

# Meeting of the Governance and Audit Committee

Wednesday, 13 March 2024, 2.00  
pm



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

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## Committee Members present

Councillor Tim Harrison (Chairman)  
Councillor Paul Wood (Vice-Chairman)  
Councillor Patsy Ellis  
Councillor Bridget Ley  
Councillor Charmaine Morgan  
Councillor Rob Shorrock

## Other Members present

### Cabinet Members

Councillor Ashley Baxter  
Councillor Phil Dilks  
Councillor Philip Knowles  
Councillor Rhea Rayside

### Officers

Debbie Roberts, Head of Corporate  
Projects, Policy and Performance  
Nicola McCoy-Brown, Director of Growth  
and Culture  
Richard Wyles, Deputy Chief Executive  
and Section 151 Officer  
Graham Watts, Assistant Director  
(Governance and Public Protection) and  
Monitoring Officer  
James Welbourn, Democratic Services  
Manager (Deputy Monitoring Officer)  
Alison Hall-Wright, Director of Housing  
Charles James, Policy Officer  
Emma Whittaker, Assistant Director of  
Planning  
Tracey Elliott, Governance and Risk  
Officer  
Jodie Archer, Head of Housing Services  
Sarah McQueen, Head of Service  
(Housing Options)

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## **72. Apologies for absence**

Apologies for absence were received from Councillors Peter Stephens and Sue Woolley.

Substitutes for the meeting had been suggested for these members but they did not appear throughout the course of the meeting.

It was moved, seconded and **AGREED** to vary the order of the agenda in order to allow the Whistleblowing Audit Update to be heard prior to the other formal items on the agenda.

## **73. Minutes of the meeting held on 24 January 2024.**

The consideration of the minutes of the meeting held on 24 January 2024 was **DEFERRED** until the next ordinary meeting of the Committee.

## **74. Updates from previous meeting**

All actions from the previous meeting were confirmed as complete. There were no further comments.

## **75. Disclosure of interests**

No interests were disclosed.

## **76. Whistleblowing Audit Update**

Having been moved, seconded and **AGREED**, the public and press were excluded from the meeting under paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

Having been moved and seconded, the Committee **AGREED** to:

- 1. Note the progress of the completion of the Internal Audit Whistleblowing Actions.**
- 2. Note the findings of the independent review of the Sale of excess Oil.**

## **77. Internal Audit Progress Report**

The Internal Auditors, RSM provided a general update on the progress of the internal audit, explaining that the Council were on track to deliver the plan by the end of March 2024. The purchasers and creditors and payroll reports had been issued in draft. A meeting was held on 12 March 2024 to move forward

and close work on the Section 106 reports. The follow up field work was also complete and would shortly be going through management review.

Questions on progress were invited, and it was clarified in response that the draft responsive repairs report was to be finalised. A meeting had taken place recently with the management team to discuss this, and further feedback would be given at the next meeting of Governance and Audit Committee. The reports were presented to the Committee in turn:

- **Food Safety Management.** The Council conducted inspections of food outlets to assess compliance and safety arrangements. Overall substantial assurance was provided, with three management actions, focusing on updating procedures, ensuring that supporting notes were included on the system where businesses have closed, and the timing of inspections.
- **Governance.** The internal auditor looked at five committees, with a focus on the terms of reference and how the committees discharged their duties in relation to this. They also considered reports, agendas and minutes to ensure that the terms of reference were being complied with. Substantial assurance was provided, with one low area to ensure that all committees undertook a full self-evaluation at the end of each year. The internal auditors looked at minutes of committee meetings and commented that it was evident there was challenge during these meetings. The auditors commented that they could only base their answer on the information recorded in minutes. It was confirmed that there was a reference in the Constitution to an annual Scrutiny Report for each Overview and Scrutiny Committee. This hadn't been completed in the last municipal year but was due to visit Full Council later in 2024 to ensure this included a full year of Council business.
- **Recruitment and Retention.** This report looked at how this process was being managed by the HR team and individual teams when undertaking recruitment exercises. The report was positive with substantial assurance and three low management actions were agreed relating to maintaining evidence of training being conducted, and retention of documentation including requisition and shortlisting and scoring. It was remarked that interview forms should always be retained unless there was a reason not to; in 5 out of 20 instances the forms had not been retained.
- **Cyber Treatment Plan.** In 2022 the Department for Levelling Up, Housing and Communities (DLUHC) performed a review around grant funding. 32 actions were identified during this review. DLUHC has now signed off these actions, with 1 of 32 ongoing. This was a good report with substantial assurance and one low. Two actions had been marked as complete and signed off by DLUHC, however the internal auditors felt that while these actions had been completed, further enhancements could be made to reduce risk. It was confirmed that one action around installing core switches within the IT network would be completed imminently.

- **Risk Management Review.** Risk was a key area of the Head of Internal Audit Opinion. This was undertaken as an advisory review, completed from a perspective of the evolving and changing risk which had also been discussed at the previous Governance and Audit Committee meeting. There were nine recommendations from this report to take this work to the next level, ensure that actions are followed though, and look at good practice. It was agreed that minutes would be taken for the Risk Management Group meetings. Internal auditors also explained that there were no particular red flags raised, and that it was important to note the Council were taking steps to improve risk management. It was noted that the report recommended resuming the use of risk management software, and in response the Governance and Risk Officer confirmed that the use of this had been paused following a software upgrade, but following approval of the new Strategic Risk Register usage will be resumed.

In noting it, Councillors shared praise for the report and the progress made by the internal auditors.

## **78. Strategic Risk Register**

Members considered a report on the Strategic Risk Register. A report on the same topic had been discussed at a previous Governance and Audit Committee held on 29 November 2023, and members of Governance and Audit Committee were due to receive further reports every six months.

Two risks were identified as being complimentary or repeated and therefore they had been separated from the wider report. Six risks had been reassessed where there has been a requirement to raise the level of risk because either it was more likely or more serious than previously perceived.

The Deputy Chief Executive added that the Emerging Risk Radar document preceded this work and was relevant to this item, despite being placed later on in the agenda.

The Commercial Head from RSM was in attendance at the meeting and available to answer questions. He had been instrumental in the formation of the Risk Register, following an ambition set out in the previous year to reset the strategic register, taking it from a thematic approach to a more specific approach.

Following questions from members, additional information was highlighted:

- Risk monitoring formed a fundamental element of public service delivery and helped to improve outcomes.
- The Council had a duty to understand principal risks. A strategic risk was something material in nature and would be painful should it occur through reputational damage.

- Auditors may identify further actions through analysis, so in the next six months Members would see an assessment of the effectiveness of controls. This was concerned with strengthening the governance of the Council to protect officers and stakeholders.
- Strategic risk actions were still in the process of being developed. In relation to staff vacancies at South Kesteven District Council (SKDC), the turnover of staff and vacancy rate was in line with other Local Authorities.
- The Authority was exposed to risks around the areas of quality assurance and regulatory compliance if it did not act. If digital transformation options were not explored then SKDC could be exposed. A more strategic vision was required when approaching technology, and this would be achieved through the development of a Transformation Strategy.
- The Corporate Information Governance Group, an internal group attended by the Monitoring Officer, the Data and Information Governance Officer and other key officers met on a monthly basis to discuss regulatory compliance. It was agreed to share the action list from this group with the Committee.
- From a financial risk perspective, the Council had just set a balanced Budget for 2024/2025 without reliance on reserves. There was an emerging Minimum Revenue Position (MRP) to set aside each year as a result of large strategic projects.
- Some of the actions within the Strategic Risk Register were 'exceptional', meaning that they were not identified as standard. A 'Controls Assessment' would be performed to identify exceptional actions, which in turn would hopefully be completed, enhancing the control environment. As an example of a non-exceptional item, the Safeguarding Policy was reviewed as a matter of course through a review of policy, procedures and training.
- With Local Authorities there was always a core set of risks. With regard to these core risks, SKDC benchmarked relatively positively.
- If undergoing a Local Government Association Peer Review, the Strategic Risk Register would be submitted as a core document.

Having been moved and seconded, and following a vote, it was **AGREED** that Governance and Audit Committee approved the updated and revised Strategic Risk Register.

## **79. Safeguarding Report: 2022/2023**

The Annual Safeguarding report for 2022/2023 was presented to the Committee. The report provided an overview of the Council's involvement in the safeguarding of children, young people and vulnerable adults for 2022/2023, and also outlined SKDC's relationship with Lincolnshire County Council (LCC) with regard to safeguarding issues.

It was reported that there had been a good success rate on the delivery of safeguarding training to Members, albeit with a small number of Members still to receive the training.

Safeguarding was embedded into the corporate induction for officers; there was also a 6 year pathway for officers, which involved a number of training modules, accessible through the LCC website.

SKDC oversaw 10 adult, and 2 child safeguarding referrals during 2022/2023. The Safeguarding leads for the authority attended Statutory Officer meetings to address any concerns linked to safeguarding.

Assurance had been given to SKDC from auditors regarding adult safeguarding. Officers had recently uploaded their 'evidence chest' to the safeguarding audit.

The Committee **NOTED** the report.

## **80. Quarter 3 Treasury Monitoring Report**

Members considered the Quarter 3 Treasury Monitoring Report, containing treasury management activity for Quarter 3 of 2023/2024.

In introducing the report, the Cabinet Member and Officers highlighted the following:

- No further external borrowing was anticipated this financial year. Average interest on borrowing was 2.64% and the report outlined the repayment profile for borrowing.
- The average size of the investment portfolio was around £85 million, compared to an average of £80 million in the same period of the previous financial year, potentially due to the timing of when the Council was required to make payments. c£76 million was attributed to short term investments, and around £3 million was attributable to long term investments. No more than 35% of investments were to be 'non-specified' or long-term in nature.
- The Council currently had £10 million invested with Close Brothers who had recently seen a downgrade in their credit rating. Following the maturity of this investment the investments would be returned and re-invested.
- There was a protection with personal investors; if financial institutions encountered difficulties then investors 'bail-in'. Therefore part of SKDC's investment in these instances would be taken to ensure the future of the institution. SKDC officers would always be guided by the ratings agency.

During debate, further points were highlighted:

- The maturity dates for outstanding Close Brothers investments were 10 and 17 May, and 21 June. One investment had already matured.
- It was impossible to completely avoid investments in some groups. With the subject of ethical investing, the Authority was guided by the Chartered Institute of Public Finance and Accountancy (CIPFA) code. The motion to Council regarding ethical investing did not contain treasury management activity as officers could not impose a local code over the top of this.

The Committee **NOTED** the report.

## **81. 2024 Update on the Planning Review undertaken in 2021 and Action Plan**

Members considered an update on the actions undertaken following a 2021 review of the Planning Service.

Service reviews were best practice to identify what was working well. Independent consultants in 2020 carried out a review within the Planning Service. Through workshops and focus groups, an action plan for the service was developed.

On 15 March 2023 the Committee considered a report outlining that all but a few actions had been completed.

The Planning Committee were required to receive annual training and support from officers. This training was refreshed close to the Annual Meeting of Full Council every May.

The Enforcement team had made significant progress in clearing their caseload; the team overall were fully resourced.

The Action Plan was up to date and would be revisited when the Levelling Up and Regeneration Act was completed by central government.

Finally, Planning systems had been updated to reflect how officers communicated with members of the public.

The following points were highlighted during debate:

- There has been a noticeable improvement in the quality of Planning reports to Planning Committee. There was of course some learning to be undertaken by newer officers, but overall the team was working well.
- There was a full and comprehensive pre-Planning advice service which officers encouraged the take up of. It was a 'paid-for' service, but good, professional advice would be received as a result, and better planning applications would be received.

- Member involvement at the pre-application stage was challenging, and residents were encouraged to speak to their Parish Councils and other stakeholders first.
- Members were now notified when there was a planning application within their Ward.
- The Council website was updated in September 2023, and the look of the Planning pages was amended.

Having been moved and seconded, and following a vote it was **AGREED** that the Action Plan was now complete.

## **82. 2023/24 Accounting Policies and publication date of the Statement of Accounts**

In line with the Committee's terms of reference, the Council's Accounting Policies were reviewed annually, prior to the preparation of the Statement of Accounts, to ensure that they were up to date and in line with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (The Code).

There were no amendments to the 2022/2023 Accounting Policies.

Having been moved and seconded, and following a vote it was **AGREED** that the Committee:

- 1. Approves the Statement of Accounting Policies, as set out at Appendix A of the report, to be used in the production of the 2023/2024 Financial Statements.**
- 2. Notes the dates for the publication of the draft and final audited Financial Statements.**

## **83. Proposed amendments to the Council's Constitution**

Members considered proposed amendments to the Council's Constitution and whether they would recommend these amendments to Full Council for approval.

The report described four areas where training could be made mandatory for Members:

- Councillor Code of Conduct
- Equality, Diversity and Inclusion
- PREVENT
- Safeguarding

The recommendations contained a provision for members to receive training on these areas within 6 months of the Full Council AGM, or 6 months from



their election (if they became a member as a result of a by-election). There would be a number of opportunities for members to complete this training.

There were also other minor amendments being suggested for recommendation to Full Council, relevant to the Assistant Director of Planning.

The following points were highlighted during debate:

- It was arguable how useful certain sessions were to elected members as part of their role.
- The induction programme for 2023/2024 worked well and there was plenty of scope for members to attend.
- This addressed a vagueness around training and made it clear that there was mandatory compliance training.
- For those members who were both County and District Councillors, they would be able to demonstrate in some instances that they had received training already at LCC and would not need to attend twice. This could also work for those members who received certain training as part of their day job.

Having been moved and seconded, and following a vote it was **AGREED** that the Governance and Audit Committee recommends the following Constitutional Amendments to Full Council:

- 1. That the following training and development sessions be mandatory for all Members of the Council:**
  - I. Councillor Code of Conduct**
  - II. Equality, Diversity and Inclusion**
  - III. PREVENT**
  - IV. Safeguarding**
- 2. That failure to attend training and development sessions within six months of the Council's Annual Meeting, or six months since election to office, means that a Member is unable to act on any committees or bodies to which they have been appointed until they have attended all mandatory training and development sessions.**
- 3. That the relevant Articles and Procedure Rules in Part 2 (Articles) and Part 4 (Rules of Procedure) of the Constitution in respect of its committees or other bodies be amended to reflect (1) and (2) above.**
- 4. That the following be included under the list of notices referred to in paragraph 24(e) (Planning and Planning Policy) in Part 3(c) of the Constitution (Responsibility for Functions – Delegated Powers to Officers) and the Planning Scheme of Delegation at Appendix 1 of the same part of the Constitution:**
  - I. Urgent Works Notices (Listed Buildings)**

## **II. Repairs Notices (Listed Buildings)**

- 5. That the Planning Scheme of Delegation in Appendix 1 of Part 3 (Responsibility for Functions) be amended to reflect that the Director of Planning is authorised to issue those notices listed in the document, subject to consultation with Legal Services.**

### **84. Complaints Statistics: April 2022 to February 2024**

Members considered complaints statistics for the period April 2022 to February 2024.

Over the period April 2021 to February 2024, the Council received 3243 complaints. There had been a steady improvement in resolution times detailed at Table 1 in the report. In the period April 2021-2022 of the 879 complaints received only 9.97% or 85 were closed within the defined timeframes, and the average complaint was open for 73 working days. In 2022-2023 the resolution time rate was improved to 38.18%, with the average time open falling to 39 working days. The trend continued in 2023-2024. 59% of complaints were resolved on time, with the average complaint open for 16 working days. This was a significant improvement based on previous years; however, performance remained below target timeframes.

There was not a dedicated complaints team at SKDC, instead there was a process for dealing with complaints across all teams. In addition, statutory officers (Head of Paid Service, Section 151 Officer and Monitoring Officer) met on a monthly basis and part of this monthly meeting was to discuss the complaints dashboard.

The overall trajectory of dealing with complaints was positive and highlighted areas for improvement. An action plan was in the process of being developed to improve performance further.

Upheld escalations to the Local Government Ombudsman was a metric from the Office for Local Government (OFLOG); on this, SKDC performed well compared to peer authorities.

The following points were raised during debate:

- The positive trajectory of complaints being closed on time had been compounded by an increase in the amount of complaints received.
- When complaints were first received into the Council they would be logged as a Stage 1 complaint. If they were not resolved at this first stage, then they would progress to being a Stage 2 complaint. Replies to a Stage 1 complaint would follow a standard template, and within this the responder would be asked to address all corresponding items in the complaint. When the Stage 1 complaint was sent back to the complainant, it would be marked as 'closed'. It would be for the

complainant to respond within 30 days if they felt the complaint had not been addressed adequately; at this point it would be escalated to a Stage 2 complaint. If the complainant was not content with the Stage 2 response, they would need to approach the LGO to take it forward; this was made clear in Stage 2 responses.

- Stage 1 and 2 complaints were linked through. Stage 2 complaints were handled by Heads of Service and Senior Managers.
- When a Stage 1 complaint was closed officers explained how it had been resolved and supportive evidence for this would be inputted into the complaints system. Recently, changes in complaints guidance had been received from the Housing Ombudsman, who recommended that complaints be closed along with actions outlining the response given. Officers would be looking at these new changes in guidance and how they may change the way complaints were looked at.
- Submitting a complaint was dealt with through the Customer Complaints and Feedback Policy. People could complain through a variety of different avenues, but in general complaints were submitted through the SKDC website.
- The statistics showed that there had been a substantial improvement in resolving Housing complaints. The average time had reduced from over two months to just under a month. The implementation of the new complaints system had assisted with this.

#### **The Committee:**

- 1. Noted the information contained within the report; and;**
- 2. Notes that from 1 April 2024 complaints will be regularly reported under the new Key Performance Indicator (KPI) suite accompanying the Corporate Plan 2024-2027.**

#### **85. LeisureSK Limited - Board of Directors**

The Committee considered appointments to the Board of Directors for LeisureSK Limited following the earlier resignation of Councillor Steven Cunningham.

There were 5 vacancies on the Board of Directors and since the resignation of Councillor Cunningham there had been no nominations. Currently the Board was quorate with two Directors, but any illness or absence with the two Directors would mean that a meeting would be inquorate.

Discussions about LeisureSK Limited were ongoing between officers and Councillors at SKDC and this topic was reviewed regularly at Culture and Leisure Overview and Scrutiny Committee.

**The Committee NOTED that there were no appointments to the Board of LeisureSK Limited to consider, and no new names were proposed.**

## **86. Access to Information Working Group**

The Monitoring Officer gave a verbal update on an Access to Information Working Group, an issue that had been raised at Full Council on 29 February 2024 under the 'Public Open Forum'. For the Group to progress, a membership was required, alongside a Terms of Reference. It was suggested that the first meeting of the Working Group should establish what the Group was trying to achieve.

The list of issues that had been raised by Mr Peter Bell at the Full Council meeting in February contained areas of inquiry that were legitimate, but also actions that had already been resolved. There may also be some scope to put additional information on the SKDC website.

Discussion took place on a membership of the Working Group, with an emphasis on how many Members should make up the Group, and whether the membership should be confined to the Governance and Audit Committee, or across the Full Council membership.

Having been moved and seconded, and following a vote it was **AGREED**:

**That the Monitoring Officer invites expressions of interest for membership of the Access to Information Working Group from all Members of Full Council.**

## **87. Work Programme 2024-2025**

Two items were added into the Work Programme:

- Review of the Whistleblowing Process
- Review of the Whistleblowing Policy

The remainder of the Work Programme was NOTED.

## **88. Any other business, which the chairman, by reasons of special circumstances, decides is urgent.**

There was no other business.

The meeting closed at 4:34pm.