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AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 8 JULY 2024

Present: Cllrs Gary Suttle (Chair), Spencer Flower (Vice-Chair), Belinda Bawden, Neil Eysenck, Alex Fuhrmann, Andrew Parry, Andy Todd, Ben Wilson,

Co-opted Members Roger Ong and Simon Roach

Apologies: Cllrs Matt Bell and Jill Haynes

Also present: Cllr Richard Biggs, Cllr Simon Clifford and Cllr Nick Ireland

Also present remotely: Cllr Ryan Hope

Officers present (for all or part of the meeting):

Aidan Dunn (Executive Director - Corporate Development S151), Angela Hooper (Principal Auditor SWAP), Heather Lappin (Head of Strategic Finance), Jonathan Mair (Director of Legal and Democratic and Monitoring Officer), Hayley Caves (Member Development and Support Officer), Grace Evans (Head of Legal Services and Deputy Monitoring Officer), Tim Hulme (Corporate Director of Assets and Regeneration), Elaine Tibble (Senior Democratic Services Officer), Mike Garrity (Head of Planning) and Jessica Maskrey (Interim Head of Asset Strategy and Development)

Ian Howse and Jackson Murray

1. **Minutes**

The minutes of the meeting held on 15 April 2024 were confirmed and signed.

2. **Declarations of Interest**

No declarations of disclosable pecuniary interests were made at the meeting.

3. **Public Participation**

There were no questions or statements from the public.

4. **Minutes of the Audit & Governance Sub-committee**

There had been no meetings of the Audit & Governance Sub-committee.

5. **Update on the 2021/22 & 2022/23 Accounts External Audit**

Ian Howse presented an update on Deloitte's 2021/2022 audit work which was progressing towards an end of September for the accounts, due to significant

backlogs with all local government audits across the country. They hoped to issue a disclaimer on the 2022/ 2023 so that Grant Thornton could continue with 2023/2024. However, due to the General Election prior to Deloitte being able to state their policy position following consultation carried out and no legislation had made its way through Parliament, this now needed to be worked through with the new Government.

In response to question asking when the information would be available in respect of controlled deficiencies which had been highlighted in the previous two meetings Ian Howse advised that the work would be included in the audit report when completed in September.

ACTION: To bring together the aspects of internal audit, external audit and audit committee actions to ensure follow up.

Noted.

6. **Dorset Council Audit Plan Year Ending 31 March 2024**

Committee received a report from Jackson Murray of Grant Thornton.

He highlighted the key highlights of the Council's Audit Plan report for the year ending 31 March 2024, there were three significant risks.

Planning and interim work had been carried out in March leading to the production of the plan and detailed work had been started, although an opinion would not be forthcoming until the work of Deloitte had been completed to provide the information needed.

In response to committee questions relating to fees and the cost of the audit for Dorset, Jackson Murray advised that their work included an audit opinion on the financial statements, an auditors annual report including comments on value for money arrangements presented in a timely manner. The key issue for this area of work was that there was a lack in supply in the market of auditors willing to carry out the work.

The Executive Director of Corporate Services and S151 Officer advised that in relation to the list of assumptions on page 32 on the agenda, the biggest risk was around the backstop and what Deloitte will be able to do around the 2023/2024 accounts. There was a large IT project ahead with a new finance system.

Noted

7. **Dorset Pension Fund Audit Plan Year Ending 31 March 2024**

Jackson Murray presented the Dorset Pension Audit Plan.

He focused on the significant risks, hard to risk assets, property portfolio values, materiality levels, the audit timetable and the proposed fee of £90,591.

Noted.

8. **Interim Auditor's Annual Report on Dorset Council 2023/24**

Jackson Murray presented the Interim Auditor's Annual Report, he explained that until the final year had been signed off he was unable to finalise the report

The report set out findings of their work, Value for money arrangements and recommendations.

The Dedicated Schools Grant (DSG) was an area of weakness but this was a wider issue with a number of authorities experiencing the same problems, there were explanations and recommendations with the report.

The Executive Director of Corporate Services and S151 Officer emphasised this point for the benefit of the new members of the committee as something he had previously highlighted to them and was something the council had taken seriously for a long time and had been working hard on the recommendations to address the issue.

Noted

9. **Draft Outturn Report 2023/24**

The Cabinet Member for Finance & Capital Strategy introduced the report which had been through Cabinet. He thanked staff and senior managers before handing over to the Executive Director of Corporate Services and S151 Officer of to summarise the contents. The report was brought to the A&G committee on a quarterly basis to give the opportunity to drill into the contents.

Overall, the last financial year created an overspend of just under £1m = 0.3% of budget. At quarter 3 it was worse but did improve in the last quarter of the year. There had been some significant service pressures over the year in some areas but those had been off-set in other areas and the capital budget had been re-profiled.

In response to committee questions about SEND home to school transport service pressures and overspend. The Executive Director of Corporate Services and S151 Officer advised that Cabinet had agreed to invest a further £12m into the budget and set a budget that would anticipate the level of inflation and demand. A new procurement process would be introduced this year to bring a more competitive price process and this would also be part of a comprehensive transformation project.

In response to a question around Gross without prejudice debts within the adult care sector and why some debts were over 365 days the Executive Director of Corporate Services and S151 Officer explained that while the council were not allowed to chase the debt he would take the question away and get a detailed response for the committee.

Action: The Executive Director of Corporate Services and S151 Officer to bring back explanation for the Gross without prejudice length of outstanding debt.

In response to a member concern that due to financial pressures there may be a two tier SEND travel service. The Executive Director of Corporate Services and S151 Officer advised that a specialist was looking at existing and future needs and how expectations could be managed.

Noted.

10. **Update on Effective Property Services (Corporate Landlord Model)**

With the aid of a Powerpoint presentation The Corporate Director of Assets and Regeneration and The Interim Head of Asset Strategy and Development updated the committee with the work that had been carried out and the new approach planned going forward.

In response to member questions The Interim Head of Asset Strategy and Development explained how services only used the space that was absolutely necessary and the importance of understanding the requirements of the specific services.

Additionally a full utilisation survey of County Hall had been carried out in 2023 which resulted in co-location talks with other sectors.

Noted.

11. **Councillor Code of Conduct and Complaint Process**

The Director of Legal and Democratic Services and Monitoring Officer introduced the item and explained that the Audit & Governance committee had a wider responsibility than just audit as Dorset Council didn't have a Standards Committee.

The Head of Legal Services presented the report on the Councillor Code of Conduct and Complaint Process.

There were three recommendations.

1. Adopt the amendment to the Councillor Code of Conduct for Dorset Council, Table 2: Other Registrable Interests: "(d) Membership of other pressure groups, the Freemasons or other influential bodies of which you are a member."
2. Invite Dorset's Town and Parish Councils to consider adopting recommendation 1 above as an amendment to their Councillor Code of Conduct.
3. Adopt the proposed new arrangements for dealing with Code of Conduct complaints against Councillors.

Feedback had been taken into account from staff, Independent Persons involved in complaints and members of the hearing sub-committees.

Key changes in 1.4 of the report were addressed. Key officers involved had seen and commented on the proposals.

The Director of Legal and Democratic Services and Monitoring Officer gave feedback on three positive responses that had been received from the consultation with Independent Persons

Cllr Flower referred to the importance of member ownership and the importance of understanding what committee were being asked to consider. He wanted the opportunity to scrutinise the report in further detail.

Cllr Flower proposed, Cllr Parry seconded:

DECISION: To set up a task and finish group through the Chair to scrutinise in further detail and fully understand the Code of Conduct and complaint process.

And bring back to the Audit & Governance Committee as expediently as possible.

12. **Enhanced DBS Checks for Councillor's**

The Director of Legal and Democratic Services and Monitoring Officer introduced the report. He highlighted the responsibility and oversight that all Dorset Councillors had over people-based services, in particular children and vulnerable adults and for that reason the move to voluntary enhanced DBS checking had been advised.

All Dorset Councillors had voluntarily completed enhanced DBS applications. There were just three outstanding checks whereby the certificates had not yet come through.

The policy sought to establish a process to deal with any concerns that arose from the DBS checks and who would be authorised to receive that information. In the case of councillors, those authorised would include the Monitoring Officer, the relevant Political Group Leader, the Chief Executive, relevant Executive Director and in a case involving potential children's safeguarding concerns the Local Authority Designated Officer known as the LADO.

In response to a member question, the Director of Legal and Democratic Services and Monitoring Officer advised that in the case of an independent member the Monitoring Officer would liaise with the member with regard to speaking to the Chair of Council

Recommendation: That the Committee recommends to the Full Council adoption of the Disclosure and Barring Service Checks for Councillors Policy

13. **Planning and Licensing Committees**

The Director of Legal and Democratic Services and Monitoring Officer presented the report to consider the proposed amendments to the Officer Scheme of Delegation for referring planning applications to the planning committees. Also, to recommend to full council the renaming of the Licensing Committee as the Licensing and Gambling Acts Committee and create a separate General Licensing Committee with the same members.

The Head of Planning addressed the committee with regard to recommendation 2 within the report and the potential increase in applications that would go to the planning committees. It was suggested and supported by the Director of Legal and Democratic Services and Monitoring Officer that this recommendation was excluded and taken away for further thought.

Members made comments regarding the aging aspects of local plans, the cost implications of additional pressure on committees and officer time and were in agreement to set recommendation 2 aside. It was felt that the number of trivial applications on council land that came to committee was a waste of resources.

Cllr Flower put forward a proposal that the recommendations (with the exception of no. 2), be recommended to Full Council subject to the deletion of “in consultation with the relevant ward members” (P172 of the agenda) as this was duplication.

Recommendation:

1. That Full Council is asked to amend the Officer Scheme of Delegation in the Constitution to change the process for determining which planning applications are referred to the planning committees (as shown with tracked changes in Appendix 1);
2. That Full Council is asked to amend the Protocol for Members and Officers on Planning Procedures in the Constitution by amending paragraph 8.2 as set out Appendix 1;
3. That any changes to the Officer Scheme of Delegation take effect on 25 July 2024;
4. That Full Council agrees to amend the Constitution by renaming the Licensing Committee as the Licensing and Gambling Acts Committee, creating a separate General Licensing Committee and substituting Articles 8.28 and 8.29 of the Constitution with new Articles 8.28-8.31 as set out in Appendix 2;
5. That the Chair, Vice-Chair and other Members of the Licensing and Gambling Acts Committee are also appointed to the General Licensing Committee;
6. That sub-committees of the two licensing committees can be formed as and when needed from the membership of the relevant licensing committee.

Appendix showing tracked changes agreed

14. **Work Programme**

Action: Request risk management update as a small number of extreme risks and mitigation plans had not been easy to understand.
Request deep dive on those extreme risks in the audit committee.

Noted.

15. **Urgent items**

There were no urgent items.

16. **Exempt Business**

There was no exempt business.

Duration of meeting: 6.30 - 8.36 pm

Chairman

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Appendix 1

Officer Scheme of Delegation

134	<p>To determine any application under the Town and Country Planning Legislation including:</p> <ul style="list-style-type: none"> a. any application submitted wholly or partly under section 73 and/or section 73A of the Town and Country Planning Act 1990; b. any application for listed building consent; c. any application for permission in principle and/or technical detail consent; d. any reserved matter application; and/or e. whether to require / impose any condition, obligation, limitation and/or any other restriction and/or any other requirement in respect thereof, <p>but excluding any application:</p> <ul style="list-style-type: none"> i. submitted by or on behalf of a Member, his/her spouse or civil partner where the application form expressly identifies the application as having been made by or on behalf of that Member, spouse or partner (as the case may be); ii. submitted by or on behalf of an employee of the Council, his/her spouse or civil partner where the application form expressly identifies the application as having been made by or on behalf of that employee, spouse or partner (as the case may be) and either that employee: <ul style="list-style-type: none"> A. is directly involved in the processing of and/or determination of any such application; and/ or B. is a Chief Officer. iii. submitted by or on behalf of the Council or on land owned by the Council, where the application form identifies this to be the case. iv. on land which a person to which paragraph (i) <u>or</u> (ii) or (iii) applies owns, leases or has a legal interest registered at HM Land Registry and that person has informed the Head of Planning of their interest for the application; v. submitted by or on behalf of the Council where the application form identifies this to be the case; vi. that would in the opinion of the Officer exercising this power (“nominated Officer”): <ul style="list-style-type: none"> A. be contrary to the Development Plan (as defined in section 38(3) Planning and Compulsory Purchase Act 2004 when assessed as a whole if; and B. be required to be referred to the Secretary of State in accordance with any relevant direction; vii. for outline or full planning permission for development within Schedule 1 Town and Country Planning (Environmental Impact Assessment) Regulations 2017 as it exists at the time of the application being received by the Council in respect of which an Environmental Impact Assessment has been submitted; and/or viii. in respect of which <u>where</u>: <ul style="list-style-type: none"> A. <ul style="list-style-type: none"> (1) any one or more Members has made a written representation relating to the application and there remains at least one representation which has not been withdrawn at the time that the application is to be determined; and/or, (2) one or more town and/or parish councils in whose area the application is situated (in whole or part) have made a written representation relating to the application at least one of which has not been withdrawn at the time that the application is to be determined; and B. the representation(s):
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- (1) have been received by the Council within 21 calendar days beginning with the date on which in relation to the application the Council first displays a site notice, or first publishes a press advert, or commences any procedure for notifying a Member (whichever is the earliest) (or such extended period as the nominated Officer considers appropriate in the circumstances); and
- (2) in the opinion of the nominated Officer contain one or more material planning considerations; and
- (3) ~~with regard to any received from a Town and Parish Council (and not withdrawn)~~ contain a response that in the opinion of the nominated Officer is contrary to the proposed decision of Officers; and

C.

1. The application is for major development *** or

~~2.~~ If the application is not for major development *** the

nominated Officer ~~in consultation with~~ will refer the application to:

1. the Chair and Vice-Chair of the ~~Planning~~ planning Committee committee that the nominated Officer considers most relevant (or any other Member as the Chair and/or Vice-Chair may by giving written notification to the nominated Officer appoint to act on his/her behalf for such a purpose in respect to any period of time as specified in such notification); and

2. the ward member(s) of any ward in which the application site is situated in whole or part, considers ought to be referred to that Planning Committee for determination***. ~~in consultation with the relevant Ward Member(s), will decide whether or not the application should be determined by the most relevant planning committee****~~

* For the avoidance of doubt, reference to a “written representation” includes a representation submitted by electronic means.

** For the avoidance of doubt, reference to a “proposed decision” means the actual decision that is proposed and not any reason(s) relating to that decision.

*** Major development as defined in article 2 of the Town and Country Planning (Development Management Procedure)(England) Order 2015

~~**** For the avoidance of doubt, the nominated Officer need only consider such response(s) as have been received from a Member (being if the Chair and, Vice-Chair, appointed Member and/or ward member(s) as the case may be), no later than have not responded to the nominated Officer after 5 working days following the day of first communication with that Member seeking his/her view for the purpose of deciding whether a matter should be referred to Planning Committee for determination. In the event of no responses at all being received within such time then no further consultation is required and the nominated Officer can proceed on the assumption that none of the Members consulted neither the Chair nor the Vice-Chair want the application to be referred to a planning committee. If the Chair and Vice Chair disagree then the Chair’s response will prevail.~~

Protocol for Members and Officers on Planning Procedures

8.2 Applications submitted by the Council or made by any person in respect of Council owned land will be determined ~~by the Planning Committee~~ in the same way as any other application.