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Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 27 June 2024 at 6.00 pm.

Present:

Chairman: Councillor S H Beer

Councillors: S B Blair (as substitute for Councillor J P Loffman)  
M Bates  
R M Knight  
H M Williams  
L M Wright

Officers: Strategic Director (Corporate and Regulatory)  
Head of Audit Partnership (East Kent Audit Partnership)  
Head of Finance and Investment  
Head of Corporate Services and Democracy  
Deputy Head of Audit Partnership (East Kent Audit Partnership)  
Income and Tenancy Sustainment Manager  
Benefits Manager (Civica)  
Director, Public Sector Assurance - Grant Thornton  
Democratic Services Officer

## 1 APOLOGIES

An apology for absence was received from Councillor J P Loffman.

## 2 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that in accordance with Council Procedure Rule 4, Councillor S B Blair had been appointed as substitute member for Councillor J P Loffman.

## 3 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

## 4 MINUTES

The Minutes of the meeting held on 28 March 2024 were approved as a correct record for signing by the Chairman.

## 5 ANNUAL WRITE OFF REPORT FOR PARKING SERVICES

The Head of Finance and Investment presented the Annual Write-Off Report for Parking Services to the Committee. The report provided an overview of the write-off position of Penalty Charge Notices issued by the Council's Parking Services.

The debt written off in 2023/24 totalled £107k of c.£1m raised per annum which equated to 10.7% write off level. Members were directed to the table of Write Off Reasons at paragraph 3.3 of the report and the annual figures at paragraph 3.5.

Members noted the increase in Penalty Charge Notices (PCNs) issued in 2023/24 from the previous year and queried whether there had been an increase of staff to issue these PCNs. The Head of Finance and Investment advised the service had

undergone a review under new management which resulted in new working patterns and the introduction of new technology to improve working practices.

In response to a query from Members the Head of Finance and Investment would seek clarification on how the 10.7% write-off level compared to other similar size councils.

RESOLVED: That the report be noted.

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

The Revenues and Benefits Operation Manager (Civica UK Ltd) presented the Annual Debt Collection Report for East Kent Services (managed by Civica UK Ltd) to the Committee. The report provided an overview of the debt and write-off position for debts managed by Civica UK Ltd in 2023/24. A verbal update was given to correct paragraph 2.4 of the report at the second bullet point to read '2023/24 of £3.09m...'.

Members were advised that write-offs processed in 2023/24 totalled:

- Council Tax - £217,160 – c.£97m raised per annum (0.22% write-off level)
- Business Rates - £71,369 – c.£48 raised per annum (0.15% write-off level)
- Sundry Debts - £78,801 – c£21m raised per annum (0.38% write-off level)
- Housing Benefits - £68,433 – c.£600k total raised in year (11.3% write-off level)

It was noted that write-offs usually related to historic debts from prior years rather than debts raised in year.

Members were provided with an explanation of the arrangements in place for the collection of debt and the arrangements for managing write-offs.

RESOLVED: That the report be noted.

7 ANNUAL WRITE OFF REPORT FOR HOUSING SERVICES

The Income and Tenancy Sustainment Manager presented the Annual Write Off Report for Housing Services to the Committee. Former tenant debt written off in 2023/24 totalled £115k of c.£23m raised per year (0.5% write-off level) and debts owed by current tenants were not written off. A summary of the service was provided which included the procedure for dealing with former tenant arrears and an explanation of the roles of staff who supported tenants vulnerable to debt and the steps taken to prevent debts arising with tenants in the first place.

Members welcomed the reduction in former tenant arrears in 2023/24 compared to 2022/23 and thanked staff for their continued good work and support with tenants and their debts.

RESOLVED: That the report be noted.

## QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Deputy Head of Audit Partnership presented the Quarterly Internal Audit Update report to the Committee. The report included a summary of the work completed by the East Kent Audit Partnership (EKAP) since the last meeting of the Governance Committee.

Members' attention was drawn to:

- The six audits completed and concluded three Substantial assurances (Resident Engagement, Equality & Diversity, EKS/Civica – Council Tax Reduction Scheme), one Reasonable (Events Management), and one Limited (Procurement). An audit of ICT Change Control was carried out although an assurance level was not applicable due to the review having been undertaken on a consultancy basis.
- The five follow-up reviews completed and that after follow-up all had received at least Reasonable assurance once revised.
- The number of recommendations for Waste Management and Street Cleansing that remained outstanding (three Critical and four High) and the management response provided which outlined the reasons for not accepting some of the recommendations.
- The number of audit days completed for the two-month period to 31 May 2024 which equated to 15.47% plan completion for Dover District Council and 14.66% for East Kent Services.

Queries regarding the Estate Ranger post at paragraph 2.1.2 and, with regard to Event Management the revenue generated for the current financial year, responses would be provided as part of those services' follow-up reviews. The Deputy Head of Audit Partnership was able to confirm the Estate Ranger post recommendation had been accepted and was yet to be implemented.

There were further queries to the Events Management audit and the recommendations on page 38 of the report which related to the data migration from the old to the new recording system used by the Licensing Team. The Strategic Director (Corporate and Regulatory) reported that work had been undertaken since the audit and ensured that the data migration was complete, and that training was taking place.

Members also spoke to the following areas of the report and the officer's responses were as follows:

- The Equality and Diversity audit and that 37% of staff had not yet completed the mandatory e-learning training. The Head of Corporate Services and Democracy advised that training would be organised and that at follow-up this would be closer to 100%. This training would also be rolled out to Members.
- The Limited Assurance opinion in respect of Procurement and some of the primary findings that led to that opinion. Members concerns included:

- Allowing the same officer to raise an order and approve payment of the invoice without another officer being involved. The Head of Finance and Investment supported the Management Response in the report and added the process had been in place for a number of years. It was a cost-efficient way of managing small purchases and procedures were in place to check and monitor these purchases.
- Members further asked how many procurement cards were issued to staff. The numbers weren't available at the meeting and Members were advised to pursue this with the Portfolio Holder.
- The management response to the follow-up review of Waste Management and Street Cleansing and in particular the focus given to street cleansing by 08:00 hours of those areas defined as 'town centres' within the contract. Councillor M Bates raised there was no process to ensure the contractor was providing cleansing of small towns and parishes and in his view there was no process in place for quality control of these areas, for which he received complaints about. Members were advised to pursue this with the Portfolio Holder.

RESOLVED: That the report be noted.

## 9 INTERNAL AUDIT ANNUAL REPORT

The Head of Audit Partnership introduced the Internal Audit Annual report to the Committee which provided a summary of the work undertaken by the East Kent Audit Partnership during 2023/24 to support the annual opinion.

Members' attention was drawn to paragraph 1.1 of the report which set out the objectives of Internal Audit and the objectives of the annual report. The Balance Scorecard highlighted that, overall (as a whole for East Kent Audit Partnership (EKAP)), 93.44% of chargeable planned days had been completed and that 318.37 audit days were completed for Dover District Council which represented 100.12% plan completion. 167 recommendations were made to Dover District Council during 2023/24 and reported to the Governance Committee in the Quarterly Internal Audit Update reports. Of these recommendations and after follow-up, five reviews received a limited (or partially limited) opinion that was highlighted and escalated to the Committee.

The overall opinion for 2023/24 was as follows:

- Corporate Governance - the Head of Audit Partnership was satisfied the Council complied with Corporate Governance guidance.
- Internal Control - The Head of Audit Partnership was satisfied the Council could place assurance on the aspects of the systems of control tested and in operation during 2023-24.
- Risk Management - Good progress had been made as the new framework the Council had adopted would fully address the previous omissions.

- RESOLVED:
- (a) That Members noted the Opinion of the Head of Audit Partnership.
  - (b) That Members noted the Annual Report detailing the work of the EKAP and its performance to underpin the 2023/24 opinion.

10 EXTERNAL QUALITY ASSESSMENT OF INTERNAL AUDIT

The Head of Audit Partnership presented the External Quality Assessment (EQA) of Internal Audit Update report to the Committee. This report provided a summary of the EQA of the internal audit service provided by the East Kent Audit Partnership (EKAP). Members' attention was drawn to the key points within the report and the conclusion of the EQA of the EKAP that it was delivering to a standard that 'Generally Conforms' (this is the highest rating available) with the Public Sector Internal Audit Standards.

RESOLVED: That Members noted the EQA report and the finding that the EKAP 'Generally Conforms' with the requirements of the Public Sector Internal Audit Standards.

11 AUDIT PROGRESS REPORT AND SECTOR UPDATES

The Key Audit Partner (Grant Thornton – External Auditors) presented the Audit Progress Report and Sector Updates report to the Committee. The report detailed the auditor's progress up to June 2024 and the key points highlighted to Members included:

- The Financial Statements Audit and the undertaking of the initial planning for the audit in April 2024.
  - The 2021/22 and 2022/23 accounts had been published on the Council's website for which a disclaimer opinion would be issued.
  - Further details would be provided regarding the final audit of the 2023/24 financial statements pending a likely backstop date, not yet known (and pending the General Election). However, work would begin from 1 October 2024 with an aim to give an opinion by 31 March 2025, or whichever date was implemented for 2023/24 local government audits.
- The Value for Money work for the 2023/24 audits would commence in July.
- The audit deliverables planned for 2023/24, including the planned dates and status.

As noted in the report, Productivity Plans were required to be returned to the Department for Levelling Up, Housing and Communities (DLUHC) by 19 July 2024. The Head of Finance and Investment advised this was still required and was currently being drafted to be approved by the deadline.

12 INFORMING THE RISK ASSESSMENT - STATEMENT OF ACCOUNTS 2023/24

The report, Informing the Risk Assessment – Statement of Accounts 2023/24, was presented to the Committee by the Head of Finance and Investment. The report supported the effective two-way communication between the external auditors (Grant Thornton) and the Governance Committee. It informed Members of the risk assessment considerations provided to the external auditor for the production of the 2023/24 Statement of Accounts. The considerations and responses compiled by management and then provided to the external auditors, had been reviewed and agreed by the Section 151 Officer in accordance with external audit's requirements.

Members were advised that in relation to the query of Grant Thornton in relation to any factors that management may be aware of that may mean the discontinued provision of statutory functions or funding for those functions (question two of the 'Matter raised as a Going Concern' section of the appendix) the council had received some funding from DEFRA however the position was changing all the time and that nothing had been finalised or resolved.

RESOLVED: That Members considered and noted the report with no further comments to add.

13 2023/24 AND HISTORIC ACCOUNTS UPDATE

The 2023/24 and Prior Years Statement of Accounts update was presented by the Head of Finance and Investment and provided Members with details of the progress of the 2023/24 Statement of Accounts as well as the details of the final outturn positions and the full historic accounts for 2020/21, 2021/22 and 2022/23 for endorsement.

The 2023/24 accounts were progressing well. The majority of the reconciliations and checks had been completed and the final completion of the core statements, associated notes and background information were being finalised. It was anticipated that the statement would be published, with the audit due to start after September to bring to the Committee in March 2025.

Members thanked the finance for their hard work producing the accounts.

RESOLVED: That Members noted the report and endorsed the 2020/21, 2021/22 and 2022/23 Statement of Accounts.

14 DELIVERY OF AGENDAS TO COUNCIL MEMBERS

The Head of Corporate Services and Democracy presented to the Committee the Delivery of Agendas to Council Members report. At the request of the Leader of the Council, the report reviewed the arrangements by which agendas and summons were distributed to Members, with a view to reduce the number of paper agendas sent by post on environmental and cost grounds.

All Members received electronic summons and agendas via the Modern.Gov secure app which since its introduction in 2012, had significantly reduced the number of paper copies sent to councillors. A small number of paper copies were posted out by Royal Mail where a Member had specifically requested a paper copy.

The report set out the options for Members' consideration and the changes required to the Council Procedure Rules if the adoption of Option 1 of the report was preferred. Further, Members were advised that with regard to full Council agendas, the proposed changes could not be implemented without the consent of the individual Member. The Licensing Committee was responsible for adopting its own arrangements and it was suggested in the report that the Licensing Committee adopt the preferred option contained within the report.

RESOLVED: That the Governance Committee recommend to the Council that the Constitution be amended as follows:

(a) That Council Procedure Rule 6 be amended as follows:

"The Proper Officer will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five clear days before a meeting, the Proper Officer will send a summons signed by him or her to every member of the Council. All Members serving on a body will receive an electronic copy **of the summons and agenda** unless they have requested a paper copy which they will receive at their usual place of residence **be made available for collection from the Council Offices**. All other Members will receive an electronic notification by e-mail. The summons will give the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such reports as are available.

This rule shall be interpreted subject to the provisions of paragraph 4 of Schedule 12 to the Local Government Act 1972."

[new text shown in **bold italics** above]

(b) That the Leader and Executive Procedure Rules be amended to insert a new paragraph 1.6(c) as follows:

"The Proper Officer will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five clear days before a meeting, the Proper Officer will send a summons signed by him or her to every member of the Council. All Members serving on a body will receive an electronic copy of the summons and agenda unless they have requested a paper copy which will be made available for collection from the Council Offices. All Members will receive an electronic notification by e-mail. The summons will give the date, time and place of each meeting and specify the business to be transacted and will be accompanied by such reports as are available."

- (c) That on the recommendation of the Licensing Committee, that Council Procedure Rule 6 be amended to include the Licensing Committee and Licensing Sub-Committees.

## 15 GOVERNANCE COMMITTEE MEMBER TRAINING

The Head of Corporate Services and Democracy presented the Governance Committee Member Training report to the Committee.

The report was brought to the Committee following the meeting of the Governance Committee held on 28 March 2024 whereby Members requested a report that would set out the options for training in respect of finance and risk management. The report set out the purpose of the Governance Committee, the current training arrangements, options available for the delivery of additional training, constitutional implications of additional training and resource implications.

Members were asked to identify the additional training that they required and to consider those questions at paragraph 3.2 of the report.

RESOLVED: (a) That the Head of Corporate Services and Democracy work with the Chair of the Governance Committee and the Portfolio Holder for Finance, Governance, Climate Change and Environment to establish a training plan to encompass:

- a) Global Audit Standards;
  - b) financial audit with particular focus on finance;
  - c) refresher of the induction training – to be interactive and with case studies;
  - d) Risk Management;
  - e) Overview and Scrutiny and Governance Committees remit;
  - f) the Audit Committee Resources identified by Grant Thornton on page 119 of the agenda as part of the Audit Progress Report and Sector Updates).
- (b) That this training be provided in the afternoon immediately before a scheduled meeting of the Governance Committee.

## 16 REVIEW OF THE CONSTITUTION

The Head of Corporate Services and Democracy introduced the Review of the Constitution 2024 report to the Committee and outlined the changes.

Members' attention was drawn to the following changes that formed part of the review:

- (a) Incorporating changes previously agreed by the full Council (such as the updated Contract Procedure Rules and amendments to the Members' Allowances Scheme);



- (b) Incorporating an updated Code of Conduct for Dover District Councillors and updated arrangements governing the process by which complaints were made against elected members;
- (c) Reflecting structural changes to the Council's organisation structure;
- (d) Reflecting legislative changes in the Scheme of Officer Delegations;
- (e) The collation of changes made by decision-making bodies such as the Cabinet or Council during the course of the previous year; and
- (f) General administrative amendments.

Amendments to the Constitution that required approval were:

- (a) Textual amendments (job titles, organisational structure, general housekeeping amendments);
- (b) Amendments to the Scheme of Officer Delegations and Proper Officer Functions to reflect legislative changes, organisational changes, current procedures or to provide increased transparency or clarity;
- (c) To incorporate changes to the Management Structure in Part 7 to reflect those made to Article 12 (Officers) as an in-year update;
- (d) Miscellaneous amendments to reflect changes to reflect changes in previous years;
- (e) Amendments to the Council Procedure Rules for clarity;
- (f) Changes regarding agenda distribution, subject to approval;
- (g) A change to the Members' Allowances Scheme at the request of the Leader to restrict the grounds for travel claims.

Members discussed the issue of delegations relating to s73 of the Town and Country Planning Act 1990 that had been raised by members of the opposition Conservative group to allow an amendment to the Constitution that would allow the provision for s73 call-in. This had been considered but not progressed as part of the review. Councillor M Bates spoke to paragraphs 2.17 – 2.21 of the report. It was his view that matters under s73 should be treated in the same way as those under s71 and s72.

It was moved by Councillor M Bates and seconded by Councillor R M Knight that this matter should be reconsidered by Council and that applications under s73 of the Town and Country Planning Act 1990 be included in the Scheme of Officer Delegations with the same limitations that applied to s71 and s72. This would be to enable a matter to be referred to the Planning Committee through Member Call-In or six or more objections from the public.

On being put to the vote, two members were in favour of the motion, three against and one abstention and the vote was not carried.

It was then moved by Councillor H M Williams, and duly seconded that

RESOLVED: That it be recommended to Council that the proposed changes in the Review of the Constitution 2024, as set out in Appendix 1, and specifically those changes relating to Part 3, Responsibility for Functions, Section 1 (Responsibility for Local Choice Functions), Section 2 (Responsibility for Council Functions) and Section 6, Sub Section C (Scheme of Officer Delegations) that relate to Council functions be approved and incorporated into the Council's Constitution, issue no. 26.

The meeting ended at 8.14 pm.