

Runnymede Borough Council

STANDARDS AND AUDIT COMMITTEE

17 September 2019 at 7.30pm

Members of the Committee Present: Councillors M Nuti (Chairman), J Sohi (Vice- Chairman), M Adams, D Anderson-Bassey, B Clarke, M Cressey, R Edis, M Harnden and J Wilson

Members of the Committee absent: Councillor M Kusneraitis and Mr M Litvak (Independent person)

223 FIRE PRECAUTIONS

The Chairman read the procedures to be followed in the event of fire or other emergency.

224 MINUTES

The Minutes of the meeting of the Sub-Committee held on 22 July 2019 and the Committee held on 23 July 2019 were confirmed and signed as correct records.

225 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor M Kusneraitis and there were no items of business for the Independent person.

226 INTERNAL AUDIT PROGRESS REPORT FOR OUTSTANDING RECOMMENDATIONS

The Committee reviewed the outstanding recommendations from completed audits, The 7 outstanding recommendations concerned GDPR, Data Quality, ICT Mobile Device Security and Management, Day Centres and Yellow Buses. Officers reported that of these, 2 had not yet reached their implementation date so no further action was needed at this time. In relation to GDPR, Officers explained that owing to the department being short staffed for an extended period, a more realistic date of completion was now at the end of the current financial year. If this was likely to change, the relevant Corporate Head would advise the Committee at the next meeting.

The Committee discussed whether if a Corporate Head was unable to provide sufficient mitigating circumstances as to why their recommendations were outstanding they should be asked to attend in person to provide an explanation to the Committee. Officers suggested that prior to this the issues raised should be considered by the Corporate Leadership Team.

It was agreed that any outstanding recommendations would be considered by the Corporate Leadership Team and if not satisfactorily resolved, i.e. if the exception had not been regularised by the next meeting, appropriate Officers would be asked to attend and address the Committee with regard to unimplemented recommendations, the reasons why they had not been implemented and any revised deadlines for the Committee's approval. It was noted that implementation dates of audits were usually set by the auditees themselves rather than TIAA.

227 INTERNAL AUDIT PROGRESS REPORT 2019/2020

The Committee noted satisfactory progress with the Internal Audit programme for 2019/2020. There were however two audits still in draft form from 2018/19 but it was anticipated these would be completed in time to be reported to the next scheduled meeting of the Committee in November. These were in relation to HR Recruitment and Housing Rents.

No priority 1 recommendations had been made since the last meeting and TIAA had not been advised of any potential frauds or irregularities since the last summary report had been issued.

TIAA had just commenced an audit on Housing Allocations and Homelessness and those in progress included Risk Management, Capital Accounting and Asset Management, Treasury Management, and Housing Enforcement.

There were 3 audits in draft form from 2019/2020; Governance, Planning Enforcement and the Local Plan. The Committee was advised that updates on these were being finalised and would be reported in due course.

228 INTERNAL AUDIT REPORT ON ADDLESTONE ONE

The Committee was pleased to receive TIAA's internal audit report on Addlestone One. This was an advisory audit in the context of 'lessons learnt' rather than an audit where processes and systems were tested for efficiency and effectiveness. TIAA had, in line with usual practice, made a clear disclaimer in respect of the report and any reliance upon it.

The Committee appreciated that Addlestone One was a major construction project (£80 million) presenting a high level of risk in terms of cost, reputation and customer satisfaction. It began life as a project conceived by a developer but changed to one being managed and developed by the Council, as agreed by Corporate Management Committee in 2014. There were significant challenges such as the aftermath of the EU Referendum, the full effects of which were still unknown, combined with a sea change in the customer market from high street shopping to on-line that had a negative effect on a number of major retailers that were initially given consideration to joining the development.

Members agreed that overall the project had been successful, the available units were finding occupants and the residential units were selling well. The Committee noted that the audit had identified some key lessons that had been learned, including the importance of planning for a mix of retail units at the outset rather than having a fixed idea about the units and who might occupy them. In practice, this meant being adaptable with the physical layout of a development. The Council needed to be more prepared for unexpected occurrences that might delay a project. For example the unfortunate water leaks that had a knock on effect to other units and ultimately delayed the sale of those units while they underwent repairs. It was noted that the Council needed to be sufficiently resourced in terms of staff with particular skill sets from the start to deliver the project as well as having a clear brief from the outset and avoiding change part way through that could be costly and time consuming. All of the points had been taken on board with the Egham Gateway project in mind and Officers were confident that their multidisciplinary project team working with Places for People would bring major improvements to Egham's retail and residential 'offer'. For example, it was noted that an agreement with the Everyman cinema was already in place for them to be the anchor tenant in the development.

The Committee welcomed the report which was open and transparent; it stressed the importance of clear communications and an understanding of roles and responsibilities, as well as keeping Members informed of progress and outcomes in a timely manner. It was agreed that the newly created Assets and Regeneration Member Working Group was the ideal forum for informal discussion and for getting a steer on Members' aspirations and strategic goals before moving through the stages of a project.

The place of Addlestone One within the Council's approved Property Investment Strategy was noted, including its contribution to the objective of using capital borrowing to generate income.

It was agreed that the project had, despite some delays, been delivered on time and within budget and had made a positive contribution to Addlestone. Members were very pleased that Addlestone One was attracting visitors to quality retail units such as Waitrose, Holland and Barrett and Boots opticians, with more on the way. There was increased footfall with many visitors to the much valued 'The Light' cinema and popular Smith and Western public house. The town had welcomed new residents and there was good business for the Premier Inn.

TIAA were thanked for their report and looked forward to receiving in depth audits on other areas of interest in the future.

## 229 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REPORT 2018/19

As agreed at previous meetings, the Ombudsman's Annual Review findings for the year ending 31 March 2019 were reported instead of Complaints and Compliments which would then be resumed at the next meeting in November which would report on the quarter 2 results from July – September.

The Ombudsman's letter to the authority was attached to the report and duly noted.

Officers summarised the number of complaints and enquiries received about the Council, which was 11, and it was pleasing to note that 6 were referred back for local resolution and 5 were not pursued.

The Council received notification of 10 decisions made during the year and received 5 notices which included 2 cases from Planning and Enforcement that went to the full investigation stage. Officers confirmed that one complaint was upheld, but no remedy was sought; i.e. the Council was not required to take any further action such as apologise or award compensation. Some Members felt that if a complaint was upheld there should be a formal recommendation for the Council to follow. With reference to the decision notice, it was reported that the Ombudsman had indicated that a lesson to be learned was that it was important sometimes to go beyond what was formally required so that people felt fully informed and understood the processes that Councils follow. The Committee was assured that this had been taken on board.

The Committee's attention was drawn to the Ombudsman's new online interactive service which gave the public access to statistical information collected about each local authority on Ombudsman cases.

Officers highlighted that one of the new pieces of information included was the percentage of cases upheld in the year ending 31 March 2019. However, Members

agreed that the percentage was somewhat skewed if only one case had been upheld out of two investigated because the upheld rate was 50% without stating how many complaints had been investigated. Therefore, if, as they did, the Ombudsman received 11 enquiries or complaints and only upheld one of them, a more accurate percentage would be 9%. Members queried why the authority was shown as having a compliance rate of 0%. Officers explained that compliance was in respect of recommendations made by the Ombudsman. However, as no recommendations had been made for the year ending 31 March 2019, the figure was 0, giving 0% compliance.

Officers highlighted the assistance given by Officers across the Council to respond to Ombudsman enquiries, stressing the new requirements arising from the General Data Protection Act 2018 which made the process more time consuming.

Other comparative data from the Ombudsman's new website services had been extracted which indicated that the Council continued to perform well in the County and nationwide context. A summary of the national headline statistics was summarised and noted.

Officers reported that in terms of lessons to be learned, the Council's Business Centres took advantage of the various digests and guidance documents issued throughout the year. For example the most recent which was aimed at helping Council Benefits practitioners manage complex council tax related enquiries. It was also noted that the new interactive website also set out recommendations and improvements from which Officers were encouraged to take into account so as to improve their service areas.

## 230 ADDLESTONE ONE RISK REGISTER

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee reviewed the risk register for Addlestone One. There were now only 4 items on the register, as the project was approaching its substantive conclusion. Members were advised that any outstanding issues would be reported to Corporate Management Committee.

Officers confirmed that a risk register was in place for the Egham Gateway project and that would also be reported to them as the project developed. This project was acknowledged to be different to Addlestone One in terms of the number of retail units and type of accommodation being provided. The project team was researching the options carefully and Members would be kept informed of progress.

The Committee raised concerns regarding car parking in the area which Officers confirmed would be the subject of an options appraisal, and there was also a report on the next Corporate Management Committee agenda to which Members were directed for further information.

Chairman

(The meeting ended at 8.55pm)