

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 26 November 2020 at 6.00 pm

Present:-

Cllr J Beesley – Chairman

Cllr L Williams – Vice-Chairman

Present: Cllr M F Brooke, Cllr D Brown, Cllr D Butt, Cllr L Fear, Cllr A Filer and
Cllr M Phipps

Also in P Dossett and S Harding of Grant Thornton
attendance:

41. Apologies

Apologies were received from Councillor Tony Trent.

42. Substitute Members

Councillor Mike Cox attended the meeting as substitute for Councillor Tony Trent.

43. Declarations of Interests

Councillor Mike Brooke declared a local interest as Vice-Chairman of the Broadstone Neighbourhood Forum.

Councillor Margaret Phipps declared a local interest as Chairman of Hurn Parish Council.

Councillor John Beesley declared an interest in agenda item 6 as a Director of Seascope Group Limited, a company wholly owned by BCP Council.

44. Confirmation of Minutes

The Minutes of the meeting on 22 October 2020 were confirmed as a correct record.

45. Public Issues

There were no public issues.

46. Governance Overview of BCP Housing companies

The Committee received a presentation from the Director of Housing and from the Company Secretary providing an overview of the governance arrangements in respect of BCP Housing companies (Seascope South Ltd., Seascope Homes and Property Ltd., Seascope Group Ltd. and

Bournemouth Building Maintenance Ltd.) and a copy of the presentation slides would be circulated to members of the Committee. The intention was to provide for members of the Committee an understanding of the governance arrangements that were currently in place.

A brief history and description of the companies was provided together with a description of the services and functions which each supplied. Future plans were set out and a website link supplied to the five-year plan for Seascope Group. Reassurance was given that good lines of assurance were in place linking in closely with the BCP Council's own assurance structure and with BCP Council assurance officers and Monitoring Officer having a role in oversight. Notwithstanding this, opportunities for further improvement had been identified and an action plan was in place to provide a programmed response to adopting recommendations arising from a welcomed BCP Council internal audit of the companies. There was ambition for greater visibility of the lines of reporting into the BCP Council and the Cabinet and this was reported to be being addressed.

Members of the Committee recorded their appreciation and expressed support for the proposals. It was noted that a further report on progress would be brought back to the Committee in due course.

47. Report of the Constitution Review Working Group - Changes to the Council's Constitution

The Monitoring Officer and Head of Democratic Services presented a report, a copy of which and of a short supplemental report circulated to each Member, appear as Appendix 'A' to these Minutes in the Minute Book. The report summarised the issues considered by the Constitution Review Working Group which met during September and October 2020 and it was explained that recommendations arising from the Audit and Governance Committee would be referred to full Council for adoption.

The Chairman of the Audit and Governance Committee thanked the members of the Working Group for their work under the chairmanship of Councillor Williams and noted that, going forward, their continuing role in providing review of the Constitution was now well established.

In the case of this particular tranche of work, contributions had also been made by the Chairman of the Planning Committee and by the Head of Planning and these two contributors were available at the meeting to respond to questions from members of the Committee.

A short supplemental report also made recommendations relating to Procedural Rule 36 in Part 4 of the Constitution and these issues had arisen after the Working Group had met.

The Committee received detailed advice regarding proposals from the Working Group relating to the process of Councillors 'calling-in' planning applications for determination by the Planning Committee. Clarification was provided about the time frame within which the current process allowed

call-in to be made and the supporting internal process which was in place within the Planning department. There was discussion around the implications of extension of the existing, 30-day, call-in period. Overall, however, the importance, as also emphasized by the Working Group, of maintaining close communication between the local Councillor and the Planning Officer managing the application was underlined. The legal advice provided to the Committee at the meeting was that not including a set cut-off point after which a call-in request could not be submitted would potentially increase the risk of inadvertently issuing a decision under delegated powers even though a call in request had been submitted.

Addressing other recommendations from the Working Group, clarification was provided that Neighbourhood Forums, where they existed, were already included within the list of consultees for planning applications within the Forum area.

There was also discussion on the merits of the existing structure of Planning Committee operating within the BCP Council area.

RECOMMENDED TO COUNCIL

Procedure Rule 36

- (a) That Procedure Rule 36 be amended to read “Any motion under Procedure Rule 12 (Motions on Notice), to vary or revoke these Rules shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council”;**
- (b) That Procedure Rule 36 (as amended) be moved from Sub Part C (General Provisions) to Sub Part A (Council Meetings);**

Voting: Unanimous

Member Call-in of Planning Applications

- (c) That the Constitution be amended in Part 3, Section 2, Paragraph 2.2 to remove the 30-day time limit for member call-in of planning applications although the requirement for there to be dialogue between the Councillor calling-in an application and the applicable Planning Officer be retained;**
- (d) That the Member Call-in protocol set out at Appendix 1 to the report of the Audit and Governance Committee report be adopted;**

Voting: For – 7; Against – 0; Abstain – 2

Neighbourhood Forum Call-in of Planning applications

- (e) That the power to call-in planning applications to Committee should not be extended to Neighbourhood Forums;**

Voting: Unanimous

Petition call-in of planning applications

- (f) That the call-in of planning applications upon receipt of a petition from local residents should not be added to the current process for call-in;**

Voting: Unanimous

Role of Parish Councils in relation to amended plans

- (g) That the current arrangements for consultation with Parish and Town Councils after a subsequent amendment be retained;**
- (h) That the protocol set out at Appendix 2 to the report of the Audit and Governance Committee report be adopted;**

Voting: Unanimous

Process for considering Tree Preservation Orders

- (i) That Tree Preservation Orders continue to be processed and determined at Officer level and not be referred to the Planning Committee for determination;**

Voting: Unanimous

Planning Committee Structure

- (j) That the current structure of the BCP Council Planning Committee system remain unchanged;**

Voting: For – 5; Against – 2; Abstain – 2

Procedural – Form of address for person presiding at meetings

- (k) That no change be made to current practice relating to the form of address for the person presiding at meetings and that this be left as a matter of choice for each individual person presiding;**
- (l) That Democratic Services should ascertain, in each case, the preference of individual Councillors as they are appointed;**

Voting: Unanimous

Appointment of substitutes for one agenda item only

- (m) That no change be made to current practice of substitution.**

Voting: Unanimous

48. Chief Internal Auditor's Annual Opinion Report 2019/20

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book. The report included in full the Chief Internal Auditor's Annual Opinion Report for 2019/20 and Members also received a summary of the Chief Internal Auditor's opinion.

It was explained that the report and the further reports at agenda items 9 and 10 would place the Committee in a position to be able to consider, at agenda item 11, adoption of the BCP Council Statement of Accounts. This was the first time in which all four accounts of the BCP legacy councils had been brought together within a single audit and Statement of Accounts.

In response to questions, it was confirmed that the work of Internal Audit during 2019/20 had encompassed 100% of the BCP Council key assurance functions and the context for the way in which scarce audit resource was applied towards achieving that was explained. The adequacy of the resources available to undertake the necessary Internal Audit work in order for the Chief Internal Auditor's opinion to be produced was also confirmed. Reassurance was also provided that any action or recommendations identified in the previous year's Internal Audit work had been properly and correctly addressed and no escalation to Audit and Governance Committee was required.

RESOLVED that the Audit & Governance Committee note the Chief Internal Auditor's Annual Report and opinion 2019/20 on the overall adequacy of the internal control environment for BCP Council.

Voting: Unanimous

49. Annual Governance Statement 2019-2020

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book. It was explained that The Accounts and Audit Regulations 2015 (as amended by Coronavirus Regulations) required councils to produce an Annual Governance Statement (AGS) to accompany its Statement of Accounts.

The conclusion of the AGS was that BCP Council had effective and fit-for-purpose governance arrangements in place in accordance with the governance framework. It was, however, reported that an action plan was in place to address four significant governance issues listed in the report and that an update against the action plan would be brought to Audit and Governance Committee in January 2021. In relation to the reported omission to make the Annual Governance Statement available in June 2019 available for public inspection, it was agreed that the word 'minor' be deleted from the description of this identified omission.

RESOLVED that

(a)The Annual Governance Statement 2019/20 for BCP Council is approved and the Leader and Chief Executive are asked to formally sign it;

(b)The BCP action plan to address significant governance issues is approved and a progress update will be presented to Audit & Governance Committee in January 2021.

Voting: Unanimous

[Post meeting note. It was subsequently agreed after discussion with the Chairman of the Committee, and with his agreement, that the progress update requested above be submitted to the Committee at its meeting in March 2021. This to align the report more meaningfully with the revised statutory reporting cycle as amended in response to the Covid19 pandemic.]

50. External Audit - Audit Findings Report 2019/20

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

The report of the Council's external auditor, Grant Thornton, on their audit of the Council's Statement of Accounts 2019/2020 was circulated with the report. Representatives from Grant Thornton were present and responded to questions from members.

It was explained that, at this stage, due to the very challenging environment for audit during the Coronavirus pandemic, and in line with other local authority audits nationally, the report was only in an interim format although substantial progress had been made. In respect of the BCP Council audit, Grant Thornton reported further complexities arising from the formation of the new Council although they reported satisfaction with the way in which the transformation process was addressing the complex financial situation.

The key points to note within the report, however, were that Grant Thornton anticipated providing an unqualified opinion on the financial statements for the Council and that they had concluded that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources. An unqualified value for money conclusion was also anticipated.

RESOLVED that the Audit & Governance Committee notes the anticipated audit opinion and the provisional findings of the Council's external auditor following their audit of the Council's statement of accounts 2019/20.

Voting: Unanimous

51. Statement of Accounts 2019/20

The Chief Financial Officer and Director of Finance and the Assistant Chief Financial Officer presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

The Committee received for consideration and approval the BCP Council Statement of Accounts for 2019/20. The accounts represented the first ever set of full accounts for BCP Council and, by way of background, the process of bringing together the accounts was explained and set out. The narrative report summarised the financial position. Members had also had the opportunity to look in much more detail at the Statement at a workshop session held a few weeks prior to the meeting.

As explained earlier in the meeting, the external auditors Grant Thornton had only been able, due to factors outside the Council, to issue an interim audit opinion and a formal notice of a delayed opinion would accordingly be published on the Council's website.

It was reported that the statement of accounts has been prepared in accordance with the CIPFA Local Authority Accounting Code of Practice, and presented a true and fair view of the Council's financial performance for 2019/20 and financial position as at 31 March 2020.

A small number of formatting issues were noted for incorporation into future Statements. It was also noted that, going forward from the first year, comparative, year on year, information would be included.

The Committee as a whole congratulated the Finance Team on the quality of their work and on the quality of presentation and their robust approach within a very difficult environment.

RESOLVED that the Audit and Governance Committee

(a) approve the BCP Council statement of accounts for 2019/20;

(b) agree that the Chair of the Audit and Governance Committee signs the statement of responsibilities included in the statement of accounts and the letter of representation on behalf of the Committee once the audit is complete.

Voting: Unanimous

52. Audit & Governance Committee Forward Plan (refresh)

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

The presented Forward Plan set out the reports to be received by the Audit & Governance Committee for the 2020/21 municipal year.

It was noted and agreed that the requested further report on 'BH Live' should be brought to the Committee in the New Year when ready rather than fixing a definite meeting date at this stage.

It was also noted, as agreed earlier in the meeting, that a further report on implementation of the action plan arising from the Annual Governance Statement would be brought to the Committee in January 2021.

The Chairman reminded members that he had recently emailed them asking for suggestions for additional subjects for consideration in more depth at the more informal 'extra' meetings of the Committee. This had now become an important and very useful method of working for the Committee and the opportunity was approaching to build these items in to the new Forward Plan for 2021/22.

RESOLVED that the Audit & Governance Committee approves the forward plan set out at Appendix A.

Voting: Unanimous

[Post meeting note. It was subsequently agreed after discussion with the Chairman of the Committee, and with his agreement, that the progress update requested during consideration of the report on the Annual Governance Statement be submitted to the Committee at its meeting in March 2021. This to align the report more meaningfully with the revised statutory reporting cycle as amended in response to the Covid19 pandemic.]

The meeting ended at 8.58 pm

CHAIRMAN