

BRIGHTON & HOVE CITY COUNCIL

AUDIT & STANDARDS COMMITTEE

4.00pm 9 MARCH 2021

VIRTUAL MEETING

MINUTES

Present: Councillors Yates (Chair) Hugh-Jones (Group Spokesperson), Bagaeen (Group Spokesperson), Hamilton, Heley, Littman, Moonan and Peltzer Dunn

Independent Members present: Helen Aston

PART ONE

46 PROCEDURAL BUSINESS

46a Declarations of substitutes

46.1 There were none.

46b Declarations of interests

46.2 There were none

46c Exclusion of the press and public

46.3 In accordance with Section 100A of the Local Government Act 1972 (“the Act”), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

46.4 **RESOLVED** - That the press and public not be excluded from the meeting.

47 MINUTES

47.1 **RESOLVED** – That the minutes of the previous meeting held on 12 January 2021 be approved and signed as the correct record.

48 CHAIR'S COMMUNICATIONS

48.1 The Chair provided the following communications:

“I am aware that there has been a considerable level of critical coverage in the press and social media regarding the commissioning of the domestic violence and abuse services. The comments were expressed by reference to the current provider RISE. Many aspects of the concerns raised relate to the decision-making process as well as the fact that the decision of the then Neighbourhoods, Inclusion Communities and Equalities Committee to set up a working group to oversee the process was not implemented.

RISE has provided services in the area for many years. The decision to recommission the service was taken by a committee, but issues have been raised about the extent to which Social Value was taken into account in the process.

I do not wish to question the legality of the process or the competence of the new providers which I am sure will do their best to provide an excellent service. However, some of the concerns raised do touch on governance and process which could be of interest to the Audit & Standards Committee. There are also issues about the future of RISE as a local provider which I’m sure is of interest and concern to many in the city. I did seriously consider whether this should be something that the Audit & Standards Committee should look at. However, on balance, this is looking primarily at front line service delivery and implementation of policies rather issues of propriety or irregularity. I also understand that there will be reports going to the TECC Committee this Thursday and a petition will be delivered to the next Policy & Resources Committee alongside an officer report. I understand that there are proposals to set up a working group to review the Council’s approach.

Given all these, I do not think it would be necessary or proportionate to commission yet another workstream. But we will keep this under review and, should any issues come up that are of legitimate interest to this committee, we can, of course look at them.”

49 CALL OVER

49.1 The following items on the agenda were reserved for discussion:

- Item 52: Strategic Risk Focus Item
- Item 53: Direct Payments Internal Report (2019/20) Progress Update
- Item 54: Debtors Update on Internal Audit Actions
- Item 55: Internal Audit Progress Report- Quarter 3
- Item 57: External Audit Plan 2021/22
- Item 58: Annual Surveillance Report

49.2 The Democratic Services Officer confirmed that the items listed above had been reserved for discussion and that the following reports on the agenda with the recommendations therein had been approved and adopted:

- Item 56: Internal Audit Strategy and Annual Plan (2021/22)
- Item 59: Standards Update

50 PUBLIC INVOLVEMENT

50.1 No items were received from members of the public.

51 MEMBER INVOLVEMENT

51.1 No items were received from Members.

52 STRATEGIC RISK FOCUS REPORT;SR13; SR33; SR15; SR38; SR24; AND SR29

52.1 The Committee considered a report of the Executive Lead Officer, Strategy, Governance & Law that provided detail on the actions taken and future actions to manage each strategic risk.

52.2 In response to a question from Councillor Hugh Jones, the Chief Executive confirmed that the current strategic risk for the current pandemic could be developed to apply to planning for future pandemics and further, any potential C-19 variants.

52.3 In response to questions from Councillor Moonan, the Executive Director Health & Adult Social Care explained that the newly established Safeguarding Adults Board was working effectively, and partners were engaging well. With reference to the Better Care Fund, it was now clear the Fund would be a permanent arrangement and a report was likely to be submitted to the June meeting of the Health & Wellbeing Board providing Members with an update.

SR24 In the context of Covid-19 the needs and demands for services arising from the changing and evolving landscape of welfare reform is not effectively supported by the council

SR29 Ineffective contract performance management leads to sub-optimal service outcomes, financial irregularity and losses, and reputational damage.

52.4 In response to a question from Councillor Hugh-Jones, the Acting Chief Finance Officer stated that the additional resource invested in procurement would mitigate a lot of the concerns regarding contract management and could well negate the need for a new business case. The Acting Chief Finance Officer noted that the contracts referred to in the report were targeted and examined precisely because there were existing concerns about them and was not an accurate portrayal of the council's overall contract procurement and management. The Acting Chief Finance Officer added that a new training package for contract managers was coming forward and would embed good contract management across the council.

52.5 In response to a question from Councillor Littman, the Head of Procurement clarified that social value was an important part of procurement process and that had been boosted by recent changes in national policy by central government.

52.6 In response to a question from Councillor Moonan, the Head of Procurement explained that contract included waivers as they were an attractive element of the procurement process. The waiver process was extremely strict and there were several steps for obtaining authorisation to apply a waiver, including legal advice.

SR25 Insufficient organisational capacity or resources to deliver all services as before and respond to changing needs and changing circumstances.

52.7 In response to a question from Councillor Hugh-Jones, the Chief Executive explained that the Council's governance position of one as No Overall Control ensured there was

wide spot checking and scrutiny by Members of internal processes and those checks were very informative for officers when developing policy and procedures and when those issues were presented to committee.

SR15 Not keeping children safe from harm and abuse

52.8 In response to a question from Councillor Hugh-Jones, the Executive Director Families Children & Learning confirmed that Early Years Coaches were now based in Children's Centres.

SR38 Difficulty in restoring trust and confidence in the home to school transport service and sourcing sufficient capacity to resolve issues raised by the independent review

52.9 In response to a question from Councillor Hugh-Jones, the Executive Director Families Children & Learning answered that there had been some difficulty recruiting a Head of Service for the Home to School Transport Service but the position continued to be filled on an interim basis. The Executive Director Families Children & Learning added that the other vacancies in the service had been filled and the corporate risk was reducing and could be removed from the Strategic Risk Register by the end of the year if progress continued.

SR13 Not keeping vulnerable adults safe from harm and abuse

52.10 Councillor Hugh-Jones requested that output results be included in future Risk reports.

SR33 Not providing adequate accommodation and support for people with significant and complex needs

52.11 In response to a question from Councillor Moonan in relation to private sector housing provision to rough sleepers during the pandemic, the Chief Executive replied that central government had provided the funding to facilitate that arrangement. There would be a challenge to the service if that arrangement was cancelled quickly and negating the risks in that scenario was the key focus currently.

52.12 **RESOLVED-** That the Audit & Standards Committee:

- 1) Note the SRR detailed within Table 1 of this report.
- 2) Note Appendix 1 the CAMMS Risk report with details of the SRs and actions taken ('Existing Controls') and actions planned.
- 3) Note Appendix 2 which provides:
 - i. a guide on the risk management process;
 - ii. guidance on how Members might want to ask questions of Risk Owners, or officers connected to the strategic risks; and
 - iii. details of opportunities for Members, or any staff, to raise issues on Strategic Risks at various points and levels.

53 DIRECT PAYMENTS INTERNAL REPORT (2019/20)- PROGRESS UPDATE

53.1 The Committee considered a report of the Executive Director, Health & Adult Social Care that provided a progress update from Health & Adult Social Care on the Direct Payment audit carried out in 2019/20.

53.2 **RESOLVED-** That the Committee notes the progress update.

54 DEBTORS - UPDATE ON INTERNAL AUDIT ACTIONS

54.1 The Committee considered a report of the Acting Chief Finance Officer that provided an update on progress on the actions within the 2019/20 Internal Audit report on Debtors.

54.2 In reply to a question from Councillor Moonan, the Head of Finance & Procurement Operations clarified that the Adult Social Care service was the biggest area of debt concern and work was ongoing with that service to increase understanding and focus upon areas for improvement.

54.3 In response to question from Councillor Hamilton, the Banking & Income Operations Lead explained that the 96% target for debt recovery was too high and currently under review. The Acting Chief Finance Officer replied that there was a fixed Bad Debt provision process that made assumptions of accounted for the likelihood of debt recovery in the accounts as well as clear timescales and actions for the process of debt recovery.

54.4 In answer to questions from Councillor Hugh-Jones, the Banking & Income Operations Lead explained that payment options and payment plans had been offered to debtors before the pandemic and were sympathetic to individual circumstances. In relation to the audit actions, the pandemic had meant there had been some delay to a small number of actions, but progress had been made in most areas.

54.5 **RESOLVED-** That the Audit & Standards Committee note the report.

55 INTERNAL AUDIT PROGRESS REPORT – QUARTER 3 (1 SEPTEMBER TO 31 DECEMBER 2020)

55.1 The Committee considered a report of the Acting Chief Finance Officer that provided an update on all internal audit and counter fraud activity completed during quarter 3 (2020/21), including a summary of all key audit findings. The report also includes an update on the performance of the Internal Audit service during the period.

55.2 In response to a question from Councillor Moonan, the Audit Manager agreed the number of recorded breaches of the Working Time Directive highlighted that the pandemic had resulted in staff working significant additional hours and had been discussed by ELT as a potential risk area.

55.3 In reply to a question from Councillor Hugh-Jones, the Audit Manager explained that the partial assurance assigned to Homecare mainly related to the software platform being used to make payments. A new in-house software platform had been rolled out, but this

had not addressed all of the issues. The Audit Manager stated that it was his view that there was focus in the service to resolving the matter.

55.4 **RESOLVED-** That the Committee note the report.

56 INTERNAL AUDIT STRATEGY AND ANNUAL PLAN (2021/22)

56.1 **RESOLVED-** That the Internal Audit Strategy and Indicative Annual Audit Plan for 2021/22 is approved.

57 EXTERNAL AUDIT: AUDIT PLAN 2021/22

57.1 The Committee considered a report of the External Auditors that set out the External Audit Plan for 2021/22 and provided the Annual Audit Letter for 2019/20.

57.2 The External Auditor explained that due to significant delays to the report being issued to the Committee, it was proposed to defer the Audit Plan to the meeting due to be held in June 2021.

57.3 The Committee agreed to the deferral.

57.4 **RESOLVED-** That the Audit and Standards Committee note the Annual Audit Letter 2019/20.

58 ANNUAL SURVEILLANCE REPORT

58.1 The Committee considered a report of the Executive Lead Officer, Strategy, Governance & Law that detailed the activities that have been undertaken utilising the powers under the Regulation of Investigatory Powers Act 2000 (RIPA) since the last report to Committee in January 2020 and report sought approval for a revised Policy and Guidance document.

58.2 In response to questions from Councillor Moonan and Councillor Hugh-Jones, the Head of Safer Communities confirmed that the one instance where covert surveillance had been undertaken without any issues and in accordance with policy and procedures. The Executive Lead Officer, Strategy, Governance & Law explained that requests were made to use RIPA and these were thoroughly scrutinised, and the arrangements regularly reviewed by the Surveillance Commissioner. Furthermore, any requests to use RIPA had to be applied by a magistrate.

58.3 **RESOLVED-**

- 1) That Committee agree that the continued use of covert surveillance and the Policy be approved as an enforcement tool to prevent and detect crime and disorder investigated by its named officers, providing the activity is in line with the Council's Policy and Guidance and the necessity and proportionality rules are stringently applied.
- 2) That the surveillance activity undertaken by the authority since the report to Committee in January 2020 as set out in paragraph 3.3 is noted.

- 3) That the continued use of the Policy and Guidance document as set out in Appendix 1 be approved.

59 STANDARDS UPDATE

- 59.1 **RESOLVED-** That Audit & Standards Committee note the information provided in this Report on Member complaints and on standards-related matters.

60 ITEMS REFERRED FOR COUNCIL

- 60.1 No items were referred to Full Council for information.

61 ITEMS FOR THE NEXT MEETING

- 61.1 No items were requested for the next meeting.

The meeting concluded at 7.15pm

Signed

Chair

Dated this

day of