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Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 28 September 2023 at 6.00 pm.

Present:

Chairman: Councillor H M Williams

Councillors: S H Beer
M Bates
R M Knight
J P Loffman
L M Wright

Officers: Strategic Director (Corporate and Regulatory)
Head of Audit Partnership (East Kent Audit Partnership)
Head of Finance and Investment
Democratic and Corporate Services Manager
Community, Asylum and Transport Services Manager
Income and Tenancy Sustainment Manager
Benefits Manager (Civica)
Key Audit Partner (Grant Thornton - External Auditors)
Democratic Services Officer

7 APOLOGIES

An apology for absence was received from Councillor S C Manion.

8 APPOINTMENT OF SUBSTITUTE MEMBERS

The Democratic Services Officer advised that no notice had been received for the appointment of substitute members.

9 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

10 MINUTES

The Minutes of the meeting held on 29 June 2023 were approved as a correct record for signing by the Chairman.

11 REVISION TO CONTRACT STANDING ORDERS

The Head of Finance and Investment presented the Revision to Contract Standing Orders report to the Committee. The report highlighted a typographical error for correction and two proposed amendments for inclusion in the Contract Standing Orders that were last updated and adopted on 25 January 2023.

RESOLVED: That the Governance Committee recommend to Council that the revised Contract Standing Orders appended to the report be adopted.

12 ANNUAL DEBT COLLECTION REPORT FOR EAST KENT SERVICES (MANAGED BY CIVICA UK LTD)

The Benefits Manager (Civica UK Ltd) presented the Annual Debt Collection Report for East Kent Services (managed by Civica UK Ltd) to the Committee. The annual report was constitutionally required to provide an overview of the debt and write-off position for debts managed by Civica UK Ltd.

Members' attention was drawn to paragraph 1.7 of the report which provided a summary of the main points from the report and overall provided good news. There were no write-offs for Council Tax over £10,000 for 2022/23 and following an internal audit of the write-off process, a substantial assurance level was received.

Assurances were given to Members that staff worked efficiently and pro-actively ensuring that all legal statutory processes and procedures were followed to recover debt.

Following a request from Members, the Benefits Manager agreed to amend future reports to the Committee and to move the definitions (as shown in Appendix 1 of the report) to the beginning to aid understanding.

RESOLVED: That Members noted

- (a) The value of income collected and write-offs for each type of income, as set out in the report;
- (b) The generally high collection rates;
- (c) The aged debt profile.

13 ANNUAL REPORT FOR DOVER DISTRICT COUNCIL HOUSING SERVICES WRITE OFFS OF FORMER TENANT ARREARS

The Income and Tenancy Sustainment Manager presented the Annual Report for Dover District Council Housing Services Write-Offs of Former Tenant Arrears to the Committee.

Members were provided with background to the current position of the service. The Council's housing service had returned to Dover District Council from East Kent Housing (EKH) in October 2020. Following this transfer, work was focussed on the current tenant arrears with limited resources in the team. Once fully resourced in 2021, work started on the former tenant arrears and write-offs which had not been worked on for many years at EKH and which led to the decision made by the Head of Finance and Investment to bulk write off the former tenant arrears that were non-recoverable arrears, uneconomical to pursue or out of time.

Following imminent recruitment of two full-time officers within the team, the service was now fully staffed and included two Benefit and Money Advisors who pro-actively worked to reduce tenant arrears and worked with tenants from the start of their tenancies to ensure they had access to benefit entitlements. These advisors helped tenants during Covid and with the cost of living, and having helped obtain over £1m in benefits, such as Personal Independence Payment (PIP), for tenants who were most vulnerable.

In 2022/23 two cases over £5,000 were written off. Legal action to recover particularly high cases of former tenant debt was being taken although considering officer time and court costs compared to the recovery amount, it was not yet known whether this would be successful and worthwhile.

Members thanked officers for their hard work and efficiency since the service was brought in-house and for their work to provide support for the most vulnerable tenants.

RESOLVED: That the report be noted.

14 ANNUAL WRITE OFF REPORT FOR PARKING SERVICES

The Community, Asylum and Transport Services Manager presented the Annual Write-Off Report for Parking Services to the Committee. The annual report was constitutionally required to provide an overview of the write-off position of Penalty Charge Notices issued by Parking Services.

Following the audit of Parking Services and the No Assurance opinion which was reported to the Governance Committee on 29 June 2023, the report was brought to the attention of the Committee for the first time and was a result of the processes put in place to address the issues that gave rise to that opinion. The report detailed the arrangements for the collection of Penalty Charge Notice (PCN) debts and the various arrangement for managing write-offs, which were managed on a day-to-day basis by the Parking Services team.

Write-offs processed in 2022/23 totalled £159,589 and 15% of PCNs issued were written off. Dover District Council (DDC) received payment for approximately 10% of PCN issued, compared to 8-12% recovery at other authorities. Multi-agency days and intelligence led operations between the collection agency, Marstons, the police and DDC's parking services helped to retrieve debt and target known persistent evaders.

With regard to PCNs issued to foreign vehicles, for 2022/23 these totalled 239 tickets written-off. However, efforts were made to retrieve the debt through the European Debt Collection Agency.

Members congratulated the Parking Services team for the work carried out during the year.

RESOLVED: That Members note the value of income collected and write-offs for each type of income, as set out in the report.

15 AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Key Audit Partner (Grant Thornton – External Auditors) who was in attendance remotely, presented the Audit Progress Report and Sector Update to the Committee.

Members' attention was drawn to the update on progress up to March 2023. The financial statement audit 2020/21 was still in progress and was awaiting responses to audit queries and requests from officers. The Head of Finance and Investment advised that it was hoped that these issues would be addressed by the end of the year with the intention of bringing the 2020/21 financial statements to the Committee in March 2024. The 2021/22 and 2022/23 financial statements audits were not yet

started and following the proposals made by the Department for Levelling Up, Housing and Communities (DLUHC) for clearing the audit backlog for outstanding audit years, including some statutory deadlines, were dependent on completion of the 2020/21 audit.

In response to Members queries regarding Grant Thornton's position going forward and ensuring another backlog was avoided, the Key Audit Partner advised a number of factors were in place, including recommendations from DLUHC and the Chartered Institute of Public Finance and Accountancy (CIPFA), to help strengthen the audit teams.

RESOLVED: That the report be noted.

16 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Head of Audit Partnership presented the Quarterly Internal Update report. The report included a summary of the work completed by the East Kent Audit Partnership since the last meeting of the Governance Committee. There had been five internal assignments completed during the period and four follow-up reviews. An update was provided to the number of chargeable days delivered which was 47% against the target of 42% as of 31 August 2023.

Members expressed their concern towards the No / Reasonable Assurance for Contract Management of Waste Management and Street Cleansing, and in particular the lack of Risk Assessment or Risk Register in place covering the Waste and Collection and Street Cleansing functions. Members requested sight of the Action Plan and were assured by the Head of Audit Partnership that the Action Plan contained a number of recommendations that had either been accepted or rejected by management. Following normal process, a progress report would be brought back to the Committee at a future date and depending on progress, a verbal update would be provided at the next meeting. It was explained that the Action Plan included dates for anticipated completion, in this case as the due dates were September and / or December and the follow-up review was therefore scheduled for Quarter Three. There was always a balance to be made in being challenging and realistic with setting the implementation dates, for the points raised in the Action Plan. Undertaking the Progress Report work too soon, often did not give sufficient time for management to act / or would not allow for any control improvements to have embedded to permit independent testing to be meaningful.

RESOLVED: That the update report be noted.

17 REQUEST FOR DISPENSATIONS UNDER THE CODE OF CONDUCT

The Principal Planning Solicitor presented the Request for Dispensations report to the Committee for consideration. Following meetings of the Cabinet and Overview and Scrutiny Committee in September 2023 it became apparent that Members who were DDC garden waste subscribers would have an Other Significant Interest (OSI) at any meeting where the Garden Waste Containerisation Project would be discussed and would not be permissible to participate in the discussion nor any decisions. As a result, five Members who were current subscribers to the garden waste collection scheme sought to request the Council grant a dispensation under Paragraph 8 of the Kent Model Code of Conduct for Members from 28 September 2023 until 22 May 2024.

Members were asked to note typographical corrections at paragraph 2.5 (b) whereby 'Without' should be inserted at the beginning of the sentence and, at paragraph 4.4 the reference to sub-paragraphs (a), (c) and (d) not (b) of paragraph 8(2) of the Code of Conduct.

Following discussions, it was moved by Councillor M Bates and duly seconded that to allow a full and proper debate it was essential to include the existing users of the service in the discussions and that dispensation should be granted pursuant to S33(2) of the Localism Act 2011 and Paragraph 8(c) of the adopted Code of Conduct.

In respect of Councillor M Bates' request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor M Bates be REFUSED dispensation for the above.

In respect of Councillor C A Vinson's request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor C A Vinson be REFUSED dispensation for the above.

In respect of Councillor H M Williams' request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor H M Williams be REFUSED dispensation for the above.

In respect of Councillor L M Wright's request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor L M Wright be REFUSED dispensation for the above.

In respect of Councillor D R Friend's request for dispensation to relieve him from restrictions in discussions and voting on the Dover District Council's Garden Waste Containerisation Project it was

RESOLVED: That Councillor D R Friend be REFUSED dispensation for the above.

The Strategic Director (Corporate and Regulatory) presented the 2022/23 Annual Governance Assurance Statement (AGAS) to the Committee. The Council was required to review the effectiveness of its system of internal control and to report on the extent to which it complied with its own Local Code of Corporate Governance. The AGAS had continued to be produced on an annual basis and had not been impacted by the audit backlog issues and delays with audit completions. Members' attention was drawn to the significant governance changes during the year as set

out in the report, including the permanent introduction of broadcasting meetings of the Executive, Council and Committees and improvements during the year which included a revision of the Council's Contract Standing Orders and the approval of a revised Petition Scheme.

RESOLVED: That the Governance Committee accept the Annual Governance Assurance Statement.

19 CORPORATE GOVERNANCE LOCAL CODE REVIEW

The Head of Corporate Services and Democracy presented the Corporate Governance Local Code review. A number of changes to post titles was required to reflect changes to the organisation to bring the Code in line with the current organisational structure of the Council. In addition, whilst there were no other changes, it was noted that the Code also contained the Council's Risk Management Strategy which was currently under review and an updated Strategy would be submitted to a meeting of the Governance Committee later in the municipal year.

RESOLVED: That the Governance Committee recommends to the Council that the revised Corporate Governance Local Code be adopted.

The meeting ended at 8.13 pm.