

# Governance and Audit Committee

Wednesday, 13 December 2023

<b>Attendees:</b>	Councillor Paul Dundas, Councillor Dave Harris, Councillor Alison Jay, Councillor Sara Naylor, Councillor Chris Pearson, Councillor William Sunnucks
<b>Also Attending:</b>	Councillor David King
<b>Apologies:</b>	Councillor Paul Smith
<b>Substitutes:</b>	Councillor Simon Appleton (for Councillor Paul Smith)

## 394 Housing Overview Report

The Committee considered a report setting out the approach to assessing the condition of the Council's housing stock, and how this informed the Council's 5 and 30 year investment programmes. The report also provided the current regulatory and legislative context regarding damp and mould in social housing as well as the position with regard to damp and mould in the Council's own housing stock.

The Committee were advised that the Chair of the Committee had decided to deal with item 8 on the agenda at the start of the meeting due to time pressures on the Officers involved in this item.

Philip Sullivan, Chief Executive Colchester Borough Homes (CBH), attended the meeting to present the report and assist the Committee with its enquiries. The purpose of the report which was presented to the Committee was to provide a briefing on the condition of the Council's housing stock, and also an update damp and mould.

Mark Wicks, Interim Director of Assets for CBH attended the meeting and advised the Committee that the report which was before it outlined the methodology which was followed for the 5 year stock condition survey, and outlined how the data gathered was as accurate as it possibly could be, as this was important for CBH's Capital Investment Programme. Also included was an illustration showing how the data gathered through these surveys fed into the production of a 30 year plan that was worked to for the Capital Programme. Included was an outline of the numbers of housing stock surveyed recently on the rolling programme, together with information on the properties Decent Homes Standard, and the achievements of CBH in terms of the carbon net zero target by 2030.

Karen Loweman, Director of Operations - CBH, attended the meeting and addressed the Committee, advising it that although historically, damp and mould had always been a problem in housing, new regulations sought to ensure that housing providers were required to ensure that their stock was fit, safe and healthy for people to live in.

A Committee member noted that over preceding years, he had been contacted a large number of times by residents about housing stock conditions. He recalled that approximately 20 years ago kitchens and bathrooms had been replaced in the Council's housing stock, and considered that the quality of these replacements had

been superb. It was accepted that some kitchens and bathrooms would last longer than others due to a number of factors including the manner of their use. Was data gathered to measure the longevity of such installations, and were residents advised on how to maintain kitchens and bathrooms to try to ensure that maximum value for money was obtained from these? The Interim Director of Assets for CBH advised the Committee that the purpose of the stock condition survey was to review the remaining life of assets within housing stock, and contractors would provide residents with advice on maintenance. Although it would be a challenge to ensure that the surveys were completed in time, sufficient resources were in place to ensure that this was achieved.

The Director of Operations for CBH confirmed that the causes of damp in houses could be varied, and ranged from condensation on windows to structural issues with the property. CBH was very mindful of the vulnerability of people living in the properties, and this was taken into account whenever a report of damp was received to enable a priority-based approach to be taken. The work which CBH carried out was linked very carefully to provide a holistic approach, which was not wholly focused on the properties themselves when considering damp and mould. Different factors were also considered such as lifestyle, financial affordability, and providing advice and support to problem solve issues.

A Committee member enquired how the work which CBH carried out was accounted for, and how the cost of this work compared to other housing providers. How did the table of expenditure which had been provided in the Officer's report relate to the operating budget, and was it possible to provide a global picture of what the different types of repairs were? He had looked at what another housing provider, Clarion, had spent on 3 main types of repairs, which had been costed at £2,000 per dwelling, however, it appeared that CBH had spent £2,600 on similar repairs; was this right? The Chief Executive of CBH explained that it was difficult to compare or comment on the operations of other housing providers without knowing whether or not identical works were being compared. He assured the Committee that cost were kept to a minimum through the procurement process. The stock condition survey programme, together with the data held and the component breakdown costing was very comprehensive and was audited routinely to provide CBH and the Council with assurance that value for money was being obtained.

Chris Hartgrove, Deputy S151 Officer attended the meeting remotely and explained to the Committee that depreciation charges and repairs and renewals were dealt with differently in the Council's accounts, and only some of these affected the Council's reserves. If the Committee had more detailed questions concerning the accounting treatment for these expenses, he would be happy to answer these after the meeting.

The Committee noted that mould and damp could be caused by issues such as blocked guttering and overgrown gardens which caused undergrowth to come into contact with houses, was this an increasing issue? The Director of Operations for CBH confirmed that there had been an increase in overgrown properties, but CBH had an annual gutter clearing programme during the winter months. CBH had also run focus groups with residents to help improve understanding of what caused damp and mould to support them in alerting CBH of any issues at an early stage.

In discussion, the Committee sought clarification on where areas of responsibility lay between CBH and the Council. Councillor King, Leader of the Council, attended the meeting, and, with the permission of the Chair, addressed the Committee. He explained that an in-depth review of the Housing Revenue Account (HRA) would take place in the New Year to ensure that the significant liabilities were understood. He suggested to the Committee that the points and questions which it had raised would be considered comprehensively as part of this review.

The Director of Operations for CBH confirmed that an additional temporary property surveyor had been employed recently, however, CBH did also run a successful apprenticeship programme to develop its own staff into this role.

In discussion, the Committee was pleased to see that CBH was working towards carbon net zero targets, but noted the significant sums of money which would be required to achieve this. It had been suggested that not even half of the necessary funding would be coming from central government, how would CBH ensure that this work was carried out at an appropriate pace? The Interim Director of Assets for CBH confirmed that there were 2 key targets of 2030 and 2050, and that CBH was in a similar position to many other landlords. It was anticipated that there would need to be a reliance on developing technology to meet the targets which had been set, and the amount of grant funding to support this work was only considered likely to meet 40% of the costs, which was something which needed to be factored into the HRA in the long run.

RESOLVED that:

- The current position regarding the stock condition surveying process and the condition of the Council's housing, and that the process had been effective in providing reliable data on the state of the Council's housing stock be noted.
- The current regulatory and legislative context regarding damp and mould in social housing as well as the position with regard to damp and mould in the Council's own housing stock be noted.

**395 Verbal update from the Council's S151 Officer with regard to the Council's statement of accounts.**

The Committee received a verbal update from the Council's S151 Officer with regard to the Council's statement of accounts.

Chris Hartgrove, deputy S151 Officer, attended the meeting to present the update and assist the committee with its enquiries. Significant difficulties had been experienced in the levels of staff which had been available in the Finance Team, but a new Finance Technical Manager had been recruited with a strong track record of producing financial statements. Extensive capital work which had been undertaken during November had now been completed and routine finalising tasks were now being undertaken. It was now hope that the 2022/2023 accounts would be published not on 20 December 2023, but on Friday 12 January 2024, a few days before the next meeting of the Committee. Although this could not be guaranteed, he was optimistic that this date would be met.

Turning to the 2020/2021 audit, the Committee heard that the position was generally

positive, but that 20 instances had been identified where Council Officers had provided information to the Council's auditors, BDO, which had yet to be processed by them. Questions were being received from BDO concerning infrastructure assets which was a problem nationally, but had not yet caused significant delays to the Council. BDO had stated today that they were aiming to sign off their audit by mid-February. With regard to the 2121/2022 audit, BDO had indicated that they were awaiting a ministerial decision on whether the audit would be required at all. If it was required then the plan from BDO's perspective would be to start in July 2024, with an expectation that an audit opinion would be provided by November or December 2024.

A Committee member queried why infrastructure was such a problem for local authorities, and the Deputy S151 Officer explained that the main issue was around componentisation, and the way in which local authorities had historically accounted for the value of their developments such as housing estates, where the value of the roads would not have been split out from the other site works. When, for example, a road required to be resurfaced, the accounting treatment under current audit standards required the council to identify the original value of the road, where often records would not have been held to enable this to be determined. This had caused difficulties for councils across the country. This had, however, not yet caused a significant delay in Colchester, and the main problems which had been experienced were due to a lack of resources within the Finance Team.

A Committee member considered that it was crucial that the 2023 accounts were published in January 2024, and not February.

RESOLVED that: the verbal update be noted.

396

### **Review of the Council's Ethical Governance Policies**

The Committee considered a report requesting it to review the Council's updated Ethical Governance policies. These were the key policies which set out the standards of conduct and integrity that the Council expected of Councillors, staff, partners, suppliers and customers when conducting Council business.

Andrew Weavers, Head of Governance and Monitoring Officer, attended the meeting to present the report and assist the Committee with its enquiries. The Committee was requested to review the Council's suite of Ethical Governance Policies, which were presented to it on an annual basis to ensure that these 11 Policies remained fit for purpose. During the year the Policies had been reviewed, and they had been considered adequate to cover all circumstances and were fit for purpose. No substantial changes had been made to any of the Policies, and the only changes which had been made were minor and reflected changes in the Council's structure which had taken place during the preceding year, such as changes in job titles etc.

The Covert Surveillance Policy had been the subject of an external inspection by the Investigatory Powers Commissioner's Office which had taken place in March 2023. This inspection had confirmed that the Council had demonstrated compliance with the necessary legislative requirements, and that the Policy was fit for purpose. In addition to this, key officers had also received refresher training.

An annual email was written to all Councillors and Officers by the Monitoring Officer

reminding them of the Council's Anti-Fraud and Whistleblowing Policies.

The Council's Income and Debt Policy had been reviewed by the Operational Finance Team and no changes had been proposed to it.

There were no significant changes to draw the Committee's attention to, and all the Policies had been reviewed and were now recommended as fit for purpose. The Committee was asked to commend the Policies to Full Council for inclusion in the Council's Policy Framework.

A Committee member noted that the Council owned a covert closed circuit television (CCTV) camera, and sought confirmation that the use of this camera would be covered by the Covert Surveillance Policy. The Head of Governance and Monitoring Officer advised the Committee that the use of this camera was not classed as covert surveillance as it would be made clear to people that an area was under surveillance, and therefore use of the camera would qualify as overt surveillance.

The Committee considered that the Policies which had been presented to it were essential to the good governance of the Council, and it was important that the Committee spend time ensuring that they remained fit for purpose. To aid the review of the Policies in the future, it was requested that any changes which had been made be highlighted in the Policies themselves.

A Committee member considered that the use of the Council's Information and Communication Technology (ICT) services was a struggle for some Councillors, and the Council's system was quite an invasive system which could cause issues for Councillors who attempted to use it on their own work or personal computers. Although the Committee accepted that the system could be difficult to use, it was also aware that the Council had experienced some issues around ICT security in recent months which had impacted on Councillor colleagues. It was suggested that it may be appropriate for the Political Group Leaders of the Council to meet to discuss overcoming some of the issues which some Councillors faced, and a briefing session on Councillor use of ICT could be appropriate in the future.

A Committee member thought that the proposed Acceptable Use Policy was unduly complicated, and he was forced to forward emails that he received via the Council's email system to his own personal email address to make the system workable. In the past, emails between Councillors had been significantly delayed, and it was estimated that approximately 50% of emails received from constituents had to be retrieved from the spam filter. It was requested that consideration be given to relaxing the security features which were present in the Council system to counteract these issues.

In discussion, the Committee noted that a failure to deliver emails to Councillors from their constituents would serve to reduce confidence in elected Members, and give the impression that Councillors were uninterested in resident's concerns, which could be difficult to overcome. Although some Committee members were able to retrieve emails from a spam filter, others simply did not receive emails which had been sent to them at all, which was a great concern.

The Committee offered its support for the proposed Policies, but it was suggested that

some of the Policies were overly long and contained some duplication. It was felt that longer Policies could put pressure on staff to comply with all their complicated requirements, and consideration should be given to trying to simplify the Policies in the future, potentially by making reference to national policies and including additional details which were relevant to Colchester where appropriate. The Retention Policy in particular was considered to be overly complex with the potential to put pressure on staff to comply with it. The Policies needed to be as simple and user-friendly as it was possible to make them.

RECOMMENDED TO FULL COUNCIL that:

- The following revised policies:

- Anti-Fraud and Corruption Policy
- Whistleblowing Policy
- Anti-Money Laundering Policy
- Covert Surveillance Policy
- Data Protection Policy
- Acceptable Use Policy
- Information Security Policy
- Retention Policy
- Processing of Special Category & Criminal Convictions Personal Data Policy
- Password Policy
- Income and Debt Policy

be included in the Council's Policy Framework.

RESOLVED that:

- Consideration be given to simplifying the Council's suite of Ethical Governance Policies in the future.

397

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

The Committee considered a report requesting it review the Councillors' (Members') Code of Conduct, and the Council's Localism Act Arrangements for dealing with complaints made regarding Councillors.

Andrew Weavers, Head of Governance and Monitoring Officer, attended the meeting to present the report and assist the Committee with its enquiries. The Committee was reminded that the Council had adopted the Local Government Association (LGA)'s model Councillor Code of Conduct (the Code) with effect from 1 December 2022, and this was therefore the first review under the new Code. The Committee heard that although the City Council had adopted the LGA Code, not all the Town and Parish Councils within the city had adopted this Code, although some had. The Town and Parish Councils were running a mixture of Codes, which sometimes caused confusion when complaints were received in relation to Councillor conduct. Under the localism act 2011 the Council was required to adopt a set of Arrangements for dealing with allegations where Councillors were alleged to have failed to comply with the Code, and these Arrangements were publicly available on the Council's website. Following a

meeting of the Council's Hearings Sub-Committee earlier in the year, there had been a recommendation that the Monitoring Officer should ascertain whether or not a complainant was a Councillor in any capacity, and this requirement was accordingly now contained in the Arrangements document.

The report contained details of the number, type, and outcome of allegations which had been received since the LGA Code had been adopted. The Localism Act 2011 required the Council to have appointed at least 2 Independent Persons, who advised the Committee in relation to complaints received about Town, Parish and City Councillors. It was necessary to undertake a recruitment exercise to appoint an Independent Person, as one of the Independent Persons currently appointed was standing down. The recruitment process would commence in early 2024 and the results of this would be reported to the Committee in Due course.

A Committee member raised no issues with the Officer's report, however, considered that the biggest difficulty for Councillors was posed by determining when the Code applied to them, and when they were acting in their capacity as a Councillor. It was suggested that the majority of complaints which were received under the Code were linked to whether or not a Councillor was acting in their official capacity, particularly on social media. In this regard, it was suggested that the Code did not offer sufficient definition to assist.

The Head of Governance and Monitoring Officer confirmed that when considering complaints, the LGA guidance on the interpretation of the Code would be referred to, and this guidance provided further in-depth information to assist when someone was acting in their role as a Councillor. If comments had been made on social media when the impression had been given that these comments were made in the capacity of a Councillor, then the Code potentially applied.

RESOLVED that: the contents of the report be noted.

398

#### **Review of Local Code of Corporate Governance 2023/24**

The Committee considered a report requesting that it review the Local Code of Corporate Governance for 2023/24. The Local Code of Corporate Governance was how the Council demonstrated that its structures complied with the recognised principles of good governance.

Hayley McGrath, Corporate Governance Manager, attended the meeting to present the report and assist the Committee with its enquires. The Local Code of Corporate Governance (the Code) was referred to the Committee every year, and set out the principles which the Council abided by, and which were set by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The Code set out how the Council demonstrated its compliance with the 6 principles of good governance through the management of appropriate systems and processes. The Code was reviewed every year and no significant changes were proposed this year. The Code had been updated to provide hyperlinks to supporting documents which it referenced, including the 2023/2026 Strategic Plan, and contained details of work which had been carried out over the preceding year. The Committee was requested to review the Code to ensure that it was appropriate and that it confirmed that the Council did comply with the 6 principles

of good governance, and to recommend to Full Council that the Code was incorporated into the Council's Policy Framework.

RECOMMENDED TO FULL COUNCIL that:

- The Local Code of Corporate Governance be included in the Council's Policy Framework.

**399 Review of the Member / Officer Protocol**

The Committee considered a report requesting that it review the Member / Officer Protocol, which provided a framework for good working relationships between Councillors and Officers, and which was included in the Constitution.

Andrew Weavers, Head of Governance and Monitoring Officer, attended the meeting to present the report and assist the Committee with its enquiries. The Committee was requested to review the Member/Officer Protocol (the Protocol) annually, and the version of the Protocol which had been presented to the Committee contained 1 substantive change. At its meeting of 18 October 2023, Full Council had agreed a Motion regarding transparency, and as a result of this a clear expectation and process had been established in the Protocol governing the expected response times for Officers to respond to Councillor enquiries. The Protocol was the document which regularised the relationships and expectations between Members and Officers. Additional paragraphs in the Protocol proposed an initial response time of 10 working days for normal enquiries from Members. This timeframe was consistent with other local authorities and was supported by all Heads of Service in the Council. It was proposed that enquiries from Councillors were logged via a specialised app which would allow Councillors to view the progress of their query which would also be allocated a reference number to allow a clear audit trail to be generated on queries. This process would provide a centralised record of Member enquiries, which did not currently exist in the organisation, as well as providing defined timeframes within which named Officers would respond to enquiries, helping Members provide meaningful responses to their constituents. The target was to make the new system available for use as soon as possible in the new calendar year when communications would be sent to Councillor and Officers advising of the new system.

The Committee considered that it was essential that Councillors be afforded the opportunity to be trained in the new system once this was ready to be implemented to ensure that it worked well for, and could be used by, everyone.

A Committee member requested that the wording in the Protocol relating to Members and Officers not undermining respect for the other at Council meetings be extended to cover briefings as well. This was a topic which had been raised at a recent meeting of the Member Development Group, and it was felt that this clarification was required.

RESOLVED that:

- The Member / Officer Protocol be approved and included in the Council's Constitution, subject to the addition of the words "or briefing" at paragraph 10(2) of the Protocol so that it read:



“Members and Officers should not criticise or undermine respect for the other at Council Meetings or at any other meeting or briefing they attend in their capacity as a Councillor or Council employee.”

**400 Gifts and Hospitality – Review of Guidance for Councillors and Policy for Employees**

The Committee considered a report requesting that it approve updated guidance for Councillors regarding any gifts and hospitality received in their role as a Councillor, as well as an updated policy for employees in relation to any gifts and hospitality received.

Andrew Weavers, Head of Governance and Monitoring Officer, attended the meeting to present the report and assist the Committee with its enquiries. The Committee was invited to carry out its annual review of the Guidance for Members and the Policy for employees. Both documents had been reviewed and no changes were proposed to either of them.

In response to a question from a member of the Committee, the Head of Governance and Monitoring Officer explained that the £50 limit for declaring gifts and hospitality had come from the Local Government Association (LGA) Model Code of Conduct and had therefore been in place since December 2022. The Council’s own limit, had, however, been £50 before this. The limit was reviewed periodically by the LGA, and should it change in the future then this would be referred back to the Committee for adoption into the Protocol.

RESOLVED that:

- The proposed Guidance for Councillors regarding Gifts and Hospitality be approved and included in the Constitution.
- The proposed Gifts and Hospitality Policy for Employees be approved.

**401 Work Programme 2023-2024**

The Committee considered a report setting out its work programme for the current municipal year.

Matthew Evans, Democratic Services Officer, attended the meeting to present the report and assist the Committee with its enquires.

The Committee requested that any information which was available with regard to the publication of the Council’s statement of accounts be circulated to it in advance of its next meeting, whether as part of the regular verbal update, or as an additional agenda item.

RESOLVED that:

- An update on the progress which had been made with regard to the Council’s statement of accounts be provided at every future meeting of the Committee
- The contents of the work programme, subject to any changes in the order in which items were to be presented, be noted

