.
- That details on the year 6 transition template for Junior Schools project be circulated to Committee Members following the meeting.
- That an update on those areas in the red category, ‘target not met’ would be circulated to committee members.
- That fly tipping was a variable picture across the district and was continuously monitored and tracked and that closures due to Covid had exacerbated the situation.
- That the Council has a 5 year housing land supply, it passed the Housing Delivery Test programme from central government and was well on track in this area. COVID-19 had impacted locally, nationally and worldwide in this area.
- That the figure of 21,000 jobs created related to the life of the Local Development Plan (LDP), progress towards the overall target.
- That knowledge transfer was a serious concern hence the reason why the Council operated a ‘handover’ process ensuring knowledge was retained. Furthermore, as a result of the transformation process, all procedures were now documented.
- That whilst turnover of staff was generally low a report would be compiled around staff turnover detailing numbers of leavers, grades, destinations, new appointments grades and benchmarking against other like authorities.

- That information on exit questionnaires would be released if deemed appropriate under GDPR.

The Chairman thanked the Officer for the comprehensive report and Members for their input. She moved the recommendations in the report and they were seconded by Councillor Channer. The Chairman then put the recommendations to the Committee and they were agreed by assent.

RESOLVED that

- (i) Members reviewed the information as set out in this report and appendix 1 with priority focus given to the Strategic Outcome level performance.
- (ii) Members are assured through this review that corporate performance is being managed effectively.
- (iii) Members challenged the performance where the Committee felt that the Council's corporate goals may not be achieved.
- (iv) Members questioned Members and Officers on decisions and performance, relating to comparisons with the Corporate Plan outcomes or in respect of decisions, initiatives or projects.

1024. INTERNAL AUDIT REPORTS: - PROGRESS, FOLLOW-UP OF RECOMMENDATIONS AND NETWORK SECURITY

The Committee considered the report of the Director of Resources covering three reports from BDO LLP, the Council's internal audit services provider. The reports were titled:- Internal Audit Progress Report June 2020 at appendix 1; Follow-up of Recommendations Report June 2020 at appendix 2; and Network Security Audit March 2020 at appendix 3.

The Chairman introduced the Internal Audit reports and deferred to the BDO Audit Manager, to present and suggested that questions be taken following review of all three reports.

Addressing the *Progress Report* the Audit Manager advised that since the last meeting one audit had been finalised and was on today's agenda namely Network Security and that the Community Safety Audit had been issued in draft and would be considered at the next Committee meeting on 30 July 2020.

In terms of the 2020/21 Audit Plan she reported that there had been delays due to staff capacity as a result of the pandemic. She had reviewed the content with officers to ensure it was still relevant and agreed the fieldwork schedule. A detailed plan was now in place to be brought to the next committee for approval. In the meantime, the internal auditors would commence the quarter 2 audits that had been scheduled.

In respect of the *Follow-up of Recommendations* report good progress had been made in that a number of recommendations had been implemented in relation to IT Disaster Recovery and Procurement and Contract Management audits. The Disaster Recovery

Plan itself had been updated and tested, therefore, a number of recommendations were now closed.

Those overdue included the Fraud Risk Assessment however this was now at a stage to progress over the summer, looking at dates for training of key staff on counter fraud. Further detail on timings around the counter fraud work would be provided at the next committee. The other overdue area was around Risk Management which was still overdue as Officers had requested a deferral to July for completion, due to staff capacity issues.

The *Network Security Audit* review resulted in a moderate level of assurance with appropriate procedures and controls in place to mitigate the key risks reviewed. A lot of good practice was identified, and internal audit made three recommendations, 1) training on IT password policy and data security via an E learning package, 2) Cyber risk assessments to be undertaken on a regular basis and documented and 3) implement an internal vulnerability scanning tool. Since the time of completion all recommendations had been implemented.

In response to questions Officers reported the following;-

- That for clarification of audit scope the Terms of reference for the Community Safety Audit be circulated to Committee Members.
- That in respect of the Flood Risk Management audit the fieldwork was completed however internal audit were awaiting information as key staff did not have the capacity to deliver due to work on COVID. It was hoped to issue a draft report within the next two weeks.
- That a detailed timetable and audit plan would be considered at the next Committee in July.
- That the Director of Resources was working on the Fraud Risk Action Plan as a priority and would report back to Committee on progress.
- That the Council had balanced the speed with which it responded to the Covid-19 Business Grants with the appropriate checks to counter fraud. Part of the follow-up work included taking part in a national initiative to drive down fraudulent activity.
- That the Director of Resources would ensure the new Member Expenses form together with the policy was available to all Members.
- That fuel receipts were no longer a requirement and the new postcode system denoting the start and end to journeys. This was also a matter of efficiencies as the cost of administering the receipts outweighed the benefits.
- That the Director of Resources would follow up on the findings around credit cards raised in a previous audit and update Members outside of the meeting.
- That the high priority recommendation reported in the Network Security Audit around IT training and budget had now been implemented using an E learning platform.

The Chairman, noting there were no further questions, moved the recommendations in the report and these were duly seconded by Councillor Durham. The Chairman then put the recommendations to the Committee and they were agreed by assent.

RESOLVED that the Committee considered, commented and approved the

- (i) Internal Audit Progress Report June 2020 at appendix 1;
- (ii) Follow-up of recommendations Report June 2020 at appendix 2; and
- (iii) Network Security Audit March 2020 at appendix 3.

1025. QUARTERLY REVIEW OF CORPORATE RISK

The Committee considered the report and appendix 1 from the Director of Strategy, performance and governance on the Risk Management Policy that required the Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks were being managed effectively.

The Chairman introduced the report and asked the Programmes, performance and Governance Manager to present it to the Committee.

The Programmes, Performance and Governance Manager addressing quarter 4 provided a summary to the Committee. She reported that the Corporate Leadership Team (CLT) had been reviewing the Risk Register on a weekly basis and that the report covered the direction of travel from quarter 3 to quarter 4. Overall there were three risks that had seen a reduction in score and three an increase. The information provided was to give Members an opportunity to review the risk management scores and challenge where there was concern on corporate delivery.

The risks that had reduced were Risk 29 – Failure to deliver services as a result of COVID-19; Risk 22 – Contracts not managed or owned not providing value for money and Risk 20 – Failure to have a Disaster Recovery/Business Continuity plan. Those reporting an increase were Risk 9 – Co-ordinated approach to inward investment and business rate growth; Risk 15 – Failure to plan and deliver balanced budget and Risk 2 – Failure to target services and influence partners around the vulnerable population. All increases were due to the impact of COVID-19.

The Chairman welcomed comments and reminded the Committee that the Corporate Risk Register was owned by CLT and Members were being asked to comment on the risk scores, not the content.

In response to questions raised Officers reported the following:-

- That in response to findings by internal audit and in line with industry standards best practice the Council had adopted the 5x5 risk rating scale.
- That the high score around Risk 9 was a reflection of the impact of COVID-19. All economic strategies from local to worldwide had been adversely impacted. The focus at the moment was applying government based business support.
- That the Director of Strategy, performance and Governance would report outside of the meeting on the status of governance within the risk register.

- That governance was naturally an audit function and the results of the recent governance audit would be reported back to Committee in September 2020.

The Chairman concluded by advising the Committee that governance was also being reviewed by the Corporate Governance Working Group and that a report, together with an audit report, would be received by the committee in September 2020.

The Chairman then moved the recommendations in the report, seconded by Councillor Heard. The Chairman put the recommendations to the Committee and they were agreed by assent.

RESOLVED that

- (i) Members noted the change in scoring in this report, to reflect recent policy updates.
- (ii) Members reviewed the Corporate Risk Register in Appendix 1 and provided comment and feedback for consideration.
- (iii) Members were assured through this review that corporate risk was being managed effectively.
- (iv) Members challenged risk where the Committee felt that the Council's corporate goals may not be achieved.

1026. CORPORATE HEALTH AND SAFETY - QUARTER 4

The Committee considered the report of the Director of Service Delivery that provided an update on corporate health and safety activity from 1 January to 31 March 2020 (Quarter 4) together with appendix 1 the Health & Safety action plan 2019/20 and appendix 2 Health & Safety action plan 2020/21.

The Chairman introduced the report and deferred to the Director of Service Delivery to take the Committee through the report.

The Director of Service Delivery highlighted the incident/ accidents that had taken place. There were five accidents reported during the quarter and four incidents of unacceptable behaviour by members of the public. The areas effected were within customer services and two referrals from other agencies (1 from Police and 1 from the Department of Work and Pensions)

He advised Members that all recommendations following the Health and Safety Executive (HSE) visit to Promenade Park had been completed and following a revisit by HSE all work had been signed-off by the Inspector.

In response to questions raised by Members he responded as follows:-

- That the 'material breaches in the law' referred to in appendix 1 were to do with the layout of the depot in Promenade Park. They were serious issues that have now been overcome by changing the layout and including clear pathway markings for

staff. The Health & Safety Executive (HSE) had revisited and signed off on all the recommendations implemented.

- That the reference to ‘other outmoded practices’ in appendix 2 had also been addressed as the visit by the HSE had triggered an internal review of H&S procedures. An external advisor had been brought in and staff training undertaken to certify staff, alongside embedding robust procedures and regular risk assessments.
- That unacceptable behaviour would not be countenanced by the Council demonstrated by the stringent action taken, following physical and verbal abuse on a contractor, in the suspension of services to the resident in question and informing the police.
- That details of the intervention fee paid to the HSE would be circulated to Committee Members.
- That the Service Delivery Directorate would provide copies of recent risk assessments on parks and toilet facilities to Burnham Town Council (BTC) to share knowledge and best practice.

Following the questions, the Chairman referred the Director of Service Delivery to the final recommendation on the report namely that the ‘health and safety action plan 2020/21 be approved’. She queried whether this was feasible at this point in time given the continuing risk of infection and fluid nature of the current situation. The Director of Service Delivery acknowledged that the situation remained fluid and said it would be best to defer approval for now. It was agreed that the final recommendation be amended to read ‘health and safety action plan 2020/21 will be updated and brought back to committee for approval’.

Councillor Stamp, referring to the current difficult situation, asked that the Committee express thanks to Mr Holmes, Director of Service Delivery and his team for their hard work in maintaining the parks, toilets and refuse collections. The Chairman and Committee members agreed that staff had been outstanding during this pandemic.

The Chairman then moved the recommendations in the report and they were seconded by Councillor Heard. The Chairman put the recommendations to the Committee and they were unanimously agreed.

RESOLVED that the following was noted:-

- (i) accident and incident statistics for the quarter;
- (ii) progress with the health and safety action plan 2019/20;
- (iii) information pertaining to corporate health and safety matters; and the
- (iv) health and safety action plan 2020-21 will be updated and brought back to committee for approval.

1027. SECTION 106 UPDATE REPORT

The Committee considered the update report of the Director of Strategy, Performance and Governance that provided an update to Members on progress with S106 delivery at Appendix A.

The Chairman introduced the report and asked the Director of Strategy, Performance and Governance to present the report.

He advised the committee that this update was in response to a request at the last meeting of the Performance, Governance and Audit Committee (PGA) on 27 February 2020. An update report was due at the April PGA but given the pandemic, a briefing report had been placed on the Modern.Gov document library in March 2020, in lieu of that report.

The report today outlined the current work underway and highlighted the introduction of a new s106 reporting requirement to HM Government on Developer Contributions required for 31 December 2020. The Infrastructure Funding Statement would cover the first return period from 1 April 2019 to 31 March 2020 and this process will be repeated annually thereafter. As outlined in the report, the s106 Officer had undertaken reconciliation work and following this was organising an All Member Seminar for August/September 2020 to go through the detail of the agreement and the status of s106 projects. It was noted that some site visits had been impacted by Covid.

Following that seminar, a report would be brought back to this Committee towards year end to present the funding statement prior to the submission deadline to HM Government on 31 December 2020.

In response to questions raised he reported the following:-

- That a CIL Working Group had been established to discuss the Infrastructure Financial Statement and viability. The Council would not normally take s106 through the working group. All Members to be updated on s106 projects through the Seminar. The CIL Working Group will report to Council.
- That the Infrastructure Delivery Plan outlined the delivery elements of the s106 funding and was subject to review to determine what had changed. To reassure Members he clarified that s106 funding directly delivered projects that address the impact of development. The CIL funding will be able to bring forward wider projects as the funding criteria was more flexible.
- That CIL would not impact on the Infrastructure Delivery Plan items for s106 and all projects would be delivered. The detail to be covered at the all Member Seminar.
- That the Infrastructure Funding Statement, as previously advised, would be reported to PGA given it was reporting on the performance of the delivery of s106 projects.

The Chairman moved the recommendations in the report, seconded by Councillor Mrs Channer. The Chairman then put the recommendations to the Committee and they were agreed by assent.

RESOLVED

- (i) Members note the Briefing Report attached at Appendix A.
- (ii) In light of the possibility of continuing issues relating to site visits, it is suggested that the S106 officer time be given to the preparation of a Member seminar for August/September, when the “nuts and bolts “of the process can be explored and the most up to date site information offered based on the project as it stands at that time. This would include details of the amended spreadsheet following the monitoring site visits for an up to the minute indication of progress.
- (iii) The means of agreeing the final content of the Infrastructure Financial Statement submission for December 2020 should be agreed with Members.

The meeting closed at 3.02 pm.

**E L BAMFORD
CHAIRMAN**

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of the Local Government Act 1972.

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