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| MEETING: | Audit and Governance Committee |
| DATE: | Wednesday, 14 April 2021 |
| TIME: | 4.00 pm |
| VENUE: | THIS MEETING WILL BE HELD VIRTUALLY |

MINUTES

Present Councillors Loftis (Chair), Richardson, Barnard and P. Birkinshaw together with Independent Members - Ms K Armitage, Ms D Brown, Mr P Johnson and Mr M Marks

44. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no declarations of interest from Members in respect of items on the agenda.

45. MINUTES

The minutes of the meeting held on the 17th March, 2021 were taken as read and signed by the Chair as a correct record.

Further to minute 38 'Corporate Anti-Fraud Progress Report', a written question had been submitted in relation to businesses identified who were ineligible for small business rate grants. A written response had been provided. All 9 businesses had been invoiced but not had yet repaid but processes were in place to seek the recovery of the outstanding amounts but the trigger/reminder point for further action had not yet been reached.

46. INDEPENDENT EXTERNAL QUALITY ASSESSMENT FOR INTERNAL AUDIT

The Service Director Finance submitted a report seeking approval to undertake an independent External Quality Assessment (EQA) for the Internal Audit function in compliance with the Public Sector Internal Audit Standards (PSIAS).

The report outlined the background to the proposal which, in accordance with the PSIAS and further clarified by the Local Government Application Note prepared by CIPFA, required that external assessments of the internal audit function should be conducted at least once every five years. It outlined the various options considered and recommended that CIPFA be appointed as Independent Consultants to undertake the EQA and to subsequently participate in the assessment process as required.

The report also outlined the key aspects and EQA methodology for undertaking the review and indicated that the last review had been undertaken in March, 2016. The CIPFA brochure for undertaking assessments was appended to the report.

The EQA would commence in May 2021 with the issue of questionnaires followed by interviews and review of work in June. A final report would be issued by mid July.

It was noted that the Chair would be one of the persons interviewed as part of the Assessment process and any members of the Committee wishing to submit comments to him to take forward as part of that process were welcome to do so.

Written responses to questions asked by Members of the Committee were provided as follows:

- The consensus appeared to be that Members were in full agreement that CIPFA was best placed to carry out this type of work
- Information was provided about the cost of the EQA to the Authority

RESOLVED:

- (i) that the report be noted;
- (ii) that the approach to use CIPFA as the Independent Consultants to undertake the EQA and to subsequently participate in the assessment process as required be endorsed.

47. COVID 19 - UPDATE

The Executive Director Core Services introduced Carrie Abbot (Service Director Public Health and Regulation) and Paul Castle (Service Director Environment and Transport) who made a presentation giving an update of the current position with regard to the Covid-19 pandemic.

Carrie Abbott gave an update on the pandemic itself, the challenges faced as well as the current position and Paul Castle gave an update on the recovery and response arrangements and the impact on local businesses and how this was being managed.

Ms Abbott presented information about the national and local position, the changes in testing arrangements as well as the progress of the vaccination programme and the local authority's involvement in this.

In terms of the National Picture:

- the 7 day case rate in all age ranges had reduced to around 37 per 100,000 of the population and this was continuing to reduce
- deaths and hospitalisation were also reducing aided by the continued vaccination programme although the number of vaccinations was likely to slow down a little due to supply issues and the roll out of the second vaccination
- there were risks due to the re-opening of all schools for a longer term as well as the easing of restrictions which meant that transmission was likely to increase

In relation to the International Picture other countries were now entering their third wave of the pandemic which was a cause for concern though some of those had good vaccination programmes

In terms of the local picture:

- Barnsley was seeing a slow but persistent reduction in the number of cases across all ages along with a reassuring reduction in hospitalisations and deaths
- Excellent progress was being maintained in relation to the vaccination programme
- The local population was, however, still at a higher risk compared to many other places due to underlying chronic diseases and smoking as well as other risk factors so Barnsley was still within the 'top 10' in terms of numbers
- There was a need to remain cautious and stick to the national guidance
- There had been a steep climb in the number of infections across South and West Yorkshire but cases had come down to a 7 day rate of 95 per 100,000 and this was reassuring but still much higher than the national
- There was likely to be a mirroring of the national figures with a potential rise in infections as a result of schools reopening and the easing of restrictions and there was likely to be an increase in testing as a result
- The highest number of infections was in the 40-49 age group but it was anticipated that this distribution may shift again
- The increase in testing may impact on the understanding and interpretation of the data but the intelligence team was to keep an eye on this
- Hospitalisations and deaths remained low which was as anticipated but there was a need to avoid complacency
- In relation to testing:
 - The position had changed rapidly and every adult in the country was now being encouraged to get tested twice a week and this complemented the suite of other measures introduced to tackle Covid in the borough including contact tracing, self isolation for those with positive test results and the hands, face, space, fresh air initiative
 - There were a number of ways of accessing tests – the home ordering of tests from the website, work placed testing (onsite and off site), schools and colleges and local testing sites (County Way, the Dorothy Hyman Stadium Cudworth, the Summer Lane Car Park in Wombwell and the Metrodome). In addition, the 'collect from pharmacies' approach was becoming available shortly and approximately 50 pharmacies had agreed to participate to date
 - Those with recognised symptoms were being encouraged to get a test
- In relation to vaccinations:
 - Significant numbers in cohorts 1-9 had now been vaccinated and work was ongoing to encourage the small numbers who had not taken up the offer to become vaccinated
 - Cohorts 10-12 were now being opened up and consideration was being given to how vaccination could be made more accessible and people encouraged to take up the vaccination offer

In the ensuing discussion the following matters were highlighted:

- Referring to the case rate per 100,000 of the population, it was not thought that information about false positivity rates was available locally, but this would be checked. The false positive rate would be the same for every local authority area and it would not, therefore, change the comparisons of cases within other authority areas. It was important, however, to look at the other data provided by the Government, namely hospitalisation rates, deaths and

the progress of the vaccination programme. In addition, consideration would be given to the variance of concern and the extent to which that might impact the risk assessment of the situation. Whilst the case rate was important, there were, nevertheless, a number of other factors taken into account

- There was a discussion of the disparity in the number of cases between the east and the west of the borough and of the action being taken to address this. Particular reference was made to the borough wide initiatives including, the use of communications, the examination of the intelligence received in relation to communities and groups and the vaccination take up rate. Reference was also made to the work of the Area Teams, Neighbourhood Engagement Officers, Covid Marshalls and Public Health Teams.
- Arising out of the above, Mr Castle briefly reported on the contingency plan for new variant testing as required by the DHSE. This meant that a team would have to be deployed within 48 hours to test up to 10,000 people. The idea behind this was that there was then an ability to be able to secure an area, undertake required testing and thereby prevent the further spread of the disease

Mr Castle then gave a brief overview of the current position with regard to response and recovery:

- Governance arrangements were still in place to deal with the pandemic situation both within Barnsley and South Yorkshire
- Reference was made to the changes in lockdown arrangements that became effective from the 12th April, 2021 and plans were in place in relation to the next 'easing' of restrictions from the 17th May
- In relation to Barnsley:
 - Town Centre foot fall had been very good following the easing of restrictions and on one day, 24,000 people had been in the Town Centre which was the highest since December 2019. This was particularly key for the local economy
 - In terms of the visitor numbers and cultural locations, visitors had reached 105,000 and 'attractions' were very busy
 - The Transport Interchange and bus and train patronage was considerably reduced compared to pre covid levels but this was expected to change as restrictions eased further
 - Fly tipping had continued to be an issue and further work would be required to address this to bring the situation back to pre covid levels
- There were a range of 42 measures that were being monitored as a part of the recovery and response approach and it was hoped that this would give members assurance that appropriate measures and plans were in place
- The next key date would be the 17th May and the current key indicators would have to be kept under review so that plans could be prepared to address issues as and when they arose
- In relation to the Governance arrangements, the South Yorkshire Local Resilience Forum was still meeting every two weeks and the Gold arrangements in Barnsley were still in place with meetings held weekly. The Tactical Co-ordination Group meetings were continuing to discuss response and recovery activities
- A recovery roadmap had been published from now until May and a link to this on the website would be provided. This roadmap outlined the key activities for

re-opening society and detailed events going forward. A further 'internal' document had also been developed which detailed the activities in relation to recovery to the end of the year and this co-ordinated with the South Yorkshire version

A written response to a question asked by a Member of the Committee was provided. It was reported that additional Covid monitoring over the last year had estimated that 1,371 jobs were planned to be lost specifically due to Covid though final figures would not be available until later in the year, although on a positive note, a chart previously circulated detailed business start ups.

Notable key companies which had closed (but not necessarily covid related) and included the following:

- Sash – 200 jobs
- Kostal – 170 jobs
- Clyde Union Pumps – 98 jobs
- Tandano – 20 jobs
- Carlton Forrest – 10 jobs

RESOLVED that the update report be noted and Carrie Abbott and Paul Castle be thanked for attending the meeting and for answering Members questions.

48. EXTERNAL AUDIT - UPDATE REPORT

Mr T De Zoysa representing Grant Thornton gave an update of the work undertaken by the External Auditors recently.

He commented on the following:

- The External Audit Plan for 2021 would be submitted to the Audit and Governance Committee in June
- Since the last Committee:
 - The 2019/20 audit had been formally closed off in March. This had been delayed because of a system failure at the National Audit Office
 - The External Auditors had commenced their risk assessment process for the 2020/21 audit and appropriate meetings had been held with the Finance Team and the Council's Valuers when discussions had centred on the valuation of land and buildings as this was a key risk for the Plan
 - Within the next few weeks further meetings would be held with the Service Director Finance and his Finance Team to agree the next years Plan, the significant risks and the timings for the delivery of External Audit work and any additional fees required

RESOLVED that the update report of the External Auditor be received.

49. AUDIT COMMITTEE WORK PLAN

The Committee received a report providing the indicative work plan for the period June 2021 to June 2022.

The Head of Internal Audit, Anti-Fraud and Assurance commented on the work being undertaken particularly in respect of the Risk Register and the proposals to invite Executive Directors to attend future meetings to present key issues and action emanating from those risks within their respective departments.

A schedule of items was also being prepared for the submission of reports particularly on the wider aspects of governance in support of the governance and assurance framework and, in addition, a programme of future training and awareness sessions was being pulled together. Future items so far included presentations on the Lessons from Public Interest Reports (Croydon and Nottingham); the Glassworks; the arrangements of the Sheffield City Region and the interface and governance arrangements particularly insofar as it impacted on Barnsley; and Treasury Management. Members were also encouraged to inform the Chair or the Head of Internal Audit, Anti-Fraud and Assurance of any items they wished to see included as future items for discussion.

Members of the Committee were also informed that additional tentative meetings had been included within the timetable for June and September, this was largely due to the current uncertainty as to the timetable for the approval of the final accounts.

Written responses to questions asked by Members of the Committee were provided as follows:

- Additional updates on the impact and the risks associated with Covid would be provided throughout the year
- An update on the Glassworks Strategic Risks would be presented at the meeting to be held in September

RESOLVED that the core work plan for meetings of the Audit Committee be approved and reviewed on a regular basis.

50. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that the public and press be excluded from this meeting during the consideration of the following item in view of the likely disclosure of exempt information as defined by Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

51. THE GLASSWORKS - UPDATE

The Executive Director Place, Matt Gladstone, submitted a report providing a detailed update on the progress of the Glassworks scheme.

Particular reference was made to the following:

- The Governance Arrangements
- The arrangements for the Management of Issues and Risks
- The Construction Programme Overview
- The overall Leasing position
- Future Asset Management Arrangements

- The current financial position with particular reference to capital costs and funding sources and the financial risks and associated mitigations
- The Internal Audit Assurance and the review that was currently being undertaken in relation to contract and performance management arrangements

The Committee then received a presentation from Kathy McArdle, Service Director Regeneration and Culture, which focussed primarily on the current and potential future leasing position and expressions of interest by sector/offer (food and drink, retail and leisure etc.), the Leasing Strategy and the discussions that were ongoing with various retailers/businesses and organisations.

It was reported that close liaison was held with the Service Director Finance and his Team on the implications of any options brought forward and a further report on the leasing position and options was to be submitted to Cabinet shortly. Reference was also made to the ongoing plans for the official opening of the centre.

In the ensuing discussion, particular reference was made, amongst other things, but not exclusively, to the following:

- The long term financial arrangements for the Glassworks, the break even position and the proposals to regenerate the rest of the Town Centre taking account of the current retail climate and the need to provide a mix of uses
- The arrangements for encouraging occupancy, current and confirmed future occupancy levels, occupancy targets and timescales for such
- The length of leases offered to tenants and the use of capital incentives
- The business support provided from various departments/organisations including Enterprising Barnsley
- The future community and voluntary sector involvement
- The 'entertainment' offer and possible further developments
- The challenge and scrutiny of the process at all stages by both Cabinet, Overview and Scrutiny and Senior Management Team

Written responses to questions asked by Members of the Committee were provided in relation to the following:

- The discussions and current position in relation to sewer construction and associated works
- The position with regard to
 - work undertaken adjacent to the railway line
 - the construction of the bridge
 - the relocation of Barnsley traders from other retail outlets
 - the food and drink offer
- The current position with regard to the increased cost of higher specification of units which were included within the financial forecast
- The proposals and options for alternative uses of various units, although it was stressed that there was still a very healthy level of interest in lease opportunities
- The financial position, revised costings and the receipt of external funding
- The use, where appropriate, of a standard assurance bond scheme in relation to bridge construction and the current position with regard to procurement

- The contractual position with regard to an anchor tenant
- The minor impact of delays additional costs due to Brexit largely due to the work from the Team and Henry Boot Construction

RESOLVED that the update report be received and Matt Gladstone and Kathy McArdle be thanked for attending the meeting and for answering Members questions.

52. MS D BROWN - INDEPENDENT MEMBER

The Chair informed Members of the Committee that this would be the last meeting attended by Ms D Brown, Co-opted Independent Member as her term of office had come to an end.

He, and Members of the Committee, asked to place on record their thanks to Ms Brown for her hard work and commitment to the Committee and to the authority whilst being an Independent Member. They gave her their best wishes for the future.

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Chair