

MINUTES OF A MEETING OF THE  
 PERFORMANCE, AUDIT AND GOVERNANCE  
 OVERSIGHT COMMITTEE HELD IN THE  
 COUNCIL CHAMBER, WALLFIELDS,  
 HERTFORD ON TUESDAY 24 SEPTEMBER  
 2019, AT 7.00 PM

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PRESENT: Councillor M Pope (Chairman)  
 Councillors A Alder, J Burmicz, L Corpe,  
 A Curtis and T Stowe

ALSO PRESENT:

Councillors J Goodeve and P Ruffles

OFFICERS IN ATTENDANCE:

Robert Allwood	- Leisure and Parks Development Officer
Lorraine Blackburn	- Democratic Services Officer
Isabel Brittain	- Head of Strategic Finance and Property
Jackie Bruce	- Senior Development Officer
Steven Dupoy	- Leisure and Environment Services Manager

Mike Edley	- Interim Scrutiny Officer
Graham Mully	- Insurance and Risk Business Advisor
Helen Standen	- Deputy Chief Executive
Alison Stuart	- Head of Legal and Democratic Services
Robert Winterton	- Financial Services Manager

ALSO IN ATTENDANCE:

Nick Jennings	- Shared Anti-Fraud Service (SAFS)
Simon Martin	- Shared Internal Audit Service

144 APOLOGIES

An apology for absence was received from Councillor S Bull.

145 MINUTES

It was moved by Councillor A Alder and seconded by Councillor L Corpe that the Minutes of the meeting held on 31 July 2019 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 31 July 2019 be confirmed as a correct record and signed by the Chairman.

146 CHAIRMAN'S ANNOUNCEMENTS

The Chairman asked that, with Members' consent, the order of the agenda be changed so that the Code of Conduct be considered before the Annual Leisure Contract Performance report and that Insurance Contract Options be considered after the Shared Anti-Fraud Service 2018/19 Annual Fraud Report. This was supported.

147 CODE OF CONDUCT

The Head of Legal and Democratic Services explained that a Code of Conduct complaint had been received whereby the complainant wished to remain anonymous. The Head of Legal and Democratic Services asked that, in line with procedure, an Assessment Standards Sub-Committee be convened to establish whether the complainant should retain anonymity.

The Head of Legal and Democratic Services explained that Standards training would be provided to Members.

Members supported the recommendation and agreed that the Assessment Standards Sub Committee should comprise Councillors A Alder, L Corpe and A Ward-Booth. After being put to the meeting and a vote taken the motion was declared CARRIED.

RESOLVED - that an Assessment Standards Sub Committee comprising Councillors A Alder, L Corpe

and A Ward-Booth be established to consider a complainant's wish to retain anonymity in relation to a Code of Conduct complaint.

148 ANNUAL LEISURE CONTRACT PERFORMANCE REPORT  
2018

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The Executive Member for Wellbeing submitted the annual report of the Council's ten year leisure contract with Sports and Leisure Management Ltd (SLM) trading as "Everyone Active" (EA). The Leisure and Environment Service Manager provided a summary of the report specifically, performance in relation to the specification of the contract and qualitative successes and improvements.

The Chairman referred to targets which had been set in 2009 and sought assurances that these would be updated following proposed capital investments and improvements in relation to changes to leisure provision on all sites. The Leisure and Environment Service Manager acknowledged that the targets in the new contract would reflect the enhanced facilities.

Members debated the report at length seeking clarification in relation to:-

- customer satisfaction levels generally and in relation to Fanshawe Pool;
- financial performance in terms of the cost per visit;
- Health and Safety and the number of recorded accidents (including those which were sporting injuries vs those which were injuries relating to natural causes);
- Income flows in relation to changes to the management fees which would increase the Council's

- revenues;
- The Council's liability in relation to injuries and assurances (that it had sufficient insurance to protect the Council's position) and in relation to the need to carry out appropriate risk assessments. Assurances were provided.
- The need to review customer feedback and consider what modest investments could be made at the joint use facilities.

The Leisure and Environment Service Manager provided a summary in relation to work in progress to reduce energy consumption across all sites and so reduce operating costs and improve energy ratings. Other aspects in relation to Hartham leisure centre were discussed, including customer parking, the changing rooms and possible over-roofing.

Councillor A Curtis suggested that "Added Social Value" should seek to be quantified in future reports. This was supported. The Leisure and Environment Service Manager undertook to take this on board.

The Chairman on behalf of Members, welcomed the move to improve energy efficiency and the assurance that maintenance investments would continue where needed in relation to Leventhorpe and Fanshawe facilities. Additionally, Members acknowledged that attendance targets across the Council's facilities had been established in 2009, at the beginning of the current leisure contract and that these would be reviewed going forward.

It was moved by Councillor A Alder and seconded by Councillor T Stowe that the Annual Report be received and Members' comments be submitted to the Executive. After being put to the meeting and a vote taken, the motion was

declared CARRIED.

RESOLVED – that (A) the Annual Report be received;

(B) the Executive be advised that Members welcomed the move to improve energy efficiency and that maintenance investment would continue where needed, in relation to Leventhorpe and Fanshawe facilities.

(C) Members acknowledged that attendance targets across the Council's facilities had been set in 2009, at the beginning of the current leisure contract and that these would be reviewed going forward and updated where required.

149 SECTION 106 AGREEMENT - UPDATE REPORT

The Deputy Chief Executive submitted a report updating Members on the current position of Section 106 Agreements.

The Infrastructure, Contributions and Spend Manager provided a summary of the report and referred Members to the exempt Essential Reference Paper "B" detailing the contribution allocations, the planning application, location, obligation, wording, timescale for allocation and RAG (Red, Amber Green) rating for each unallocated contribution in order to facilitate the distribution of contributions for community use. She provided a summary of how the spend was monitored and ongoing negotiations with developers and Officers in relation to potential allocations. The Infrastructure, Contributions and Spend Manager confirmed that there were currently no allocations that the Council might have to return to the developers.

Councillor A Curtis welcomed the report. He emphasised the role to be played by Members in relation to publishing funds available for use in their wards. The Infrastructure, Contributions and Spend Manager confirmed that she was in touch with Town and Parish Councils to discuss how monies could be spent and explained the restrictions in relation to the use of Section 106 monies. The Deputy Chief Executive further explained that monies could only be allocated to “named projects”.

Councillor L Corpe sought and was provided with clarification on how community groups could submit “expressions of interest”.

Councillor A Curtis sought clarification on what Members could do in advance to engage with the public in identifying a pool of ideas of potential schemes which might benefit from Section 106 monies. This was provided.

Members debated the issue of requests by developers to minimise their contributions because of unforeseen circumstances which compromised the viability of their schemes. Councillor A Curtis asked whether Members could receive a report next year on ideas and projects so that Members could engage with other external groups. This was supported.

It was moved by Councillor A Alder and seconded by Councillor T Stowe that the report be received and that a progress report be submitted to Members next year. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the report be received and

(B) Members be provided with a progress report next year.

150 SHARED INTERNAL AUDIT SERVICE (SIAS) PROGRESS REPORT

The Shared Internal Audit Service submitted a report on the progress made by the service in delivering the Council's 2019/20 and Internal Audit Plan as at 6 September 2019 and its findings. The report set out the proposed amendments to the approved Internal Audit Plan, the status of previously agreed audit recommendations and an update on performance management information. The Client Audit Manager provided a summary of the report.

Councillor A Curtis sought and was provided with clarification regarding a number of recommendations which had been identified following a review by Hertfordshire County Council in relation to the Herts Home Improvement Agency. This included the introduction of a formal project plan to review existing systems across the service such as governance structures, management information, and financial monitoring and key performance indicators. The Client Audit Manager explained that partners were taking a balanced view that the agency was a good concept. He explained that the recommendation was a high priority and would be monitored.

In response to a query from Councillor A Alder, the Client Audit Manger confirmed that there had been no adverse feedback from East Herts residents. The Head of Strategic Finance and Property confirmed that she would ask the Head of Housing and Health to confirm whether there had



been any adverse comments.

The Client Audit Manager confirmed that the majority of recommendations had been addressed and explained the relationship between the time taken to implement a recommendation (its complexity) and the resources available to address recommendations impacted on its status.

The Head of Strategic Finance and Property confirmed that there had been no financial or resource restrictions imposed. She suggested that Members be emailed with a short progress report from the Lead Officer in relation to Herts Home Improvement Agency. This was supported.

It was moved by Councillor A Alder and seconded by Councillor T Stowe that the report as detailed, be received and that the Shared Internal Audit Service Officer email Members with a short progress report in relation to the Herts Improvement Agenda. This was supported. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the report as detailed be received and

(B) the Shared Internal Audit Service Officer email Members with a short progress report in relation to the Herts Improvement Agenda.

151 SHARED ANTI-FRAUD SERVICE - 2018/19 ANNUAL FRAUD REPORT

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The Head of the Shared Anti-Fraud Service submitted a report detailing the work undertaken to protect the Council

against the threat of fraud and the Council's Anti-Fraud Action Plan for 2018/19.

The Head of the Anti-Fraud Service provided a summary of the report and said that fraud levels within the District were comparable to other councils. The Officer reported that there were 38 live cases at 31 March 2019 and a further 41 had been reported between April and August. Of 14 cases investigated and closed between April and August fraud had been identified in 8 cases with a value of loss/savings of £63,000 recorded.

In response to a query by the Chairman, the Head of the (SAFs) Service provided a summary of the types of fraud investigated including email (spoofs) and VAT Fraud.

It was moved by Councillor A Curtis and seconded by Councillor L Corpe, that the report as detailed be received. After being put to the meeting and a vote taken, the motion was declared CARRIED

RESOLVED – that the report be received.

## 152 INSURANCE CONTRACT OPTIONS

The Executive Member for Corporate Services submitted a report summarising the options available going forward, in relation to the Council's Insurance Contracts. The Insurance and Risk Business Advisor provided a summary of the report and referred Members to the exempt Essential Reference Paper "B" for more detailed information on the options available. He provided background information in relation to the negotiations with the Local Government Mutual. Members debated the options available and the Council's position. Given the

ongoing negotiations with the Local Government Mutual (LGM), a number of Members urged a cautious approach.

It was moved by Councillor A Curtis and seconded by Councillor L Corpe that the report as detailed, be approved. After being put to the meeting and a vote taken the motion was declared CARRIED.

RESOLVED – that (A) the Executive be advised that Members of Performance Audit and Governance Oversight Committee support an extension of the insurance contracts for a further and final year; and

(B) Members of Performance Audit and Governance Oversight Committee be provided with an update report at its meeting in March 2020 outlining options for 2021.

#### 153 CORPORATE QUARTERLY HEALTHCHECK : QUARTER 1

The Head of Strategic Finance and Property and the Head of Communications, Strategy and Policy submitted a report setting out the results of the finance and monitoring figures for the Council for the Quarter 1 period (as at 30 June 2019). The Head of Strategic Finance and Property provided a summary of the report adding that a large amount of the capital budget (£61.258m) would be carried forward to future years due to re-profiling of spend on major projects. She provided a breakdown regarding the Council's debtors. As at the end of July £260k of £684k had been paid.

Councillor A Curtis referred to the fact that Priority code QC HH 151 (Number of Homeless Households living in temporary accommodation at the end of the quarter) had

no current target. He suggested that this be set at zero. The Head of Strategic Finance and Property said that she would raise this issue with the Head of Housing and Health.

The Chairman commented on the number of variances and underspends. The Head of Strategic Finance and Property said that these were being managed within existing resources.

Councillor A Curtis referred to code MC OP 2.2 (Waste missed collections per 100,000) adding that this needed to be a top priority. The Head of Strategic Finance and Property explained that in real terms this figure was 0.03% (and was approximately 60 bins per month). The Chairman explained that this was being reviewed by Overview and Scrutiny Committee.

It was moved by Councillor M Pope and seconded by Councillor T Stowe that the report be received as detailed. After being put to the meeting and a vote taken the motion was declared CARRIED.

RESOLVED – that (A) the projected revenue budget forecast underspend of £1k in 2019/20 be noted;

(B) it be noted that the capital budget for 2019/20 is £77.940m of which £61.258m be carried forward to future years; and

(C) the reported performance for the period April 2019 to June 2019 be noted.

154 PERFORMANCE AUDIT AND GOVERNANCE OVERSIGHT -  
WORK PROGRAMME PROPOSALS 2019-20

The Interim Scrutiny Officer submitted a report setting out a draft work programme of Performance Audit and Governance Oversight Committee. The Head of Strategic Finance and Property commented that the draft agenda for the meeting on 19 November 2019 was too lengthy as it stood, for all the reports to be considered in detail at that meeting. She suggested that an informal meeting of Performance Audit and Governance Oversight Committee members be established in advance of 19 November to pre-review the Statement of Accounts and the Treasury Management reports so that these items could be dealt with quickly at the formal meeting. This was supported.

It was moved by Councillor A Alder and seconded by Councillor T Stowe that the report as detailed be approved and that an informal meeting be convened end October / early November. After being put to the meeting and a vote taken the motion was declared CARRIED.

RESOLVED – that (A) the agenda items for the meeting on 19 November 2019 be approved;

(B) the draft work programme for the remainder of the civic year be approved.

(C) an informal meeting of Performance Audit and Governance Oversight Committee be convened end October / early November to consider the Statement of Accounts and the Treasury Management and update reports.

The meeting closed at 9.15 pm

Chairman .....
Date .....