

Governance and Audit Committee

Tuesday, 24 November 2020

Attendees: Councillor Nick Barlow, Councillor Paul Dundas, Councillor Sam McCarthy, Councillor Chris Pearson, Councillor Dennis Willetts, Councillor Barbara Wood

Substitutes: No substitutes were recorded at the meeting

Also Present:

230a Declarations of Interest

Councillor Barlow declared a non-pecuniary interest in item 7 of the agenda relating to the audit of 2019/2020 accounts, as he was appointed Director of Colchester Commercial Holdings Limited, which was referenced in the report. He confirmed that he would take no part in the item.

230b Have Your Say! (Virtual Meetings)

A representation had been received from a member of the public, Angel Kalyan, in relation to agenda item 9, a review of the Council's Ethical Governance Policies. The written submission was read to the Committee by Matthew Evans, Democratic Services Officer. The Committee were asked what governance process will be undertaken, and (specifically whose remit it is under the governance arrangements) to investigate and account for the integrity of the Monitoring Officers statement issued to All Elected Members on the 21 October 2020?

Andrew Weavers, Monitoring Officer, responded by restating comments he had made to Full Council on 21 October 2020 which were referred to in the statement of Ms Kalyan. He confirmed that case 9CO00038 had been concluded by an Order of the Court dated 19 July 2011, and claim E01YJ935 was struck out by the Court as an abuse of process, and concluded by the Court on 11 March 2019.

Councillor Pearson confirmed that in the light of the comments made in relation to this matter by the Monitoring Officer and the Chief executive of Colchester Borough Council in the past, he would not comment further on this matter.

230c Minutes of Previous Meeting

RESOLVED that the minutes of the meeting on 28 July 2020 be agreed as a correct record.

231 **Audit of 2019/2020 Accounts**

Paul Cook, Head of Finance attended the meeting to present the report and assist the Committee with their enquiries. The Committee heard that they were being asked to consider the report of the external auditors on the 2019/2020 accounts.

Lisa Clampin, on behalf of the Council's external auditors, BDO, addressed the Committee and confirmed that the report that was presented to the Committee had previously been agreed by the finance team and the Chief Executive of Colchester Borough Council prior to the meeting. Lisa explained that the report had been drafted some time prior to this meeting, and that in fact all the audit work had now been completed, with the exception of all work that had to be concluded after this Committee meeting when the letter of representation would be agreed. It was anticipated that BDO would be able to provide unqualified audit opinions by the deadline date for the publication of accounts, which was the 30 November 2020. In order for this to take place, the Committee were advised that a further meeting would need to take place of this Committee, or the Committee grant delegated authority to Section 151 Officer and the Chairman of the Governance and Audit Committee to receive the one item that had not been quantified, but which was not expected to be material.

Alison Langridge, of BDO Auditors, addressed the Committee and explained that was a potential unadjusted error which could be reportable in respect of assets that hadn't been revalued through the year. The Committee heard that the work in relation to completion of use of resources had been completed, and had not identified any issues or concerns, and the report would be updated to reflect this.

Lisa Clampin advised the Committee that it would need to determine whether or not it was satisfied that the uncorrected misstatements remain uncorrected. It was the view of BDO that the misstatement was not material of itself, and there was no cumulative materiality to go with it. The Committee heard that the potential issue that had been identified related to the fact that there had been no indexation on assets that were not subject to a formal revaluation this year. Assets were normally revalued every five years, and although this had taken place in accordance with the Council's policies, the International Standards on Auditing required BDO to consider whether any items in the balance sheet could have a different value added in the intervening years. The Finance Team at Colchester Borough Council had spoken with the valuer who had confirmed that there had been no material change in value between the time the assets had been last valued and the balance sheet date. BDO were satisfied that the revaluation was not material, but were considering whether or not it could be classified as trivial, which would mean that there was no need to report on it to this Committee. Further work was needed with the valuer to determine the final position of asset valuation.

Councillor King, Portfolio Holder for Business and Resources, addressed the Committee and offered his assurances that he was satisfied with the work that had been undertaken, and considered that the final agreement should be dealt with by way of

delegated authority to the Chairman of the Governance and Audit Committee. Paul Cook supported this view, and stated that if the accounts could be signed off by 30 November, that this would be in the Council's best interests.

Councillor Pearson reminded the Committee that it was being asked to consider giving delegated authority to the Section 151 Officer and himself to actually sign the accounts before 30 November 2020.

Councillor Willetts confirmed that although he would have preferred a more harmonious report from both the external auditors and Officers, he was amenable to receiving an assurance that the Council was heading towards an unqualified position in respect of the accounts, and would support the proposed delegation of authority on this basis.

Councillor Dundas commented on the potential conflict of interest that was generated by the fact that the roles of Chief Executive of Colchester Borough Council and Colchester Commercial Holdings Limited (CCHL) were held by the same person. In response Councillor Pearson reminded the Committee that the arrangements for the governance of CCHL were to be the subject of a review that would be presented to this Committee towards the end of the municipal year.

Councillor Barlow addressed the Committee in his capacity as a Board Member of CCHL, and confirmed that the roles held by the Chief Executive of Colchester Borough Council would be addressed at the next board meeting of CCHL at the end of January. It was proposed that the Chief Executive would remain as the Managing Director, but would not have a seat on the Board, removing the potential conflict of interest which had been flagged up.

RESOLVED that the Chairman of the Governance and Audit Committee and the Section 151 Officer be granted delegated authority to approve the 2019/2020 accounts.

232 Equality and Safeguarding - Annual Update Report

Lucie Breadman, Assistant Director – Communities, attended the meeting to present the report and assist the Committee with its enquiries. The Committee heard that the events of the past year had served to highlight matters relating to equality and safeguarding, through the 'Black Lives Matter' campaign and the disproportionate impact the Coronavirus has had on minority communities, together with the elderly and disabled communities. A positive outcome had been the collaborative working that had occurred in response to the virus, and the advances that had been made in the use of technology to communicate with and support people in need. The Council was very aware of the potential issues that any economic downturn could have, particularly those who were most vulnerable in society, and this was part of the future strategy to be adopted.

Sonia Carr, Community Safety Co-Ordinator, addressed the Committee and confirmed that a key element of the work undertaken over the past year had been working with partners to ensure that safeguarding issues were still dealt with during the pandemic.

This has included using internal communications to keep staff updated on the importance of safeguarding, and providing links to online training as well as keeping in contact with designated Safeguarding Officers to ensure that they still felt confident to perform the role. Work had been undertaken with external partners including Essex Police, Next Chapter, Colchester Borough Homes and Essex County Council to ensure that domestic abuse support services remained available to support people during the pandemic, and the Council attended monthly Safeguarding Adults Board meetings. Work had also been undertaken with the Children's Safeguarding Board in order to adopt a multi-agency response to the pandemic. The Committee heard that the methods of contacting vulnerable residents had evolved over the past year, to include more meetings conducted by telephone or online, and the increased using of online messaging software and text messages. This had had a particularly positive impact on young people using services, who felt more able to engage with agencies via these methods. Sonia advised the Committee that a change that had been enforced by the pandemic was the inability to deliver the Council's usual programme of 'Crucial Crew' due to school closures, but that work had been undertaken with partners to ensure that all information that would have been available as part of this programme was published on the Safer Colchester website. The Council has also supported a number of campaigns over the past year, including the 'Stay Safe at Home' campaign, which focussed on five risks including domestic abuse, child abuse, accidental house fires, fraud and bogus callers. During this time, Officers were still carrying on with safeguarding work, making referrals to Adult Social Care and the Children and Families Hub where needed, with the majority of referrals coming from the Customer Services Centre and thirty two referrals had been made up to the end of August. Further work was planned for the coming year to ensure that designated Safeguarding Officers had the right knowledge to be able to determine what sort of abuse vulnerable adults and children may be suffering, together with knowledge on when to inform Essex Police. A number of the referrals had mentioned suicidal ideation, and as a result of this internal bulletins to staff had contained links to suicide awareness training, and this would be dealt with by more detailed training for frontline staff in the future. During 2020 there had been five new Safeguarding Officers appointed, which was considered to be an extremely positive sign that safeguarding issues were being championed within service areas. A number of training courses has been made available to staff and a reminder was sent to all staff to request that they completed the Level One Safeguarding course, to keep the awareness of safeguarding issues fresh. Although the pandemic had meant that face to face training had stopped, sessions had been delivered on the impact of sexual violence, as well as hate crime awareness and modern slavery awareness. Training would be provided for staff in the future highlighting Council procedures on 'Prevent', modern slavery, child exploitation, domestic abuse, criminal exploitation and hate crime, and the Council would increase its commitment to online training with a training plan for all staff volunteers and Members. The safeguarding training packages to be provided had been revised with changes made to the level one and level two training, and would be made available to external contractors at the tender stage, as well as other partners via the Safer Colchester partnership website. Work was ongoing with the

Council's Licensing Team to develop an online programme of mandatory safeguarding for taxi drivers to follow, leading on from some very successful sessions that had taken place in 2019. The Committee heard that a new version of the Colchester Borough Council Safeguarding Policy had been adopted and was available on the website. In addition to this a new version of the Council's Suicide Protocol had been adopted and summaries of both these documents were available to Officers, volunteers and Members to assist them in recognising signs of abuse or other concerns and making referrals. The Committee heard that an award of over £500,000 had been received from the Ministry of Housing, Communities and Local Government by the Council as the Lead Local Authority to assist with the delivery of the 'Together we Can' project, which was a twelve month project to support a recovery refuge and community resettlement programme to support people to go back into safe accommodation, and providing specialist support for children and young people affected by domestic abuse.

Jo Bessant, Community Enabling Manager, gave the Committee an update on the equality and diversity work that had been undertaken over the past twelve months. The Committee heard that the Community Response Team was mobilised as part of the Council's response to the Coronavirus pandemic to act on the urgent and immediate needs of the community including information on food and prescription collections. It was evident that some protected groups suffered more than other, and the Response Team carried out local consultations to understand the impact of covid and the challenges that were being faced. The consultations highlighted the need for translated information on how to obtain assistance and support, leading to the creation of the Community Response Pack, which was now on version thirteen and was constantly being updated and circulated. In addition to this, a Residents Contact Pack provided contact information and advice for residents, and both packs were available on the Council's website and had been shared with many community groups and partners. In spite of the pandemic, the Council's normal work around Equality and Diversity had continued, including the Diversity Steering Group which was made up of representatives from across the Council had provided an active forum for advancing equality for both customers and staff. Over two hundred and fifty activity packs had been issued to elderly residents containing advice on how to be active at home and staying well during the pandemic, and the Council had demonstrated support for the Black Lives Matter campaign and the LGBTQ community. In addition to this, Leisure World had continued to offer swimming sessions for adults and children, including women only swimming sessions. The Committee was advised that training of staff was key to ensuring that staff remained up to date and equipped to promote equality, diversity and inclusion and 108 Councillors and members of staff had completed the equality and diversity training course, and training on equality impact assessment had also been carried out. Future training was scheduled and the Council was committed to ensuring that it had a diverse and inclusive workforce, which was supported by the new People Strategy making equality training mandatory for staff and Councillors every three years. The Council would continue to support national and local awareness campaigns to promote equality, diversity and inclusion, and was developing an asset-based community approach to enable a better understanding of the

local communities which would help reduce inequality and improve the health and wellbeing of residents.

Councillor Barlow commended the work undertaken by Officers, and asked what was happening to ensure that good work that had been carried out was utilised in the future in the event of a further crisis. Lucia Breadman confirmed that the Community Response Pack was a long awaited tool for the Council and communities, and it would be kept up to date now that it had been created and would form a vital tool to help ensure that anyone was able to access the help and support they needed.

Councillor Dundas echoed his support for the Community Response Packs, and questioned whether it was felt that online safeguarding training was as effective as face to face sessions. Lucia Breadman explained that there were real benefits for offering online training, including tracking who had undertaken this as well as offering the opportunity to provide tests as the training goes on. Some training in relation to equality and diversity did benefit from face to face sessions in small groups, providing the opportunity for detailed discussions and questions that were not so easily dealt with on line and in the future it was intended that some training be offered in person, with the majority being carried out online.

Councillor Willetts acknowledged the good work that had been undertaken, but queried whether there was any way to measure improvements that taken place in the borough in terms of equality and safeguarding as a result of this. He noted the excellent work that had been carried out, but wondered if there was a way of measuring the success of the Council's activities in terms of increasing equality and safety in metric terms, so that future success could be measured and improvements quantified. Councillor Pearson commented that much of the work that was undertaken was not quantitative, and was concerned with challenging and changing behaviours to try to ensure that Colchester became a better place than it had been previously, year on year. He also highlighted the fact that a lot of the activities undertaken were multi-agency activities and therefore not wholly within Colchester Borough Council's control to manage and co-ordinate. He suggested that some metrics that could be considered at future meetings of the Committee could include recruitment figures for the Council, together with uptake on welfare services and support accessed over a twelve month period. He noted that the male suicide rate in Colchester had been recently highlighted as being particularly high, and requested that consideration be given to any work that the Council could undertake to try to address this. In response, Councillor Willetts suggested that independent surveys could be carried out among groups with protected characteristics to ascertain whether they felt that their lives had been improved by the activities of the Council, and that feedback should be actively sought and used to set goals for future years. Councillor Barlow pointed out that it would be extremely difficult to separate out the impact of a single body in areas where many agencies were working to improve things, and suggested that to attempt to do so would not be a good use of Officer time.

In summary, Lucia Breadman confirmed that the Council did undertake surveys, which

had led to the creation of the Community Resource Pack, translated information and food packs that had been tailored to the needs of specific communities. She explained that the Council was involved in a broad programme of surveys both internally and externally, and the results of these were used to determine where effort was expended, and she confirmed that more detail would be included in future reports around this.

RESOLVED that the contents of the report be noted, and the Committee endorse the Council's approach to its legal duties and objectives regarding both Equality and Diversity, and Safeguarding set out in paragraph 7 of the report.

233 Review of the Council's Ethical Governance Policies

Andrew Weavers, Strategic Governance Manager, attended to present the report and assist the Committee with their enquiries. The Committee were reminded that the Ethical Governance Policies were the key policies which set out the standards of conduct and integrity that the Colchester Borough Council (the Council) expects from its Councillors, staff and all partners when conducting Council business. In 2018, the Council adopted a statement of intent in relation to both ethical and corporate governance, which gave a high commitment to zero tolerance of fraud, corruption and bribery, and it was now appropriate to review this. The Committee heard that none of the policies incorporated within the Council's ethical governance framework had needed to be invoked during the past year, and following a complete review of these policies no changes were proposed to them, save for the Council's Covert Surveillance Policy. It was explained to the Committee that in March 2020 the Council had been visited by the Investigatory Powers Commissioners Office (IPCO), as had a number of other Local Authorities in Essex. The inspection had been carried out as a virtual inspection rather than a physical one, and policies and procedure had been examined. The policy was found to be sound, but some recommendations had been made as to how the policy could be improved, which had been included in the updated policy document before the Committee.

Councillor Willetts commented on the Income and Debt Management Policy and the fact that the Portfolio Holder wrote off sums of money in unrecoverable business rates every year. Councillor Willetts was not suggesting that the Policy was at fault or inadequate, but he sought clarification on whether or not there were any imminent changes in legislation that would allow this money to be recovered. Councillor King, Portfolio Holder for Business and Resources responded to Councillor Willetts, confirming that debt collection action that was taken was as robust as possible within the legislative framework. He pointed out that although the sums that had to be written off would be significant to an individual, they were not significant on an organisational scale to the Council. He praised the award winning revenues team of the Council and their extremely high debt collection rate, but made the point that some revenue simply could not be recovered. In Councillor King's opinion, the Policy was robust and suitable, and supported the Council in delivering its obligation to residents to have the minimum amount possible of non-recoverable debt.

RESOLVED that;

1. A recommendation be made to Full Council that it adopts the statement of intent in relation to ethical governance.

2 The following revised policies had been reviewed, and it was recommended to Full Council that they be approved for inclusion in the Council's Policy Framework.

- Anti-Fraud and Corruption
- Whistleblowing
- Anti-Money Laundering
- Covert Surveillance
- Information Security
- Data Protection
- Acceptable Use
- Data Retention
- Income and Debt Management

234 Annual review of the Members' Code of Conduct and the Council's Localism Act Arrangements

Andrew Weavers, Strategic Governance Manager, attended to present the report and assist the Committee with their enquiries. The Committee heard that each Local Authority was required to have a Code of Conduct which was based on the Nolan Principles of Public Life, and under the Localism Act to have arrangements in place for dealing with allegations that Councillors have not adhered to the Code of Conduct. The only change that had been suggested was to amend the Code to reflect the fact that it was reviewed annually, an activity that had in fact been carried out for a number of years. The arrangements had been reviewed and it was considered that they were operating satisfactorily, and that the Committee were invited to keep the arrangements under review and make any recommendations considered necessary to Full Council in the light of future events. The Committee were advised that the number of complaints made in the past year had risen slightly but that no underlying trends had been identified that raised any particular concern and no referrals had been made to the Committee.

REESOLVED that the contents of the report be noted.

235 Review of Local Code of Corporate Governance

Hayley McGrath, Corporate Governance Manager, attended to present the report and assist the Committee with their enquiries. The Committee heard that each Local Authority had a local Code of Corporate Governance based on the principles contained in guidance issued by The Chartered Institute of Public Finance and Accountancy

(CIPFA), and The Society of Local Authority Chief Executives (SOLACE) and this contained the activities that the Council had undertaken, and would undertake, to implement the six core principles set out in The Code, and ensure that the highest governance standards were in place. The code was reviewed annually to ensure that the principles are still being met, and what further work can be undertaken as an organisation that would demonstrate compliance with the principles. No significant changes had been made to the Code this year, however, it had been updated to reflect the strengthening of compliance with the principles, including the implementation of two new Panels, The Policy Panel and the Environment and Sustainability Panel, together with community engagement via the digital access programme, electronic training for officers and the coronavirus response and recovery actions. The Committee were requested to review the updated Code of Corporate Governance for 2020-2021, and recommend to Full Council that the updated Code be included in the Council's Policy Framework.

RESOLVED that it be recommended to Full Council that the updated Local Code of Corporate Governance for 2020/21 be approved for inclusion in the Council's Policy Framework.

236 Review of Member / Officer Protocol

Andrew Weavers, Strategic Governance Manager, attended to present the report and assist the Committee with their enquiries. The Committee were reminded that the Council carried out regular reviews of the Member/Officer Protocol and had last considered this in November 2019. A review had been carried out of the Protocol and it was considered to be operating satisfactorily and as a result no changes were proposed this year.

Councillor Willetts expressed his unease about the relationship with Members and Officers where Officers were asked to take strategic decisions. He felt that when decisions were taken by Councillors, these could be subject to public scrutiny and the process behind the decision could be the subject of challenge, but if the same decision was delegated to an Officer this ability was lost. He wondered whether provision should be made in the Protocol to account for an Officer who is acting as a 'pseudo-Member' and taking decisions where Members may wish to challenge the judgement.

Councillor Pearson referred to paragraph 2 of the Protocol which dealt with decision making under delegated powers which had been delegated by Members to Officers, and confirmed that although he recognised the concerns expressed by Councillor Willetts, he did not share them. He noted that the Governance and Audit Committee did hold Portfolio Holders and Officers to account, as did the Scrutiny Panel and Full Council.

Councillor King, Portfolio Holder for Business and Resources, commented that as a Cabinet Member he was confident that he felt responsible for decisions taken in his

portfolio by Officers who kept him very well informed.

Andrew Weavers confirmed that, as Monitoring Officer, he was concerned with ensuring good governance and decision making within the Authority, and he offered reassurance to Councillor Willetts that Officers were accountable for the decisions that they took. He explained that when Officers took key decisions, that these were published in the same manner as a Portfolio Holder decision and were subject to call in by the Scrutiny Panel in the same manner.

RESOLVED that the Member/Officer Protocol be agreed and recommended for inclusion in the Council's Constitution.

237 Review of Gifts and Hospitality Guidance

Andrew Weavers, Strategic Governance Manager, attended to present the report and assist the Committee with their enquiries. The Committee were advised that these documents were reviewed every year, and that no changes were proposed to them at this time. Although the Local Government Association had suggested that a gift level of £25 could be adopted, it was considered that the current level of £50 contained within the policy was more of an appropriate level. No notification had been received of any Councillor receiving a gift or hospitality of over £50 in the past year.

Councillor Willetts confirmed that he believed that any acceptance of gifts or hospitality should not be allowed, no matter the value.

RESOLVED that the Gifts and Hospitality Guidance be agreed and recommended for inclusion in the Council's Constitution.

238 Governance and Audit Work Programme 2020-2021

Matthew Evans, Democratic Services Officer, attended the meeting to present the report and assist Councillors with their enquiries.

RESOLVED that the work programme be approved.