

**GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at
COUNCIL CHAMBER - COUNCIL OFFICES, LONDON ROAD, SAFFRON
WALDEN, CB11 4ER, on THURSDAY, 10 JUNE 2021 at 7.00 pm**

Present: Councillor E Oliver (Chair)
Councillors J Emanuel, M Foley, A Khan, B Light, S Luck and M
Sutton (substitute for Councillor G Driscoll)

Officers in attendance: R Auty (Assistant Director - Corporate Services), E Brooks
(Internal Audit Manager), B Ferguson (Democratic Services
Manager), C Gibson (Democratic Services Officer) and A Webb
(Director - Finance and Corporate Services).

GAP1 PUBLIC SPEAKER

Councillor Luck made a statement on behalf of Debden Parish Council. He was speaking as an independent parish councillor. The statement has been appended to these minutes.

GAP2 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were given by Councillors Asker, Driscoll and De Vries. Councillor Sutton was the substitute for Councillor Driscoll.

GAP3 MINUTES OF THE PREVIOUS MEETING

In response to a question from Councillor Khan, the Assistant Director – Corporate Services confirmed that this meeting was an additional meeting and that the Risk Register item would be brought to the next scheduled GAP meeting on 30 June 2021.

The minutes of the meeting held on 16 March 2021 were approved and signed by the Chair.

GAP4 INTERNAL AUDIT REPORT - GRANTS TO COMMUNITY ORGANISATIONS

The Internal Audit Manager gave a summary of the report, which detailed the outcome of the review of grants to community organisations. She specifically highlighted the two high priority recommendations on Grant Policy and Procedures and Grant Funding Terms and Conditions. She also outlined the four medium priority recommendations and said that any monitoring of grants should be proportionate and appropriate. She said that the report had been agreed by Corporate Management Team with the recommendations accepted. She said that the role of Internal Audit was not to get involved in policy matters but that Internal Audit were working with the Community Development Team in order to

move forward. She suggested that Internal Audit would follow this matter up in a few months.

Councillor Khan welcomed the report favourably; he said that it had identified clear inconsistencies and asked what more could be done in respect of contract monitoring.

The Internal Audit Manager said that each grant was monitored in its own way and that the whole area needed reviewing, with a need to design a risk-based approach.

In response to a question from Councillor Luck, the Director – Finance and Corporate Services said that he would be willing to discuss the issue of the Debden Village Hall grant with him.

The Chair said that the Debden Village Hall grant was not up for discussion and that the way forward was to look for a central grants policy.

The Director – Finance and Corporate Services clarified the position in respect of the annual Thaxted Guildhall grant in response to a question from Councillor Foley. He also acknowledged that various different monitoring processes currently operated but that he did not see this as a systemic problem. He said that he understood that UDC was by far the largest council contributor to the voluntary sector in Essex when compared to net budget figures.

Councillor Emanuel said that it would be sensible to have a single grants policy and that there was an opportunity for a good news story to highlight the scale of grants distributed to the voluntary sector.

The Chair proposed that additional wording be added to the recommendation in the report that an updated report should be received by the Committee by 30 November 2021. This proposal was seconded by Councillor Khan.

Councillor Foley said that he agreed with a date being set and referred to the need for a target date being set for resolution of the Debden Village Hall grant situation. The Chair said that this was not part of this report.

RESOLVED that GAP Committee note the contents of this report and will look to receive an updated report by 30 November 2021.

GAP5

LOCAL CODE OF CORPORATE GOVERNANCE AND DRAFT ANNUAL GOVERNANCE STATEMENT 2020/21

The Internal Audit Manager gave a summary of the report, which detailed the Local Code of Corporate Governance 2021 and the Draft Annual Governance Statement (AGS) 2020/21 for publication with the Statement of Accounts. She said that the Local Code sat within the Constitution and that the AGS reflected the current in-year arrangements. She specifically referred to the Draft AGS Paragraph 4.5 Internal Audit Opinion and that she had taken CIPFA guidance in reflecting Covid 19 implications throughout the statement. She said that the

Internal Audit Annual Report would be brought to the next meeting. She also highlighted that Paragraph 4.7 that identified areas for improvement or monitoring during 2021/22 was not an exhaustive list.

In response to a question from Councillor Emanuel in respect of how objectives for improvement would be measured, the Internal Audit Manager confirmed that monitoring arrangements would be in place, and these would be reflected in the following year's statement.

Councillor Light acknowledged the work that had gone into putting the report together and how well officers had stepped up during the pandemic. She said that it was good to have a Local Code of Corporate Governance but was concerned that procedures in place might not be effective enough. She said that the AGS should not have been presented in view of the on-going investigation. She referred to the fact that the Investment Board should receive quarterly reports but that this had not happened since December 2020. She also said that the Draft AGS Principle C that referred to the Stansted Airport had not adequately reflected how the Appeal had actually been fought. She requested that two separate votes be taken in respect of adoption of each document as she supported approval of the Local Code but not the AGS.

The Director – Finance and Corporate Services said that the Draft AGS was a position statement and confirmed that the 2019/20 AGS remained outstanding. He said that the statement in respect of Stansted Airport recognised that there was on-going discussions and decisions to be taken. He said that Scrutiny Committee was also considering whether to look at this. He also said that the Investment Board would be meeting in the near future to consider appropriate reports.

Councillor Khan said that he supported the views expressed by Councillor Light. He said that at a previous meeting the External Auditor had confirmed the significance of the AGS and that the issue was around confidence, in light of the on-going police investigation. He said that if the previous year's accounts had not yet been signed off then why would this year's accounts be signed off. He said that the draft AGS should not be taken at this time.

The Director – Finance and Corporate Services said that Draft AGS Paragraph 4.6 set out the position in that BDO were unable to sign off the 2019/20 Accounts but said that there was a requirement to submit the 2020/21 draft accounts by the end of June 2021, including the AGS.

Councillor Light asked again for two separate votes to be taken and said that she would not support approval of acceptance of the AGS.

The Chair agreed to consider both documents as separate votes.

The Committee voted unanimously to approve the Local Code of Corporate Governance 2021.

The Draft AGS 2020/21 was approved with 5 votes in favour and 2 against.

RESOLVED that the Committee approve the Local Code of Corporate Governance 2021 and the Draft Annual Governance Statement 2020/21 for publication with the Statement of Accounts.

The meeting closed at 8.00 pm.

PRESENTATION BY CLLR LUCK ON BEHALF OF DEBDEN PARISH COUNCIL

FYI the Chairman of the VHT would have liked to make a presentation to GAP members this evening but after taking advice it was agreed that any presentation should not be made in a public forum to avoid any embarrassment to stakeholders.

I will therefore represent the Parish Council in support of the VHT.

I was a long serving Parish council member working on the new hall project before and during the application process for the Grant. Later I became a UDC District Cllr to support the VHT at UDC level. I have recently been re-elected to the Parish Council.

As you will know many organisations signed up to upholding the MOD Covenant and UDC & Debden Parish was no exception. We all know the Covenant agreement is for the MOD & Civilian organisations to work together for the better good of the community.

The grant application followed a Due Process and continued following agreed process until September 2020 when it was decided by the AFCT with concurrence by UDC that the Grant should be withdrawn. They came to this decision because in their view there was no Substantial and irretrievable progress on the project.

The VHT dispute that claim and also the reports that it was wrong for the UDC CEO at the time a Mr John Mitchell to hand over the funds to Debden Village Hall Trust. He had been a signatory to a project that was properly organised and costed and agreed by all stakeholders. Further to that we now doubt there was any due process for him to conform with at the time. For that reason and others Debden received the funds are holding onto the money and have taken their own legal advice.

Therefore since September 2020 Debden has only been able to make a little progress towards completion of the project its mainly because of the shadow of the withdrawal of the grant hanging over them. E.g. the Parish Responsible Financial Officer will not sign the application for a large PWLB grant because they say the facts written on the form are wrong. To explain, in their view the AFCT money is not available to support the application for that loan.

Debden village residents have monitored the GAP meetings and can't see any progress has been made towards a resolution of the uncertainties since the CEO gave her report to GAP last November.

I hope GAP members now understand Debden's situation and amend the draft governance report to make this AFCT Grant topic a live item to be dealt with properly by all parties.

Cllr Stewart Luck

Debden Parish Council member