

AUDIT AND GOVERNANCE COMMITTEE

Tuesday, 24 November 2020

Present:

Councillors Reilly (Vice-Chair, in the Chair), Backhouse, Bland, Everitt, Ms Palmer, Rands, Warne, Mackonochie, Edwards, Quigley and Turner

Officers in Attendance: Jayne Bolas (Principal Solicitor Contentious and Corporate Governance), David Candlin (Head of Economic Development and Property), Rich Clarke (Head of Audit Partnership), Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), Gary Rowland (Senior Lawyer Mid Kent Legal) and Emer Moran (Democratic Services Officer)

Other Members in Attendance: Councillors Dawlings, Hayward and Pound

CHAIRMAN'S INTRODUCTION

AG27/20 The Chairman opened the meeting, introduced Committee members and officers in attendance, and outlined procedural matters of the meeting.

APOLOGIES FOR ABSENCE

AG28/20 Apologies for absence were received from Councillor Barrington-King.

Apologies were also received from Sarah Ironmonger and Ade Oyerinde from Grant Thornton.

DECLARATIONS OF INTEREST

AG29/20 No declarations of interest were received.

NOTIFICATION OF VISITING MEMBERS WISHING TO SPEAK (IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 18):

AG30/20 Dr. Robert Banks registered to speak on agenda item AG34/20.

Councillors Hayward and Dawlings registered to speak on agenda item AG34/20 and Councillor Pound registered to speak on agenda item AG35/20.

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE DATED 15 SEPTEMBER 2020

AG31/20 The minutes of the meeting of the Audit and Governance Committee dated 15 September 2020 were submitted.

RESOLVED – That the minutes of the Audit and Governance Committee dated 15 September 2020 be approved as a correct record.

STRATEGIC RISK REVIEW

AG32/20 Mr Lee Colyer, Director of Finance, Policy and Development introduced the report and introduced the Risk Owner David Candlin, Head of Economic Development and Property.

Mr Candlin gave a detailed update on Risk Scenario 2: Economic

Development and Vitality; which set out the strategic risks identified by the Council and currently being managed and tracked by senior management. The report provided a current update on the evaluated threat level and controls in place for each risk issue.

Members of the Committee took account of the report and raised a number of questions and issues within their discussions. Points raised included:

- Short term plans for the town centre and across the borough included the reinforcement of social distancing measures and environmental health worked with businesses to ensure they were Covid-19 secure.
- Retailers had indicated their wish to remain open for longer hours.
- It was advised that it was necessary to wait and find out the tier that the borough would be placed in.
- An explanation of the Emergency Active Travel Scheme was given and details of what this included such as the creation of more foot space for pedestrians in the high street in Tunbridge Wells.
- It was advised that the BID had worked with other partners on a work local and shop local approach to the town centre.

RESOLVED:

1. That the risk management report and the arrangements for managing strategic risk, be noted.

AUDIT & GOVERNANCE COMMITTEE ANNUAL REPORT 2019/20

AG33/20 Mr Rich Clarke, Head of Internal Audit Partnership (Mid Kent) presented his report which outlined how the Audit and Governance Committee had effectively discharged its duties during 2019/20. The report provided assurance to the Council that important internal control, governance and risk management issues were being monitored and addressed by the Committee. The report sought to provide additional assurance to support the Annual Governance Statement.

Members of the Committee took account of the report and raised a number of questions and issues within their discussions. Points raised included:

- The Financial Reporting Council (FRC) recently published a Local Audit Inspection Report, which did not include Tunbridge Wells Council was discussed. Further clarification regarding the report can be sought from the external Auditors at the next A&G meeting.

RESOLVED:

1. That the Audit & Governance Committee Annual Report for 2019/20 (appendix A), be agreed.
2. That the Chairman of the Audit & Governance Committee presents the report to a future meeting of the Full Council to demonstrate how the Committee has discharged its duties.

INDEPENDENT AUDIT OF CANCELLED CALVERLEY SQUARE PROJECT

AG34/20 This agenda item was added by Councillor Reilly to provide a verbal update on his meeting with the Council's External Auditors following their

Independent Value for Money and Governance Review on Calverley Square (CS).

In view of the issues raised Councillor Reilly proposed a verbal recommendation to use the External Auditor's report as a catalyst to set up a Working Group to incorporate the learnings from Calverley Square into a best practice guidance document. This document could then provide a clear framework to bring together strategic project assessment, project management, appraisal, sanction, and post auditing disciplines for future major projects work within this Council.

The working group to be made up of Members with professional project management, appraisal, and accounting expertise.

Dr. Banks registered to speak and made the following points:

- He had welcomed the decision to commission an independent audit on the CS project.
- Concerned with the lack of public consultation and higher costs of the project.
- A broader review was needed to act as a template for all future major capital projects.

Councillor Hayward registered to speak and made the following points:

- Attended the meeting with Grant Thornton on 21st September 2020 to further discuss the Independent Audit of CS.
- The review did not meet his requirements.
- Lack of transparency with CS rendered the governance and scrutiny pointless.
- Welcomed the idea for a Working Panel to look at this.

Councillor Dawlings registered to speak and made the following points:

- Accepted the three high-level recommendations of the independent external review on CS.
- There was a financial imperative to address the significant budgetary costs of the Town and Assembly Halls.
- It was important to Maintain Member and public support throughout the political cycles for major projects.
- As portfolio holder a small team would be assembled to address the issues raised for major projects going forward and welcomed the suggestion from Councillor Reilly to join that group along with the Independent Member Mr Quigley.

There was no officer report to this item and Councillor Reilly led the discussion:

Members took account of the verbal update and raised several questions and issues within their discussion, these included:

- Members newly appointed in May 2019 felt that they did not understand the issues of the CS project.
- The comment was made that it was important not to allocate blame but to use the working group as a way to move forward and plan for the future.
- CS followed the RIBA Stages for Major Projects and doing nothing was not an option.
- There was a failure to adequately communicate the benefits of the CS project to the wider community.

- Members expressed they were unsatisfied with the amount of notice given to the Committee to discuss and form a decision.
- The Amelia Scott Project should be used as a practical example rather than more backward-looking reviews.
- In principle Members were agreeable to the working party as proposed by Councillor Reilly however it was suggested that the party had political balance.

RESOLVED: That the Committee agreed for Councillor Reilly and Independent Member Tony Quigley to support the Portfolio Holder for Finance and Governance as sponsor in developing a framework for major projects going forward and other additional nominations from other political groups to be made for consideration by 4 December 2020.

UPDATE ON COMPLAINTS RECEIVED UNDER THE MEMBERS' CODE OF CONDUCT

AG35/20 Mr Gary Rowland, Senior Lawyer (Corporate Governance), presented his report which provided an update on complaints received under the Members' Code of Conduct in the period 1 September 2020 to 13 November 2020.

Since publication of the report Mr Rowland advised of an amendment to the figures quoted in the response to question one in paragraph 3.5 of the report:

- Whilst there were complaints received for seven different subject Members, complaints were received against 3 parish councillors not 2 as stated in the report.
- Whilst there were complaints submitted by 4 members of the public, complaints were submitted by 4 borough Councillors and not 2 as stated in the report.

Councillor Pound registered to speak and raised the following points:

- On 16 September 2020 all Members received a high priority email from Democratic Services which stated they were required to attend Code of Conduct (COC) training.
- The statement "members are required to attend one of the following virtual training sessions" implied that the training was mandatory.
- 41 Members attended the training and 6 did not.
- Would further training be provided for the 6 Members who did not attend the initial training sessions?.
- Would the Committee seek assurances that all Members made reasonable endeavours to attend?

Members of the Committee took account of the report and raised a number of questions and issues within their discussions. Points raised included:

- It was confirmed that the COC training required Member attendance. However, a number of Members legitimately could not attend the arranged sessions due to other commitments.
- The Monitoring Officer (MO) would continue to monitor the training needs of all members.
- It was acknowledged that currently the majority of complaints were resolved on an informal basis.
- Members were reminded that the Model Code of Conduct was currently being revised by the Local Government Association (LGA) and would be reviewed initially by the County Council before being moved to district levels.

- Members felt that the recent COC training was excellent.
- It was advised that it would be too easy to identify a person should the political party that they belonged to be named.
- It was emphasised that Members need to recognise that the highest standards of COC are needed to protect the integrity of the Council, maintain public confidence and safeguard public democracy.
- The slides and training material would be sent to all members who did not attend the COC training.
- Further questions relating to the COC report need to be forwarded to the MO directly.

RESOLVED:

1. That the update on complaints received under the Members' Code of Conduct, be noted.

FUTURE WORK PROGRAMME AS AT 10 NOVEMBER 2020

AG36/20 The Committee's work programme was presented for members' information.

RESOLVED – That the Future Work Programme as at 10 November 2020, be noted.

URGENT BUSINESS

AG37/20 There was no urgent business for consideration.

DATE OF NEXT MEETING 30 MARCH 2021

AG38/20 The next meeting was scheduled for Tuesday 30 March 2021.

NOTE: The meeting concluded at 8.29 pm.