

**GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at COUNCIL CHAMBER - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on WEDNESDAY, 31 AUGUST 2022 at 7.00 pm**

Present: Councillor E Oliver (Chair)  
Councillors A Dean, G Driscoll (Vice-Chair), J Emanuel, M Foley, A Khan and J De Vries

Officers in attendance: P Holt (Chief Executive), A Chessell (Chief Procurement and Risk Officer), C Gibson (Democratic Services Officer), A Knight (Assistant Director - Business and Change Management), J Reynolds (Assistant Director - Governance and Legal) and A Webb (Director - Finance and Corporate Services)

Also in attendance: Councillor A Coote (Housing Portfolio Holder) and Councillor P Lees (Leader of the Council).

**GAP56 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were given by Councillors Asker, Luck and Light. Councillor Dean substituted for Councillor Light.

**GAP57 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 28 June 2022 were approved as correct.

**GAP58 AUDIT AND SIGN-OFF OF THE 2019/20 ACCOUNTS**

The Director – Finance and Corporate Services updated Members and said that in relation to Paragraph 13 the expert review would be completed by the end of September and would be brought back to a future meeting of GAP.

In response to various questions the Director – Finance and Corporate Services said:

- that the external auditor was unable to commence work on the 19/20 accounts until late autumn.
- Finance staff would have significant work to undertake in respect of post balance sheet events.
- New protocols were in place; they would be externally reviewed and brought back to GAP.

Councillor Khan requested, for transparency, further information in respect of Paragraph 14; he asked which of the five matters listed had been initiated.

Officers said that this would break confidentiality and were not prepared to share this information.

Councillor Khan said that he did not accept that this would breach confidentiality.

The Chief Executive referred back to an email he had issued in respect of the annual accounts and the information supplied by the police to the Monitoring Officer. He said that the information at the time of his email had been correct and that this report provided an update.

The report was noted.

#### **GAP59 PROCUREMENT STRATEGY - 2022/23**

Members queried the worked example detailed in Appendix B of the report.

The Chief Procurement and Risk Officer explained the 0-5 scoring system and the weighted methodology attached to price, quality and social value.

Councillor Khan asked whether the Procurement Strategy followed the National Procurement Strategy, why there had been no reference to contract management or leadership disseminating good practice. He also referred to the National Procurement toolkit.

Officers confirmed that the National Procurement Strategy had been followed but that the strategy had been deliberately kept very simple in the first instance to contain basic information. A team was being put together to disseminate procurement information across the Council but Service Managers would be responsible for managing their own contracts. Councillor Hargreaves was fully aware of and in agreement with the proposed strategy.

Views were expressed that there was a need for further information to be included in the Procurement Strategy possibly in relation to references to the National Procurement Strategy, contract management, leadership, involvement of Members, assessments against the national Procurement toolkit, an Improvement Plan and future commissioning initiatives.

The Leader of the Council said that she supported the inclusion of additional information.

The Chair proposed that additional information be included in the Procurement Strategy and that a revised report be brought back to GAP on 29 September 2022. This proposal was accepted by Members.

#### **GAP60 UPDATE ON MANAGEMENT OF COUNCIL HOUSING REPAIRS AND MAINTENANCE**

The Chair introduced the report and thanked the outgoing Internal Audit Manager and her team for their contribution to GAP. Other Members echoed this view.

The Leader of the Council gave a summary of the partnership arrangements with Uttlesford Norse Services Limited (UNSL) that had begun in October 2019. She highlighted the Action Plan moving forward.

The Chief Executive said that UDC was a good landlord and that the situation had substantially improved since his previous three reports. He updated Members on the self-referral letter to the Regulator for Social Housing, which had been acknowledged and the focus that had been placed on the six key health and safety areas.

In response to various questions, the Chief Executive said:

- The contract was for 10 years with a break clause at 5 years (in 2.5 years time).
- Future options were under consideration. He was aware of instances where services had been brought back “in-house” as well as services being “out-sourced”. He was conscious of managing expectations.
- The Performance Management system now in place was a “best in class”.
- An Internal Audit report dated August 2022 had been included in the report papers and that a further Internal Audit process report would be brought back to a future GAP meeting.
- £300k from the Housing Revenue Account had been allocated for this financial year to put improvements in place specifically at UDC. This represented 3.75% in one year or 0.75%/year over five years.
- It was not possible to withdraw the self-referral letter despite improvements on-going. It was even odds as to whether UDC would be put in special measures.
- In respect of comments made about Action Plan H4ii and M2 that all Action Plan items would be for future discussion with the Interim Director of Housing.
- As the landlord, UDC held an asset register and at any given time would hold definitive details.
- There was still no definitive information available in respect of asbestos and a request was made to approach the Chief Executive first in future rather than go directly to UNSL as such matters should be dealt with on an officer to officer basis.
- In response to suggestions that a representative from UNSL should be asked to attend a future GAP meeting to answer questions, he said that he was not looking to manage the contract in that way but would consider the matter in liaison with the Monitoring Officer.
- In respect of the joint venture he acknowledged the need to continue to improve the understanding of client side management.

Councillor Coote addressed the Committee in his role as Housing Portfolio Holder. He recognised that there had been difficulties between the two parties. He said that the self-referral had been necessary and that all efforts must be taken to make the partnership with UNSL work.

The Leader of the Council said that Operational Board minutes should be available and that the lack of asbestos data was unacceptable.

Councillor Khan suggested that a UNSL representative be invited to a future GAP meeting.

Councillor Emanuel disagreed about addressing UNSL directly as it was for GAP to oversee the governance of UDC.

Councillor Foley said that work could be delegated but not the responsibility and that it was probably best to leave matters with the Chief Executive at the current time.

In response to questions from the Chair, particularly about the need for all Members to be aware of the self-referral to the Regulator for Social Housing and any possible implications, the Chief Executive said that a further update report would come to the next GAP Committee and that Housing Board would receive an updated position report next week. He suggested that reports be made on a two- monthly cycle, with email updates in-between.

The Leader of the Council indicated that the Housing Portfolio Holder would be reporting the self-referral issue to full Council and that information would be cascaded.

Members considered that alongside any report from Housing Board, a report should also be made by GAP to full Council.

The Chair proposed that a short report from GAP be submitted to full Council in respect of the self-referral report to the Regulator for Social Housing and that there then be reports back every two months.

This was seconded by Councillor Foley.

RESOLVED that a short report from GAP be submitted to full Council in respect of the self-referral report to the Regulator for Social Housing and that there then be reports back every two months.

*The meeting closed at 8.50 pm.*