

NORTH DEVON COUNCIL

Minutes of a meeting of Governance Committee held at Barum Room - Brynsworthy on Tuesday, 7th January, 2020 at 6.00 pm

PRESENT: Members:

Councillor Roome (Chair),

Councillors Henderson, Jenkins, Phillips and Walker

Officers:

Chief Executive, Head of Resources, Public Protection Manager, Emergency Planning Officer and Senior Solicitor/Monitoring Officer

44. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Campbell, Saxby and Topps.

45. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 5TH NOVEMBER 2019

RESOLVED that the minutes of the meeting held on 5th November 2019 (circulated previously) be approved as a correct record and signed by the Chairman.

46. ITEMS BROUGHT FORWARD WHICH IN THE OPINION OF THE CHAIR SHOULD BE CONSIDERED BY THE MEETING AS A MATTER OF URGENCY.

a) Order of agenda

The Committee agreed to consider item 9 (Update on Business Continuity) of the agenda prior to item 6 (Asset Management).

47. DECLARATIONS OF INTERESTS.

There were no declarations of interest announced.

48. UPDATE ON BUSINESS CONTINUITY

The Public Protection Officer and Emergency Planning Officer provided the Committee with an update on Business Continuity.

The Public Protection Officer gave a brief overview of her background, and that of the Emergency Planning Officer who was a new member of staff.

The Public Protection Officer provided the Committee with an update on Business Continuity, covering the following:

- The Council was a category 1 responder under the Civil Contingencies Act (CCA) 2004. This was the same category as that of the NHS agencies and 'blue light' emergency services' (eg Police, Fire, Environment agency).
- The Council was part of the Devon Emergency Planning Partnership (DEPP). The cost of this was £6,500 per annum, with a further payment of £900 towards the forum. The organisations and blue light agencies within the partnership worked closely together. An emergency could be anything from a flu pandemic to severe weather conditions; any event which could impact business continuity.
- The plans currently in place were:
 - Business Continuity Management Policy (June 2016)
 - Business Incident Management Plan (July 2016)
 - Business Resumption Plan (which identified the critical services and the priority order for restoring these services)
 - Each service also had its own resumption plan (there were currently 11 such plans across the Authority).
- The Council's Licensing and Health and Safety teams had worked together to build up the information on the Authority's website to provide a comprehensive information bank which could be used, for example, by an organisation for event planning. The works could be carried out by the user electronically without further involvement from the officers. The site provided details on noise mitigation, health and safety regulations etc. The site had been used to arrange 25 events via this new method.
- The Business Continuity Plan had been in place since 2016. Critical services had been identified which would have the greatest impact on people and the environment. The Council had experience of a power outage at the Civic Centre in recent years. In that case, staff were relocated to Lynton House where space allowed.

The Emergency Planning Officer confirmed that:

- Business Continuity was the strategic capability of an organisation; providing a framework to assist recovery of critical functions in the event of disruption to the business.
- It was important to ensure that the Business Continuity plans were up to date. There was a duty to plan, and action those plans, as far as practicably possible. The Authority also had a duty to provide general advice and guidance to other organisations (such as local voluntary groups). Local Authorities were the only organisations who had this additional duty under CCA 2004.

The Public Protection Officer, with reference to a report from the Business Continuity Institute, entitled "Horizon Scan report 2019" (published in January 2019), advised the Committee of the following:

- The top three threats (most common) of the prior year (ie in 2018) were:
 1. Unplanned IT and telecom outages
 2. Health and Safety Incident
 3. Lack of talent/key skills
- The top three threats for 2019 had been:
 1. Cyber-attack and data breach
 2. IT and telecom outage
 3. Adverse weather / natural disaster
- Political change had now been listed within the top ten for the first time since 2015.
- As a category 1 responder there was a need to protect the reputation of the organisation; protecting the organisation and achieve minimum impact of any threat.

The External Auditor confirmed that the audit of 2019 had identified the need for improvement and works were underway. There was a need for any plans to be thoroughly tested.

The Public Protection Manager confirmed that a corporate calendar was being created to set out the works required and schedule plan review dates and a schedule of training and exercises.

In response to questions from the Committee, the Emergency Planning Officer confirmed:

- There was a duty to ensure the plans were tested and validated. This would assist in ensuring the roles during a crisis and provide opportunities to practice.
- There was a duty to review the plan regularly. The audit recommendations were the priority. A schedule of works would be drawn up. 'Table top' / theoretical practices were the most cost effective method. These were anticipated to be annual, with 'live' exercises every two years.
- The duty to provide general advice to other business and voluntary organisations was usually achieved by those organisations approaching the Authority themselves and signposting on our website to business continuity resources.

In response to questions from the Committee, the Head of Resources confirmed:

- The results of the testing of the Business Continuity plans and procedures would be brought back to this committee within the MAZARS Internal Audit Progress report. The results could be presented separately if required.
- Other large organisations would usually have their own plans in place. It was more likely for the mid-sized and smaller organisations to require advice. These contacted the Authority direct.
- When the region had experienced heavy snow in previous years, the Authority proactively provided information to the local area via the website; creating a central hub for communications and advice.

- The Brynsworthy Environment Centre (BEC) had a back-up power generator on site.
- An update on Business Continuity could be provided to local Town and Parish Councils at a future parish forum.

The Chair advised that he was now satisfied that the Authority had adequate plans in place to protect the Authority and its business practices. The recruitment of an Emergency Planning Officer had reinforced this.

RESOLVED that the update on Business Continuity be noted.

49. ASSET MANAGEMENT PLAN

The Head of Resources provided the Committee with an update regarding the Asset Management Plan (AMP). He confirmed that:

- There was an Asset Management Plan currently in place. The value of the assets, as presented within the plan, were reported within the annual accounts.
- The Asset Management Plan identified the assets and enabled them to be monitored and assessed to ensure they were being fully utilised.
- The Asset System software package which was currently used to collate this information would be upgraded in 2020.
- The information summarised in the AMP would be used to identify any assets which could be disposed of, or better utilised.
- The AMP was used to record and assess long term liabilities and details of maintenance.

In response to questions from the Committee, the Head of Resources confirmed that:

- There was no material change to the total value of the assets held anticipated, despite fluctuations in the residential market. The majority of the assets owned were commercial, rather than residential. Over the past three years the overall value had remained at approximately £85m. The Council was not looking actively to acquire any new assets.
- The assets were surveyed by the Property Team for any maintenance or repair requirements. The team would be using hand-held tablets to carry out this process in a more efficient manner than historically.

RESOLVED that the update on the Asset Management Plan be noted.

50. UPDATE ON GOVERNANCE ARRANGEMENTS

The Chief Executive provided an update on Governance Arrangements. He referred to the results of the survey which had been issued to all North Devon Council's Councillors. The results of the survey had been circulated previously.

The Chief Executive drew the Committee's attention to the following:

- 11 responses had been received (of a total possible 42). This was 26%.
- He assumed that any Councillors who had particularly strong opinions on the matter would have completed the survey.
- Of those who responded, 6 were newly elected Councillors and 5 had been Councillors prior to the May 2019 election.
- When asked whether they felt engaged and involved in decision making, 73% had said yes, 27% no. This equated to 80% of the existing Councillors feeling involved, and 67% of the new Councillors.
- When asked if they felt that the speed of decision-making had improved 40% said yes, 60% said there was no difference.
- When asked if they felt that the quality of decision-making had improved 40% said yes, 20% said no and 40% said there was no difference.

The Chief Executive advised that in his opinion:

- The responses were mainly positive.
- There were a few comments which would need to be looked at in order to help anticipate further issues. There was mention of a feeling that officers were making decisions without consulting Members. Further engagement between officers, Members and Ward Members would need to be encouraged.
- The new governance arrangements had been made following consideration by the working group. The new model of operation had met the criteria of speeding up the processes and also, not to incur additional cost to the Local Authority. He did not feel that there would be any need to look at any further major changes to the new arrangements.

The Committee discussed:

- There were sometimes difficulties in obtaining answers from officers. Some had received no answers to their queries, others experienced delays. This was not the case with all departments/teams.
- New Councillors had the opinion that the staff were very hardworking.
- Councillors could also help to create better working relationships with the officers by coming in to the offices to meet up in person. They could also take a look at their own working practices and methods to see if they may need to be adjusted.
- Council and Committee meetings were pleasant to attend and worked well.
- Councillors who had been elected prior to May 2019 had found that the new system was working well and it was easier to get opinions heard. Staff also appeared more at ease and more able to speak to the Councillors and consider opinions which may have been ignored previously. The new system appeared more open.
- The previous Executive system had been in situ since 2000.

In response to questions and comments from the Committee, the Chief Executive confirmed:

- If any Councillors experienced problems or delays in obtaining information or answers from officers they should contact him direct. "Customer focus" was one of the Council's objectives and hence any issues needed to be addressed. Talks had been taking place between the Senior Management Team in relation to customer focus.
- Approximately half of the Members were new to Local Government. They had brought enthusiasm to the role which had 'rubbed off' on others. The new Council was working particularly well together.
- An agreement had been made recently with the Lead Members to hold regular forums to discuss issues which affected Members and their wards.
- Councillors needed to work as a peer group and encourage and develop together as the system could only operate with the commitment from the Councillors.

RESOLVED that the update on Governance Arrangements be noted.

51. INTERNAL AUDIT PROGRESS REPORT

The Committee considered a report by MAZARS Public Sector Internal Audit Limited regarding the Internal Audit Progress Report (circulated previously).

The Internal Auditors were unable to attend so the Committee was advised of the following in relation to the Internal Audit Progress Report by the Head of Resources:

- Three of the audits which had been outstanding from the 2018/19 plan had now been issued as draft, with the others now in progress. The conclusion of the 2018/19 plan was expected in advance of the next meeting.
- The Crematorium 2018/19 report had now been issued. The report was included within the Internal Audit Progress Report.
- The Civil Contingencies Plan draft report had been issued. The team were now working on the management responses. The final report would be completed by the next meeting of the Governance Committee.
- The management responses to the Fraud, Bribery and Ethics National Fraud Initiative audit were ready to send to the Auditors.
- Progress on the 2019/20 plan had started this week with the works on the Main Accounting System and Budgetary Control. All other Audits had either been started, or had dates programmed.

In response to questions from the Chair, the Head of Resources, and the External Auditor, confirmed that:

- MAZARS would still be responsible for any outstanding 2018/19 audits. The reports for any outstanding audits at the start of the new financial year would be provided by MAZARS who would prepare the 2019/20 audit opinion.

- Internal and External audits would continue to meet in future, once DAP had taken on the internal audits.

RESOLVED that the Internal Audit Progress Report be noted.

52. EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Committee considered a report by Grant Thornton regarding the External Audit Progress Report and Sector Update (circulated previously).

The External Auditor advised the Committee of the following points as noted in the External Audit Progress Report and Sector Update:

- The report was the regular progress report which outlined the progress as at 12th December 2019.
- The three criteria for the Value for Money work were: informed decision making, sustainable resource deployment and working with partners and other third parties. Details of the initial risk assessment to determine Grant Thornton's approach would be included in their Audit Plan.
- Details of upcoming events were included. Invitations for the workshop event in Plymouth had been forwarded to the Head of Resources and other relevant officers.
- An increase in the complexity of Local Government financial transactions and financial reporting, along with the work undertaken in the 2018/19 audit had highlighted areas where financial reporting needed to improve. Grant Thornton were currently reviewing the impact of these changes on the costs and timings of audits.
- The fee for the certification of the Housing Benefit (Subsidy) Assurance Process (HBAP) claim was £24,823. This was the original fee, of £21,253, plus two additional sets of "40+" testing each at £1,785.
- A copy of the report sent to the Department for Works and Pensions (DWP) in relation to the HBAP.
- The details of the errors found during the Housing Benefit (HB) audit. These errors were of a small value which resulted in a total corresponding adjustment of £857 which was unlikely to result in any repayment of subsidy or further investigation.
- The report signposted an article written by Paul Dossett, Head of Local Government at Grant Thornton as to how local audit regime would remain sustainable and effective.
- An article from the Institute for Fiscal Studies on "English local government funding: trends and challenges in 2019 and beyond" included the website address to enable members to check the status of North Devon against other local authorities.

RESOLVED that the External Audit Progress Report and Sector Update be noted.

53. AUDIT RECOMMENDATION TRACKER

The Committee considered the Audit Recommendation Tracker report by the Chief Executive in respect of actions taken to address internal and external audit recommendations (circulated previously).

The Committee noted the following updates:

- Table A detailed the 16 live recommendations.
- Table B confirmed that no further recommendations had been completed since the last meeting of the Committee.
- Table C detailed 2 recommendations for which time extensions were being requested. It was noted that Recommendation 17 RM&CG 02 required a short extension to allow for the report to be presented to the Policy and Development Committee prior to completion.
- Table D confirmed there were no outstanding Audit Recommendations.
- 14 AGS 02 (Table E) formed part of the works on Business Continuity and could not be finalised until those works had been completed.

RESOLVED that:

- (a) the actions completed since the 6th November 2019 Committee meeting be noted;
- (b) time extension be granted for those recommendations as listed in table C; and
- (c) the Audit Recommendation Tracker be noted.

54. WORK PROGRAMME

The Committee considered the work programme for 2019/20 (circulated previously).

The Head of Resources advised the Committee that the item “Annual Review of the Committee’s Effectiveness” would be presented at the meeting in March 2020. This had been agreed with the Chair in order to allow additional time for the return of the questionnaires previously issued to the Committee members.

RESOLVED that Work Programme 2019/20 be noted.

Chairman

The meeting ended at 7.39 pm

NOTE: These minutes will be confirmed as a correct record at the next meeting of the Committee.