



STROUD DISTRICT COUNCIL

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AUDIT AND STANDARDS COMMITTEE

Tuesday, 7 February 2023

7.00 - 9.18 pm

Council Chamber

Minutes

Membership

Councillor Nigel Studdert-Kennedy (Chair)

Councillor Paula Baker

Councillor Stephen Davies

* Councillor Nick Hurst

* Councillor Norman Kay

*Absent

Councillor Martin Percy (Vice-Chair)

Councillor Keith Pearson

* Councillor Ashley Smith

Councillor Rich Wilsher

Officers in Attendance

Strategic Director of Resources

Corporate Director (Monitoring Officer)

Strategic Director of Communities

Interim Head of Housing Services

Principal Accountant

Accountancy Manager

Principal Auditor

Principal Auditor ICT and Data Analytics

Senior Policy and Governance Officer

Democratic Services & Elections Officer

ASC.040 Apologies

Apologies for absence were received from Councillors Hurst, Kay and Smith.

ASC.041 Declaration of Interests

There were none.

ASC.042 Minutes

It was agreed to defer the signing of the minutes until the next meeting due to a number of Members not being present at the meeting on the 29 November 2023.

RESOLVED To defer the signing of the minutes until the next meeting.

ASC.043 Public Questions

There were none.

ASC.044 Member Questions

There were none.

ASC.045 Contract Management Framework Update

The Senior Policy and Governance Officer introduced the report and highlighted section 2 on pages 10 and 11 of the reports pack. She further highlighted that:

- Additional rounds of training for Officers had begun.
- Strategic Directors would receive regular updates.
- A new Corporate Governance Group had been created to identify governance issues surrounding contract management and procurement.
- A new risk management system had recently been procured and would be rolled out in the coming months.
- As a result of the new National Procurement Strategy, the Procurement Strategy and the Contract Management Framework would need to be updated.

The Senior Policy and Governance Officer explained , in response to a question, that when there were items that had not been completed on time, managers were asked to update them, an explanation was not usually requested.

Councillor Davies highlighted on page 27 that there was no inclusion for cloud-based applications. The Senior Policy and Governance Officer agreed to get the framework updated and explained that minor amendments to the framework would be approved by the Strategic Director of Resources.

Councillor Wilsher Joined the meeting.

Councillor Percy raised a concern with the final bullet point on page 15 paragraph 2.4. The Senior Policy and Governance Officer explained that if Stroud District Council (SDC) was the lead authority then they would be following all procedures as usual and if another authority was leading on the contract, then SDC would need to follow their contract management procedures. Councillor Percy requested to add 'unless SDC is the lead authority' following the third bullet point. The Senior Policy and Governance Officer agreed.

In response to Councillor Baker, it was confirmed that all the information surrounding procurement was on the Staff Hub and it was recommended that Officers come to the Policy Team for advice if required.

Councillor Pearson proposed and Councillor Percy seconded.

Councillor Pearson commended Officers for the report.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To:

- a) **Note the progress made to date on embedding the Contract Management Framework across the authority and endorse the plans for its continued development.**
- b) **Agree that the Strategic Director of Resources have delegated authority to make minor amendments to the Contract Management Framework.**

ASC.046 Out Of Hours Service Update

The Strategic Director of Communities introduced the report and explained that there was an incident on the 17 December 2023 where some tenants couldn't access the Out Of Hours (OOH) service. The Strategic Director of Communities reassured the Committee that the issue had been taken very seriously. The Housing Committee had been briefed the following week and it was felt a verbal update to the Committee was necessary.

The Interim Head of Housing explained in detail the events of the incident and the steps that were taken to manage the situation:

- The incident on the 17 December was due to exceptional cold weather circumstances. The OOH service providers across the Country experienced the same drastic increase in demand and therefore did not have the capacity to manage all of the incoming calls.
- Officers on call over the weekend following the incident were out delivering heaters, visiting vulnerable residents or assisting with queries over the phone.
- Orbis received over 1000 calls, 10% of which were from the same number.

She further updated the committee with the steps that had been put in place since the incident which included:

- SDC had asked Orbis to put a message on the phonenumber when experiencing high levels of calls to provide email and text options to tenants who cannot stay on the line.
- Standby arrangements were put in place over the Christmas period where at least 4 Officers were on call should Orbis have met any of the thresholds.
- SDC were looking to provide clarification for tenants, as to what was classed as an emergency and who to contact in certain situations. This would be updated in the current Tenant Handbook and circulated via all communication channels with tenants.
- Orbis had been asked to not only email SDC once a threshold had been met but to actively contact the SDC Officer on call to alert them.
- Highlighted relevant information on the SDC website for residents and tenants to refer to when required.

In response to Councillor Pearson, the Interim Head of Housing advised that had the incident taken place on a weekday the OOH service would have had the same issues due to the extreme increase in demand.

Councillor Pearson raised concerns with the air source heat pumps not working at low temperatures. The Interim Head of Housing advised that some of the earliest versions installed struggled to work below minus five degrees however in some situations they had been switched off and could not start at the lower temperature.

In response to Councillor Davies, the Interim Head of Housing agreed:

- To provide further information on the air source heat pumps and whether there was an issue of working below a certain temperature.
- To provide a monthly reporting figures for the Orbis contract.

Councillor Pearcy debated whether it would be useful to understand why some individuals had attempted to contact the OOH service multiple times. He further stated that Orbis should alert SDC earlier than mid-day in order to allow time to coordinate a response.

In response to Councillor Baker, the Interim Head of Housing confirmed that:

- The OOH service did not include provisions for homelessness that was a separate issue.

- The OOH contract was managed by the property services team due to the fact that the majority of calls were for repairs. Other services also had their own OOH arrangements.

ASC.047 TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY STATEMENT 2023/24

The Principal Accountant introduced the report and provided a brief overview of the contents of the report, highlighting the tables throughout. He also drew the Committees attention to page 36 which contained the new liability benchmark.

In response to Councillor Davies, the Principal Accountant confirmed the following:

- Table 2 on page 34 detailed the Capital Financing for 2021 – 2026. The table showed a large uplift in borrowing from 2022/23 – 2023/24 which was largely due to the Housing Revenue Account (HRA).
- SDC received quarterly reports from Camdor Global Advisors regarding the Environmental, Social and Governance (ESG) rating of the banks they had invested with.

Councillor Wilsher received the following answers in response to his questions asked:

- Paragraph 4.10 on page 43 outlined the investments within money market funds which totalled £12m.
- Camdor Global Advisors had been asked to provide assessments of ESG ratings of Countries in addition to the reports provided on banks and they were looking into the feasibility of this.
- The Council was bound by the first three elements: security, liquidity and yield regarding investments and then would consider the newly introduced fourth element (ESG) after the initial three elements had been met.

In response to Councillor Pearson, the Principal Accountant confirmed that the policy would be reviewed again next year and any changes surrounding the need for borrowing would go through the Section 151 Officer in consultation with Link the Treasury Advisors.

The Strategic Director of Resources explained the following, in response to Councillor Percy:

- Due to a number of factors, SDC was considered a very liquid Council which meant daily borrowing was not required as with other councils.
- The Council hadn't taken on any internal borrowing for a few years however due to the ambitious Capital Programme there was an allowance for borrowing which would be reviewed annually.

The Accountancy Manager confirmed that the HRA was setting aside the funding towards the repayment of debt in an earmarked reserve. That allowed future flexibility to use for other purposes should the need arise however no decisions had been made to date.

In response to a question from Councillor Studdert-Kennedy it was agreed that figures surrounding the repayment of debt would be circulated after the meeting.

Councillor Davies proposed and Councillor Percy seconded.

After being put to a vote, the Motion was carried unanimously.

- RECOMMEND THAT COUNCIL**
- a) adopt the prudential indicators and limits for 2023/24 to 2025/26;
 - b) approve the Treasury Management Strategy 2023/24, and the treasury prudential indicators;
 - c) approve the Investment Strategy 2023/24, and the detailed criteria for specified and non-specified investments; and
 - d) approve the MRP Statement 2023/24
 - e) approve the Ethical Investment Policy

ASC.048 ANNUAL GOVERNANCE STATEMENT 2021-22 IMPROVEMENT PLAN – PROGRESS

The Principal Auditor introduced the report and explained that the Annual Governance Statement (AGS) was approved by Committee on the 9 July 2022. This report detailed the management action taken place since then to address the issues raised in the original AGS report. She then drew the Committees attention to pages 70-72 of the reports pack which outlined the actions taken.

Councillor Davies raised concerns with the publics ability to contact Officers working from home. The Strategic Director of Resources explained that they had monthly call stats which detailed the number of calls received and in response to those figures, actions had been taken to ensure the levels were in line with those agreed in the Service Standards. In response to Councillor Davies, the Strategic Director of Resources agreed to share the figures outside of the meeting.

Councillor Percy requested further narrative from the Lead Officers regarding the actions that had been undertaken. The Strategic Director of Resources agreed to take the comments back to the team.

In response to the Chair, the Principal Auditor confirmed that the assurance work which would feed into the 'Procurement – Non-compliance with Internal Regulations' audit had begun and was on target.

The Strategic Director of Resources explained that there were several new policies in place such as the Service Standards through which Officers were assessed. He further explained that they had recently procured a new performance management system which would replace the old system and Strategic Leadership Team would continue to receive updates.

RESOLVED To review and consider the actions taken to address the governance improvement areas identified.

ASC.049 Unified Code of Conduct

The Corporate Director (Monitoring Officer) introduced the report and explained that the Unified Code of Conduct had been created by a group of Gloucestershire Monitoring Officers in order to create consistency at each level. This would be shared across County, District and Parish and Town Councils should they choose to adopt it.

Councillor Davies questioned why the code was not included in the documents pack. The Monitoring Officer apologised and explained although it was not included in the pack it had been shared with all members during the consultation period and it had been approved by the Constitution Working Group of which two members were present.

Councillor Pearson proposed and Councillor Davies seconded.

Councillor Pearson stated that they had voted to accept the unified code of conduct at their Parish meeting earlier that week.

After being put to a vote, the Motion was carried unanimously.

**RECOMMENDED To adopt the unified code of conduct
TO COUNCIL**

ASC.050 Corporate Risk Register Update

The Strategic Director of Resources introduced the item and explained that he had included a small narrative of the changes as requested at the previous meeting which included:

- Risks CCR18 and CCR92 had met their review date and been reviewed with no changes to the scoring.
- Risk CCR4, previously Business Continuity and Emergency Planning, had been re-classified into Emergency Planning only.
- Risk CCR99, Business Continuity had been created.
- Risk CCR97, Failure to deliver the canal project on time and/or to budget had been created.
- Risk CCR98, Failure to meet the ambitions of the 2030 strategy had also been created.

Councillor Davies raised concerns with the measurability of the actions of CCR98. The Strategic Director of Resources agreed to ask the responsible Officer to review the actions.

Councillor Percy raised concerns with the actions of risk CCR2 still being red and amber. The Strategic Director of Resources agreed that they could provide an update to the Committee at the point that the risk was reviewed.

Councillor Pearson spotted that CCR96 and CCR97 were almost identical. The Strategic Director of Resources explained that CCR97 was the correct scoring and 96 was a duplicate which would be deleted.

ASC.051 To consider the Work Programme

Councillor Percy requested that the work programme be a 12 month rolling document. It was agreed for this to be amended for the next meeting.

RESLOVED To note the above updates to the work programme.

ASC.052 INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2022-23

The Principal Auditor introduced the report and explained that appendix A contained an update from the Internal Audit progress for the period of time between November 2022 – Mid January 2023 and an update from the Audit Risk Assurance (ARA) Counter Fraud Team (CFT). She drew the Committees attention to the following:

- One activity was completed for which an assurance level was not required however they had provided assurance that the conditions of the grant offer letter had been met and the Council had received the full amount of the claim (£175k). Two medium priority

recommendations had been raised which could be found on page 92 of the reports pack.

- Pages 95-97 of the reports pack outlined the movement of progress since the previous Audit and Standards Committee meeting. Three additional, high priority, activities had been added to the plan therefore consideration had been given to activities that should be put forward for deferral.
- The CFT had reported no new irregularities. The report set out their current projects, and ongoing investigation of the one remaining Covid-19 grant related case.
- Internal Audit had continued to support the National Fraud Initiative data matching exercise which was detailed on page 93 of the reports pack.

Councillor Percy raised concerns on page 91 paragraph 2.4 (iii) where it referenced an informal agreement. The Principal Auditor explained that an outcome of the review was a recommendation to improve the internal controls such as informal agreements.

The Chair proposed, on the advice of the Monitoring Officer, that Appendix B of the Agenda Item 12 should be considered exempt and if agreed, any questions would be dealt with in closed session. The information was considered exempt as it related to the financial or business affairs of any particular person (including the authority holding that information).

After being put to a vote, the Motion was carried.

RESOLVED Pursuant to the provisions of Section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of this item at agenda item 12 on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A of the Act.

Councillor Davies proposed and Councillor Percy seconded.

After being put to a vote, the Motion was carried.

RESOLVED To:

- a) Accept the progress against the Internal Audit Plan 2022-23; and**
- b) Note the assurance opinions provided in relation to the effectiveness of the Council's control environment (comprising risk management, control and governance arrangements).**

The meeting closed at 9.18 pm

Chair