

AUDIT AND RESOURCES COMMITTEE

Tuesday, 7 September 2021 (6:15 pm – 7:32 pm)

PRESENT:

Councillor Holes (Chair); Councillors Bourne, Campbell, Grajewski, Irish, Manning, Pragnell (from 18.30), Park and Tennent

Apologies for absence were received from Councillors Buckley

RESOLVED ITEMS (SUBJECT TO QUESTIONS ONLY)

84. PUBLIC PARTICIPATION

There was no public participation on this occasion.

85. MINUTES

Cllr Grajewski queried the completeness of the minutes regarding the roles of the Executive Head of Governance and Chief Internal Auditor (Acting) and when appointment would be made.

The Executive Head of Governance explained a full review of resources would take place as part of the 2022/23 Internal Audit Planning.

RESOLVED –

That the Minutes of the meeting held on 13 July 2021 be confirmed and signed by the Chair as a correct record.

86. DECLARATIONS OF INTEREST

There were no declarations of interest in relation to items of business on the agenda.

87. INTERNAL AUDIT QUARTERLY MONITORING STATEMENT (QTR 1)

The Chief Internal Auditor (Acting) introduced the item and provided the Committee with an update on the progress with the delivery of the 2021/22 Internal Audit Plan, which was progressing well.

RESOLVED –

That the Audit and Resources Committee noted the Internal Audit Monitoring Statement for the first quarter of 2021/22.

88. VERBAL UPDATES FROM MEMBERS REPRESENTING STRATEGIC RISK MANAGEMENT GROUP (SRMG) / PROCUREMENT EXECUTIVE GROUP (PEG)

(a) Procurement Executive Group (PEG)

Councillor Irish reported that the meeting was held on 7 September 2021 and the following updates were provided:

- The Procurement action plan – the Procurement Officer provided an update on progress with the Action Plan and a timetable for work to consider the Government Buying Standards, which included the setting up of a working group to focus on how the Government Buying Standards can be used when procuring.
- Procurement Performance Indicators – the Group reviewed the performance indicators and noted that some data was incomplete and discussed how to better ensure that data provided was timely and complete for future meetings.
- Terms of Reference – the group had reviewed this at the last meeting and comments had been considered. A revised version was circulated ahead of the meeting and discussed in detail. Consideration was given to including some sections that were proposed to be removed and, as a result, further amendments were accepted. The Monitoring Officer agreed to share the updated version with the Group and seek sign off via email by 17 September 2021 so that the revision can be included in the draft Constitution which will shortly be shared with Leaders for comment ahead of presentation to Full Council in November 2021 for approval.
- PEG Annual Report – the annual report for 2020/21 was presented and included a summary of the activity that took place during the year, the waivers approved and findings from internal audit reviews. The Annual Report was approved by the Group.
- Waivers – The Group reviewed the waivers to date and agreed that waivers are an exception.
- A query which regarded accountability for ensuring compliance with contract standing orders arose and the Executive Heads of Neighbourhood Services and Governance, who were both present, agreed to discuss this with the wider Executive Team.
 - Sustainability – The Climate Change Manager had sent his apologies and the Procurement Office provided an update on his behalf. Work to progress the climate action plan continued along with the development of a Sustainable Procurement Policy.

Cllr Grajewski added that some June and July data was missing from the performance indicators and PEG expressed their concerns.

The Executive Head of Governance & Monitoring Officer gave assurances that the process for obtaining the information would be amended to ensure that it was provided with future agendas.

Councillor Pragnell joined the meeting and was present for the items from this point forward.

(b) Strategic Risk Management Group (SRMG)

The Executive Head of Governance reported from the meeting held on 22 July 2021:

- The Corporate Risk Register had been updated to reflect the new Executive Head Structure.
- The Covid-19 Risk Register had been combined with the Corporate Risk Register.
- The Corporate Risk Register was reviewed, and risks discussed with particular discussions around a number of areas across the Council experiencing resourcing issues took place.
- SIMT had met to discuss the impact of the 'Pingdemic' on services. A new risk was added around the increase on construction costs, as a result of Brexit and the pandemic.

(c) Housing Group

Councillor Campbell reported that the group had met on 23 August and the following updates were provided:

- There were discussions about the 2021 housing programme and developments highlighted included the town centre development, which was flagged as red due to utility issues, and Parlour, which had been behind time as awaiting a response from Historic England, which had now been received. It was also highlighted that supplies were becoming harder to secure and the costs of supplies were increasing.
- There was some discussion about Romsey Road in terms of whether it is necessary that those properties stay as market rentals or sold.
- The Group looked at upcoming sites, including the Post Office, which was flagged red due to time scales and budget.
- The Housing Group looked at housing financial performance, and used The Willows, Leah Gardens and Stoneham Park as examples – looking at net rent, void costs and arrears. It was reported that all properties were performing at target or above, however one of the developments had higher than expected void costs and the team were working on identifying why that was.
- The Group also looked at performance reports from Vivid Housing on Stoneham and Woodside, which gaged tenant satisfaction and found one area of concern was the length of time repairs were taking.

Councillor Grajewski raised concerns regarding the length of time repairs were taking as she was concerned the service was operating below expected levels. She also raised concerns about the possibility of Romsey Road being sold rather than kept at market rent.

The Chief Financial Officer confirmed that there were regular financial appraisals to monitor the situation to allow them to choose the best course of action for the future.

Councillor Grajewski also raised questions on the increased cost of construction materials and the ongoing impact on housing projects and requested there be wider councillor awareness around this due to decisions they needed to take.

The Chief Finance Officer explained that this was regularly discussed within the Executive Team and an update had been provided in the Members Bulletin.

Councillor Tennent questioned the financial viability of the 3G pitch that would be positioned close to Wyvern School of Technology as he was concerned that it would be too close to the school pitch, which could impact on its viability.

The Chief Financial Officer agreed to investigate the financial viability of the pitch and email councillors.

Councillor Campbell raised concerns about staffing and requested an update to ensure that the Audit and Resources Committee were aware of any problems that may arise in the future.

The Chief Financial Officer agreed that it had been a difficult 18 months and that there had been problems, including recruiting drivers, self-isolating staff and vacancies, which had meant the need to prioritise services. She explained that councillors received quarterly update reports to Policy and Performance Scrutiny Panel, and that Executive Team meet fortnightly to discuss resources as a standing agenda item.

Councillor Tennent echoed concerns around staffing resources, especially the shortage of Heavy Goods Vehicle (HGV) drivers and refuse collections, with added concerns on strike action and whether the demand would mean an increase in salaries was necessary.

It was agreed that there would be an interim update brought to Audit and Resources in November.

Councillor Bourne stated that, in his role as Chair of ELAC, he had written to the Chair of Policy and Performance Scrutiny Panel (P&P) regarding staffing resources and requested that it be added to the P&P Work Programme. He confirmed that the P&P Chair had agreed it would be reviewed in quarter 4.

(NOTE: Councillor Pragnell joined the meeting at 18.30.)

89. ACTION LIST

The Committee considered the Action List, which set out the recent decisions and subsequent actions arising from the Committee.

It was AGREED -

That the Action List be noted.

90. CABINET FORWARD PLAN

The Committee considered the current Forward Plan of Key Decisions.

It was AGREED -

That the current Forward Plan be noted.

91. A&R WORK PROGRAMME

The Committee considered its current Work Programme and agreed that RIPA would be deferred until after the completion of the External Assessment, and a report on the findings of the assessment and any action the review highlighted be brought back to the Committee.

Training will be provided on Statement of Accounts as close to the final accounts meeting as possible.

Councillor Grajewski requested more information on the performance of Places Leisure and the Chief Financial Officer agreed to set out the reporting process for this facility.

It was AGREED -

That the Work Programme be noted.