

**NORTH DEVON COUNCIL**

Minutes of a meeting of Governance Committee held at Barum Room - Brynsworthy on Tuesday, 9th January, 2024 at 6.30 pm

PRESENT: Members:

Councillor Norman (Chair)

Councillors Bushell, Haworth-Booth, Jones, Orange, Quinn, Stevenson and Walker

Officers:

Chief Executive, Director of Resources and Deputy Chief Executive, Head of Governance, Head of Organisational Development and Senior Solicitor and Monitoring Officer

Also present in person:

Paul Middlemass (Devon Audit Partnership)

Also present (virtually):

Peter Barber (Grant Thornton)

Andy Nicholls (Grant Thornton)

Roz Apperley (Grant Thornton)

**46. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Whitehead.

**47. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 14TH NOVEMBER 2023**

RESOLVED that the minutes of the meeting held on 14<sup>th</sup> November 2023 (circulated previously) be approved as a correct record and signed by the Chair.

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

The Chair advised that item 10 of the agenda would not be considered until the next Governance Committee of 11<sup>th</sup> March 2024.

**49. DECLARATIONS OF INTERESTS.**

There were no declarations of interest declared.

**50. QUARTERLY UPDATE OF PLANNING PROCESSING TIMES  
2023-24: QUARTER 3**

The Chief Executive provided the Committee with an update in relation to the quarterly update on planning processing times.

The report covered the figures for quarter three of 2023/2024.

The Chair noted that there had been an improvement on the figures since quarter two.

The Chief Executive advised that the Government was considering a consultation into the process and the use of extensions. He noted that the most useful figure was that of the average processing time (from application submission to decision) and that he had asked the Planning Team to focus on that. Extensions were only granted with the agreement of the applicants.

Councillor Bushell expressed a hope that all 90% of applications were processed within 12 weeks.

The Chief Executive advised this was not a workable target in that it could lead to the 'wrong' decision being made due in order to meet targets. He reiterated that the current targets for minor applications was 8 weeks, and for major applications; 12 weeks.

In response to comments from the committee, the Chief Executive advised that the Authority had applied for funding from central government to assist with planning resource needs. £0.075m had been secured towards resources and staffing costs towards reducing the backlog. The Authority had sufficient resources for the planned works.

The Director of Resources and Deputy Chief Executive advised that:

- In 2022/23 four additional posts had been created within the planning team, although, to date some of these posts had not been filled due to challenges in recruitment.
- The performance report regarding the processing times for Planning Applications was presented to the Strategy and Resources Committee, and the draft budget for 2024/25 would be presented to the same committee and Full Council (which would include details of resource requirements).

RESOLVED that the update be noted.

**51. EXTERNAL AUDIT - FINDINGS REPORT 2022-2023**

The Committee considered a report by Grant Thornton regarding the External Audit – Audit Findings report (circulated previously).

The External Auditor (PB) confirmed:

- The report had been very positive with no major material audit concerns.
- Grant Thornton had experienced challenges within their teams, which had resulted in delays with the 2022/23 audits.
- The audit was now substantially completed subject to a few outstanding queries which included works on land/investment properties valuations. This was expected to be finished next week.
- It was hoped that an 'unqualified' opinion would be issued on the accounts.

The External Auditor (RA) confirmed the risks as identified within the Audit Plan. She noted that although there were no risks identified within the 'design and implementation of management controls over journals' in previous years there had been no preventative controls in place. The Council had since implemented retrospective controls.

The External Auditor confirmed the following to the Committee:

- The four risks identified in the Audit Plan:
  - Management over-ride of controls
  - The revenue cycle included fraudulent transactions (rebutted)
  - Risk of fraud related to expenditure recognition PAF practice note 10 (rebutted)
  - Valuation of Investment Property (annual valuation).
- The action plan covered the 7 recommendations as a result of issues identified during the course of the audit.
- Of the issues identified in the audit of the 2021/22 financial statements two were carried into the findings report as recommendations. The Council's management had now implemented those recommendations.
- At the time of writing there were no adjusted or unadjusted adjustment misstatements to report.

The Director of Resources and Deputy Chief Executive confirmed that he was satisfied with the current journal process and controls which were in place, and would continue to consider the Auditor's recommendations.

RESOLVED that the External Audit – Audit Findings Report be noted.

## **52. EXTERNAL AUDIT - AUDITOR'S ANNUAL REPORT 2022-2023**

The Committee considered a report by Grant Thornton regarding the External Audit – Auditor's Annual Report 2022-2023 (circulated previously).

The External Auditor (PB) confirmed this was the annual report which considered, under the National Audit Officer Code of Practice, whether the Council had put in place proper arrangements to secure economy, efficiency and effectiveness (value for money) in its use of resources. He advised that there were a range of different recommendations which could be raised by auditors: Statutory, Key, and Improvement, of which there were no Statutory or Key recommendations for North

Devon. There were four 'Improvement' recommendations. None of those four were in relation to governance.

The External Auditor (AN) confirmed the report was a positive read and it was clear to see that NDC had put into place a robust plan to meet challenges presented by inflation levels. In the view of the auditors, the Council had all the arrangements it required and there were deemed to be no weaknesses.

In response to questions from the Committee, the Director of Resources and Deputy Chief Executive confirmed that there had been provision within the capital programme budget to move towards carbon neutrality; lighting within the Council-owned buildings and offices had been replaced with more efficient LED lighting, and a funding bid had been submitted for grant funding for the Landmark Theatre and Ilfracombe Swimming Pool. No defined figures were available at present.

The Internal Auditor (PM) advised that Carbon Offsetting had been added to the Risk Register.

The Chief Executive advised that the Climate Officer had presented a report to the Strategy and Resources Committee which confirmed the Authority's carbon footprint had reduced although she had explained that it would be difficult to meet the 2022-2023 target, for example, 25,000 trees would only offset approximately 3,000 tonnes over the lifetime of the woodland. Planting trees alone was not the answer.

The Director of Resources and Deputy Chief Executive advised that the Authority's baseline had reduced from 3,952 in 2018-19 to 3,303 in 2022-23.

RESOLVED that the External Audit – Auditor's Annual Report 2022-2023 be noted.

### **53. LETTER OF REPRESENTATION**

The Committee considered the Letter of Representation, presented by the Director of Resources and Deputy Chief Executive (circulated previously).

The Director of Resources and Deputy Chief Executive explained that:

- The Letter of Representation formally outlined, to the External Auditors, the governance arrangements in place and the Authority's responsibilities on the financial statements presented.
- There had only been one change to the document since it was presented last year. That was to note (xi.) within the 'Financial Statements' information which set out detail and clarification in relation to Equal Pay claims. It confirmed the Council was satisfied that no liability needed to be recognised in relation to Equal Pay claims.
- The Letter was presented to the Committee today, in advance of the Full Council meeting taking place on 17 January 2024.
- The Letter was required as part of the final process for the approval of the Statement of Accounts for 2022/23

RECOMMENDED that the Letter of Representation be approved by Full Council.

**54. INTRODUCTION TO NEW EXTERNAL AUDITORS - BISHOP FLEMING**

The Chair noted that this item would be discussed at a future Governance Committee.

**55. APPOINTMENT OF CO-OPTED INDEPENDENT MEMBER**

The Committee considered a report by the Director of Resources and Deputy Chief Executive regarding the Appointment of a Co-opted Independent Member (circulated previously).

The Director of Resources and Deputy Chief Executive advised the Committee:

- The appointment of an independent member was following a guidance recommendation by CIPFA, but was not a statutory requirement.
- CIPFA recommended that anyone appointed to a Governance Committee in this role would be deemed to be in an advisory role and not allowed voting rights.
- Neighbouring Authority, Torridge, had previously appointed an independent member although other Devon authorities had not.
- There was a challenge in recruitment. The Devon Audit Partnership (DAP) had been actively trying to recruit for these roles since December 2023.

The Internal Auditor advised that the DAP did now have six candidates to screen and that despite there being a nominal payment involved, it was more likely to be considered to be a voluntary role as those interested appeared to be less motivated by financial reasons.

The Chief Executive confirmed that any recruitment would be dealt with by the DAP but that any final decision would be made by Full Council.

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

- Although the report explained the reasoning behind such an appointment, the success would be largely dependent on the individual appointed.
- If appointed as a non-voting member, the member could attend remotely.
- If the process was found to be of little benefit to the Council it could be removed via a change to the Constitution.

RECOMMENDED that;

- (a) The appointment of a Co-opted Independent Member to the Governance Committee be recommended to Full Council,
- (b) A separate report setting out the required changes to Part 3 Annexe 1 paragraph 5 of the Constitution be considered at the next full Council, and

- (c) Full Council be recommended to amend the scheme of Members Allowances for 2023/24, 2024/25 and 2025/26 to include a special responsibility allowance of £200 per annum for the Co-opted Independent Member of the Governance Committee.

## **56. ROLE OF LEAD MEMBERS**

The Committee considered a report on the Role of Lead Members by the Head of Governance (circulated previously).

The Head of Governance advised the Committee that Annual Council, at its meeting in May 23, appointed 6 Councillors as Lead Members, to act as an advocate or spokesperson for a specific area of the Council as set out in paragraph 4.1 of the report. However, the expectations of the role of a Lead Member was not clearly defined. A draft Lead Member Protocol was set out in Appendix A to add this definition, which included that Lead Members would:

- Actively contribute to policies, budgets and service delivery for the areas they lead
- Consult and communicate with members, officers and key partners to ensure decisions are well informed and then promoted
- Provide Full Council with an annual report on their work and performance.

In return the Council would:

- Designate a Lead Officer to support each Lead Member
- Ensure the Lead Member have then necessary training they require, and
- take appropriate action to promote the Lead Member role and ensure they are correctly consulted on matters relating to their interests

The Governance Committee was asked to recommend to Full Council that the Lead member Protocol be adopted and incorporated within Part 7 of the Council's Constitution.

The Chief Executive agreed that the item would be discussed by the Group Leaders.

RESOLVED that the Lead Member Protocol (detailed in appendix A of the report) be adopted by Full Council, and incorporated within part 7 of the Council's Constitution, in principal, subject to further discussion with Group Leaders.

## **57. INTERNAL AUDIT PROGRESS REPORT**

The Committee considered a report by Devon Audit Partnership regarding the Internal Audit Progress Report (circulated previously).

The Internal Auditor (PM) advised that the Internal Audit Progress Report;

- Summarises the audit reports and findings for 2023-24:
  - Council Tax and NDR (Non-domestic rates)
  - Debt Management
  - Performance Management
  - Tarka Leisure Centre – Follow-up
  - Equality and Diversity – Follow-up
  - Learning and Development
  - North Devon Plus
- The audit for Council Tax and NDR had an assurance opinion of Substantial Assurance, the others were of Reasonable Assurance.
- Noted that North Devon Plus was a good working partnership with Torridge District Council.

The Director of Resources and Deputy Chief Executive noted that a couple of the audit reports had previously been recorded as Limited Assurance but that improvements had been achieved with the updates to now being 'Reasonable Assurance'.

RESOLVED that the Internal Audit Progress Report be noted.

**58. ADJOURNMENT OF MEETING**

RESOLVED that it being 8:24 p.m. and the meeting be adjourned

RESOLVED that it being 8:32pm, the meeting be recommenced.

**59. POLLING DISTRICT AND PLACE REVIEW 2023**

The Committee considered a report from the Senior Election Services Officer (circulated previously) regarding the Polling District and Place Review 2023.

The Head of Governance advised that there were three changes to make members aware of which were:

- Ebrington Arms, Knowle – There had been ownership issues, but recent communication indicated that it would be available again for use as a Polling Station and that would be the preferred option. The best alternative would be the Church Hall at Christchurch, Braunton although this would be outside of the Polling District. The situation would be kept under review.
- South Molton – to be split into 2 Polling Districts- which would be re-lettered from DY to EJ
- St Johns Community Centre – This was currently closed to the public due to a leaking roof. It was not known when it would re-open. The situation was being monitored.

In response to questions from the Committee, the Chief Executive advised that:

- Every effort is made to have the Polling Station within the Polling District where possible, however this was not necessarily the nearest polling station to a particular voter.
- The split within South Molton (to two Polling Districts) was only for polling purposes and did not affect the number of councillor seats in the town.

Councillor Walker advised the Head of Governance that there was a similar issue with the Tomlin Hall, Bickington, in that it was having a new roof. The Head of Governance noted that he would look into the situation.

RECOMMENDED to Full Council, that the Arrangements of the Polling Districts and Places 2023 (as contained in Appendix A of the report) are adopted.

## **60. RELOCATION PACKAGE POLICY**

The Committee considered a report by the Head of Organisational Development regarding the Relocation Package Policy (attached).

The Head of Organisational Development advised the committee that the Authority had a relocation package available previously, but that it had been suspended on the understanding that it could be reinstated in future if required. It had been revised to meet current regulations, but would be presented to Work-force Matters for final sign-off if approved. It would only be used as-and-when required in order to recruit specific staff, and would only be paid up-to the maximum allowable to cover relocation costs.

RESOLVED that the recommendations;

- (a) Members support the reintroduction of an updated Relocation Policy, and
- (b) Delegated power be given to the Chief Executive to designate posts to receive the allowance at particular times.

Be APPROVED.

## **61. 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 contained the current/live audits
- Nine recommendations had been included in table B (recommendations completed since the last meeting of the Governance Committee)
- Table C detailed two recommendations for which time extensions were being requested:
  - 21 BCFU 07 was now 90% completed



- 22 MAS 04 only required an extension to enable arrangements to be put into place by Civica.
- There were no outstanding recommendations (table D).

RESOLVED:

- (a) that the time extensions requested in the Audit Recommendation Tracker be approved; and
- (b) that the Audit Recommendation Tracker be noted.

**62. WORK PROGRAMME 2023-2024**

The Committee considered the work programme for 2023-24 (circulated previously).

RESOLVED:

- (a) that the item “Introduction to New External Auditors - Bishops Fleming” be considered at the Governance Committee of 11<sup>th</sup> March 2024.
- (b) That the work programme for 2023-24 be noted.

**63. SUMMARY OF THE RISKS IDENTIFIED UNDER THE CORPORATE RISK REGISTER**

The Committee considered the Summary of the Risks Identified under the Corporate Risk Register report by the Head of Governance (circulated previously).

The Head of Governance confirmed that there were 13 risks identified which would be considered in greater detail under agenda item 15 of this agenda.

Item 15 was classified as restricted and would be discussed following the exclusion of Public and Press.

**64. EXCLUSION OF PUBLIC AND PRESS AND RESTRICTION OF DOCUMENTS**

RESOLVED:

- (a) That, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of the Schedule 12A of the Act (as amended from time to time), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
- (b) That, all documents and reports relating to the item be confirmed as

“Not for Publication”.

**65. CORPORATE RISK REGISTER**

The Committee considered the Corporate Risk register report by the Head of Governance (circulated previously).

The Head of Governance advised the Committee that:

- There had been no changes to the risk or risk scores during this quarter, but an updated note had been provided for each.
- Housing remained the highest risk area for the Council, with unable to meet the temporary accommodation need / increased homelessness having the maximum risk score of 16. Since the November meeting of the Governance Committee, the Council had completed on a further 6 properties using both the Local Authority Housing Fund and the Council’s own Capital Temporary Accommodation budget.
- An updated note on the financial position had been included on page 176. Since this report, the Governments financial settlement had been announced, and whilst the detail still needs to be reviewed, it was broadly in-line with expectations and not expected to impact further on the risk score.

The Chair noted that there had been no change to the scoring on those risks since the report was last presented to Committee.

RESOLVED that the Corporate Risk Register be noted.

Chair

The meeting ended at 8.58 pm

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