

**GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at ZOOM
on MONDAY, 30 NOVEMBER 2020 at 7.00 pm**

Present: Councillor E Oliver (Chair)
Councillors G Bagnall, G Driscoll (Vice-Chair), M Foley,
V Isham, R Jones, A Khan, S Luck and J De Vries

Officers in attendance: R Auty (Assistant Director - Corporate Services), P Evans (Customer Services and Performance Manager), D French (Chief Executive), C Gibson (Democratic Services Officer), O Knight (PFI and Performance Officer), C Shanley-Grozavu (Democratic Services Officer) and A Webb (Director - Finance and Corporate Services)

Also present: Councillor N Hargreaves.

GAP21 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence.

Councillor Luck declared a non-pecuniary interest in Agenda Item 5 as Ward Councillor for Debden and Wimbish.

GAP22 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 22 October 2020 were approved and would be signed by the Chair as a correct record at the next opportunity.

GAP23 COVID-19 PERFORMANCE INDICATOR REPORT 4

The Chair said that he was quite encouraged by the information given in Paragraph 17 that everything was moving in the right direction and that officers were handling the pandemic very carefully and very well.

The PFI and Performance Officer gave a summary of the report, which provided the outturn for all COVID- 19 performance indicators for the period 10 August 2020 to 1 November 2020. He said that despite continuing pressures imposed on service delivery due to the COVID- 19 pandemic, data outturns for indicators highlighted that services continued to perform well. He said that monthly data had been provided alongside daily figures for relevant indicators, and that monitoring would continue during the second lockdown period. He also mentioned the new performance indicator in respect of the number of awards of test and trace payments.

Councillor Bagnall said that there was lots of good detail within the report but that there could be a danger of information being missed.

The PFI and Performance Officer drew Members' attention to the contextual analysis provided against each performance indicator. He said that some future data monitoring figures were likely to revert to being weekly or monthly rather than daily.

Councillor Khan said that he recognised that items were shown as green but asked if there were any issues of concern.

The PFI and Performance Officer said that some additional indicators had been introduced in November following a review of the current COVID-19 performance indicators. Data for these indicators would be included in the next COVID-19 PI report presented to this committee. He specifically referred to Planning performance indicators and the monitoring of site visits.

Councillor Driscoll referred to CV 05- Calls abandoned as a percentage of calls received and asked if information was retained on the system in respect of the 14 abandoned calls for week commencing 26 October 2020. He also asked about whether call backs were made in those instances.

The Customer Services and Performance Manager said that this information was not readily available and that only specific call backs were currently being made but that technological improvements were under consideration.

The Chair noted the performance of services during the COVID- 19 pandemic as per the recommendation.

GAP24 2020/21 CORPORATE RISK REGISTER - UPDATE 1

The Assistant Director – Corporate Services introduced the report. He said there was not much to add to the comprehensive written report other than to say that COVID- 19 had touched every aspect of Council work and the Corporate Risk Register had been recast to reflect this. He also explained the long-lead in times in the process that meant that data had been updated to reflect the positions as in October 2020.

Councillor Bagnall said that the Appendix showed three red risk ratings and suggested that in future the red ratings be identified first by re-ordering the information.

This suggestion was accepted by the Assistant Director – Corporate Services.

Councillor Khan referred to risk 20-CR-07 Governance and asked if the Original Likelihood rating of 2 and the Original impact figure score of 4 was correct. He referred to the current situation where the accounts had yet to be signed off and represented potential reputational risk to the Council.

The Chief Executive said that the risk ratings were correct and were based on the arrangements and processes in place within the organisation. She said that this was the Corporate Risk Register and that the frameworks in place were considered to be robust enough. She said there was nothing to say that

arrangements had not been effective. She referred to the fact that Members had undertaken training and that there were arrangements in place for their on-going professional development.

Councillor Bagnall suggested that in future on the first page of the Appendix an actual table be shown rather than an indicative one.

The Assistant Director – Corporate Services indicated that he would take this on board and would perhaps include the number of risks that fell into each category.

The Chair said there was no recommendation on this report and he moved on to the next item.

GAP25 ARMED FORCES COVENANT TRUST GRANT IN RESPECT OF DEBDEN VILLAGE HALL

The Chief Executive apologised for not having been at the previous meeting. She outlined the position on the grant from a governance viewpoint. She said that it had not been appropriate for the whole grant to have been handed over to the Debden Village Hall Trust (DVHT) at the time. The Council had been the joint applicant. When she became aware of the situation she had taken a view not to ask for the return of funds as the likelihood of monies being misspent or lost was very unlikely and there was regular on-going dialogue.

In response to various questions from Councillor Khan, relating to contract management and reputational risks, the Chief Executive said that this situation was regrettable and she hoped that all parties could work together to refund the monies owed, minus reasonable expenses incurred. She said that a similar situation would not arise now as no money is handed over without proper understandings being in place and that processes had been strengthened. She said that she was bitterly disappointed with the outcome.

The Chair referred Members to paragraph 15 of the report in respect of lessons learnt on governance matters.

Councillor Foley made reference to the situation in 2015 and asked whether it was unusual for grant monies to be “passported” in this way.

The Chief Executive said that she did not know why the whole sum had been “passported”. The previous Chief Executive had been involved in the process and she had no reason to believe that any political pressure had been put on him at that time.

Councillor Luck said that he was “wearing two hats” in this instance as the Ward Councillor and a member of the Committee and that the Chief Executive had been honest with the committee; he said that paragraphs 14 and 15 of the report had detailed the lessons learnt and that the Chief Executive had indicated that Debden village was still being supported in their endeavours.

Councillor Khan said that the discussion was about internal processes and governance arrangements and asked why the S151 Officer had not become aware of this matter until February 2020.

Councillor Luck said that this matter had been dealt with at the previous meeting, when it had been acknowledged that the previous Chief Executive had done the wrong thing at the time. He said that this was now a different Council and that they should now move on.

Councillor Khan said that this matter was not about the merits of monies going to the village but that it related to the governance role of the committee.

Councillor Driscoll raised a point of order and proposed that the committee noted the statements made and that the item be moved on to the next subject. This was seconded by Councillor Jones. Members agreed to move on.

The Chair summarised the latest position in that the Armed Forces Covenant Trust (AFCT) had requested return of their grant and that the Debden representatives had been notified.

The Chief Executive confirmed the chronological information submitted by the Director – Finance and Corporate Services. She said that the Council had formally requested the money back and that routine procedures, through to legal proceedings if required, would be taken to recover monies if necessary.

Councillor Luck said that he considered that Debden had been hard done by and that there should have been more discussions in the past weeks.

Councillor Khan said that he had written to the Director – Finance and Corporate Services and asked five questions that had been answered. It was agreed that this information would be made available for the minutes. These questions and answers follow below:

Q1 Could you provide details of the terms and conditions given to UDC when the grant was passed to us by the AFCT. Put simply, did AFCT issue a Grant with terms and conditions setting out when UDC should pass the grant on to the VHT

A1 Redacted T&Cs attached.

Q2 Could you provide details of the terms and conditions given to VHT when the grant was initially passed to them. Put simply, did UDC issue a Grant with terms and conditions and who signed it.

A2 There were no separate terms to those in Q1 relating to the passing of the money on.

Q3 What discussions have been taking place between UDC and VHT since the grant was passed to them. Are these documented.

- A3 *As stated before, during 2017 (and possibly 2018) there were a whole number of meetings and discussions involving the VHT; none were formally minuted but there may be correspondence following some of them setting out agreed actions for example; this would take some time to check. There were also meetings that the VHT attended with the council-appointed mediator; no officers were present and of course these meetings weren't minuted. These were focused on getting/keeping the project on track in order to demonstrate to the AFCT that the grant should remain in place, rather than any specific details about the grant.*
- Q4 *When did the AFCT first request that the money be repaid?*
- A4 *23 October 2020 as set out in the table below and in the attached letter.*
- Q5 *In terms of financial controls, who approved the money at the point of transfer and why were you not aware of it until February 2020?*
- A5 *There is an email that relates to a discussion held between finance officers and the VHT around the way in which payments on production of paid invoices would work, but no evidence of an agreed way forward and no indication of why this changed to UDC handing over the whole grant. The approval would have most likely been signed by the previous Chief Executive, with the payment obviously being processed by the Finance Department in accordance with Financial Regulations. Without appropriate authorised sign off the payment would not have been made. The only people with authority to make a payment at this level would be the Chief Executive and the two Directors. I do not see every grant that comes into the authority and would not be involved at all in the T&Cs that apply, unless there is a requirement on me to provide updates. The February date was when I was made aware by Dawn that there was a more than reasonable chance that the project was not going to go ahead and the grant would be recalled, and as a consequence a contingent liability was added to the draft accounts.*

Members were also referred to an e-mail from the Director – Finance and Corporate Services to all Committee members dated 27 November 2020 that detailed the chronological events commencing from 23 October 2020.

Councillor Isham said that he welcomed the Chief Executive's report in that such issues would be handled differently in future and made suggestions in respect of future project management, oversight, mediation and monitoring roles. He expressed concern that the project had been de-railed.

The Chief Executive said that the Council had paid for a mediation service to mediate between the parties. She said that the matter had been complicated by various complex legal issues. She also confirmed that the key point in her report was that governance arrangements had not been handled appropriately.

The Chair noted the report.

GAP26 **UDC 2019/20 ACCOUNTS - CHANGES FROM DRAFT 1 TO DRAFT 2**

The Chair introduced the report. He referred to the fact that the accounts had yet to be signed off due to an on-going investigation that might affect the Annual Governance Statement.

The Director – Finance and Corporate Services said that his report was presented to be noted. He said that whilst the External Auditor had seen the report he had not had any input into its preparation. He said that the report had been presented to demonstrate that there had been no significant financial issues identified and that he fully expected the External Auditor to express an unqualified Audit opinion when the accounts were eventually signed off.

In response to various questions from Members, the Director- Finance and Corporate Services said that any questions in respect of the financial statements could be asked of the Auditor and officers once the 2019/20 Accounts had been brought to the Committee. He said that he did not know how long the investigation would take but that until it was completed the accounts would remain in abeyance. He said there were no direct consequences to the accounts not being signed off and that he knew of instances where authorities had operated for more than two years without their accounts being signed off. He recognised that there could be reputational damage were the matter to go unresolved for a significant period of time. In answer to a Member's question, he said that the Council did not currently have a credit rating.

In response to a question from Councillor Foley about the on-going investigation, the Director – Finance and Corporate Services said that it was his belief that the investigation was now within the Council's internal processes.

Councillor Luck proposed that the report be noted. There was no dissent from Members and the report was noted.

The meeting closed at 8:20pm.