

Monitoring and Audit Committee

Date:	Wednesday, 3rd February 2021
Time:	<u>4.00pm</u>
Venue:	<u>www.kettering.gov.uk/youtube</u>
Committee Administrator	David Pope (01536) 535661 e-mail: davidpope@kettering.gov.uk

AGENDA

1. Apologies
2. Minutes of the meeting of the Committee held on 25th November 2020 to be approved as a correct record and signed by the Chair.
3. Declarations of Interest*
 - Disclosable Pecuniary Interests
 - Personal Interests
4. Any matters referred to the Committee for a decision in relation to a call-in to be considered - NONE
5. Any responses of the Executive to reports of Scrutiny Committees to be considered where appropriate - NONE
6. The Chair of the Committee to ask members of the public present if they wish to speak on any public items on the Agenda.
7. Any items of urgency the Chair decides should be considered.

8. Presentations

<u>Ref.</u>	<u>Presentation</u>	<u>Presented By</u>
A1	Benefits update	Julie Trahern
A2	Homelessness update	John Conway
A3	Covid-19 Response	Martin Hammond
A4	Climate Change update	James Wilson

** Members are asked to make any declarations of financial or other interests they may have in relation to items on this agenda. Members are reminded to make a declaration at any stage throughout the meeting if it becomes apparent that this may be required when a particular item or issue is considered.*

*** If a member of the Committee has a question on any matter arising from this item, it would be appreciated if they could contact David Pope so that an update can be provided at the meeting.*

The membership of this Committee is: -

Councillors Anne Lee (Chair), Jonathan West (Deputy Chair), Ash Davies, Jim Hakewill, Jenny Henson, Margaret Talbot and Mike Tebbutt

Substitutes:- John Currall, Cliff Moreton, Maggie Don, Mick Scrimshaw and Greg Titcombe

BOROUGH OF KETTERING

MONITORING AND AUDIT COMMITTEE

Meeting held: 25th November 2020

Meeting held virtually

Present: Councillor Anne Lee (Chair)
Councillors Ash Davies, Jim Hakewill, Margaret Talbot, Mike Tebbutt and Jonathan West

Also Present: Guy Holloway (Head of Corporate and Cultural Services)
Mark Dickenson (Head of Resources)
Shirley Plenderleith (Head of Public Services)
Jo Haines (Group Accountant)
Dean Mitchell (Group Accountant)
Graham Thomas (Environmental Services Manager)
Hazel Webb (Community Services Manager)
Anne Ireson (Committee Administrator)

20.MA.09 APOLOGIES

Apologies were received from Councillor Jenny Henson.

20.MA.10 MINUTES

RESOLVED that the minutes of the meeting of the Monitoring and Audit Committee held on 16th September 2020 subject to the inclusion of Councillor Ash Davies.

20.MA.11 DECLARATIONS OF INTEREST

Councillor Anne Lee declared a personal interest in Item A5 on the agenda as a trustee of Groundwork.

Councillor Mike Tebbutt declared a personal interest in Item A5 on the agenda as a member of Kettering Huxloe Rotary Club and supporter of Marlow House in Desborough.

20.MA.12 LEISURE CONTRACTS MANAGEMENT (A4)

A report was submitted which provided information on the current Council contractual arrangements for the provision of leisure services in Kettering Borough.

A presentation on the refurbishment of Kettering Swimming Pool was given.

Mr Mike Annable (Chair of Kettering Amateur Swimming Club) addressed the meeting under the Council's Right to Speak policy in support of the improvements to the changing area. Mr Annable expressed concern regarding the condition of the roof, stating that it still leaked in heavy rain which had resulted in spectator seating having to be closed. He advocated a new design, build and management contract to support facilities in Kettering, putting forward the view that there were climate change considerations if people travelled to neighbouring areas access facilities.

Discussion ensued on several related issues, including the need for better facilities for teaching and training and for parents of small children and people with disabilities. It was felt that a learning pool, with warmer water, was needed, which could free up teaching time in the main pool.

It was noted that facilities for teaching and training had been included in the Sports Facilities Strategy which would be considered as part of the wider Strategy for the North Northamptonshire area. Additionally, comments made by the Task and Finish Group, which reflected comments made at this meeting, had already been fed into the Strategy.

A comprehensive asset survey had been undertaken and a repairs and maintenance programme developed. Maintenance on the Swimming Pool roof would be carried out as required.

Members noted that the Research and Development Committee had debated future swimming provision in Kettering, but this would now be a matter for the new unitary authority to consider. Members felt that this should be a priority for the new Council, as Rothwell Pool was potentially the only other swimming facility for public use in the Borough.

Councillor Hakewill proposed and Councillor West seconded that:-

"The new unitary authority look at reprovision of swimming in Kettering as an urgent priority"

The amendment was carried and it was

RESOLVED that

- (i) the current Council contractual arrangements for the provision of leisure services in the Kettering Borough be noted; and

- (ii) the improvement works to Kettering Swimming Pool be noted, with a recommendation that the new unitary authority look at reprovision of swimming in Kettering as an urgent priority.

Mr Annable and other public attendees at the meeting were thanked for their attendance.

20.MA.13 EXTERNAL AUDIT ISA 260 REPORT (A1)

A report was submitted which presented the draft ISA 260 Report to those charged with Governance. This had been prepared by the Council's external auditor (EY). The report also sought approval of the Council's draft Management Representation Letter.

Neil Harris of EY attended the meeting to present the report to Members. Mr Harris paid tribute to the Head of Resources and his team for the way the accounts had been presented. Subject to two outstanding issues in relation to Pension Liability Valuation and Going Concern Disclosure, which were outside the control of the Council, the audit was substantially concluded. It was noted that the Kettering audit was in a good position compared to other local authority audits.

Clarification was sought on the previous audit results report and unadjusted differences. Assurances from the Pension Fund auditor and findings were still awaited.

During debate, a question was asked on how the £80m deficit would be split between two unitary authorities next year and how this would fit into the going concern conclusion. It was noted that any collection fund deficit that arose as a result of Covid would not be reflected in 20/21 but this would be reflected in 21/22. A significant part of the Collection Fund deficit would be offset through grants paid to those businesses in the Retail, Hospitality and Leisure Sector being paid into the General Fund.

A further question was asked regarding value for money and risks associated with commercialisation,. Mr Harris explained that the accounts did not represent a significant risk in that area. He clarified the procedures undertaken to satisfy auditors in relation to commercialisation and stated that he was confident the Council had taken an appropriate risk-based decision. In relation to training, Mr Harris stated that the advice given to members was appropriate and represented no significant weakness.

In relation to costs associated with the audit, Mr Harris stated that increasing commercialisation decisions in local government had seen an increase in the level of specialist resources required to deliver a good quality audit. The Council had a scale fee set and auditors were required

to identify if this was inadequate and propose a variation to the fee if specialist resources were engaged. This was an appropriate response to an audit risk.

RESOLVED that:-

- (i) the Audit Memorandum – Report to those Charged with Governance be received and the draft Management Representation Letter be approved; and
- (ii) any non-material adjustments required to the draft audit opinion (ISA 260) and Management Representation letter be delegated to the Council's Head of Resources (S.151 Officer), in consultation with the Chair of the Monitoring and Audit Committee.

(Voting: For 5; Against 0; Not Voting 1.

20.MA.10 STATEMENT OF ACCOUNTS 2019/2020 (A2)

A report was submitted which presented the draft Statutory Statement of Accounts (for the financial year 2019/20) for approval.

It was noted that significant progress had been made. The Head of Resources thanked Neil Harris and colleagues for their work in relation to the Statement of Accounts for 2019/2020. As a result of Covid, the deadline for signing the accounts had been extended.

A number of questions in relation to the Statement of Accounts were raised during the debate as summarised below:-

- Investment properties – meaning of deviation from the Code
- Efficiency savings as applied to New Homes Bonus
- Net gains/losses from fair value adjustments
- £3,000,000 of S106 infrastructure investment that appeared to be unspent
- Members' Interests in businesses.

The Head of Resources explained that deviation from the Code in relation to investment properties referred to revaluations that, according to the Code, should take place at the end of the financial year. The Council's policy is to value at the start of the year and where there are material changes these assets would be valued at the end of the financial year.. This is a a balance sheet transaction and the approach is acceptable by the auditors.

Efficiency savings are either additional income (including New Homes Bonus) or reductions in expenditure. Net gains/losses from fair value

adjustments figures were a balance sheet transaction for the provision of unrealised gains and losses and represented a gain in 2018/19 and loss in 2019/20 in relation to movement in the valuation of assets.

Movement in Capital Grants relate largely to S106 funding between years and reflects the net movement in receipts the movement is therefore a combination of monies being received and grants being applied to fund expenditure.. The Head of Resources agreed to provide a high-level summary to the Committee in relation to S106 funding to clarify this.

Members noted that there was a legal requirement for transactions in which Members had an interest to be recorded in the Register of Interests, which was reviewed by auditors as part of the process. The auditors were satisfied with the disclosures made.

It was noted that once the accounts were concluded, the Head of Resources would write to members of the Committee.

Officers were thanked for their work in connection with the accounts.

RESOLVED that:-

- (i) the draft Statement of Accounts for the financial year 2019/2020 be approved subject to the conclusion of the audit; and
- (ii) any non-material adjustments required to the draft Statement of Accounts be delegated to the Council's Head of Resources (S.151 Officer) in consultation with the Chair of the Monitoring and Audit Committee.

20.MA.11 AIR QUALITY MONITORING AND ELECTRIC VEHICLE CHARGING POINTS (A3)

A report was submitted which provided an overview of the air quality issues in Kettering Borough Council's administrative area and updated members on the progress with electric vehicle charging points.

It was reported that Rothwell Town Council had not specifically received air quality figures for this year on locations at the mini roundabout, in the High Street and in Bridge Street. It was subsequently noted that, as data was collected over a period of a whole calendar year, there was only limited data available for 2020. The report referred to data for the calendar year January 2019 to December 2019 and DEFRA would want to see a full year's worth of data before actions were considered.

The Head of Public Services confirmed that Rothwell Town Council would be contacted when data was available for the full year. It was noted that the issue of air quality was due to be considered by Rothwell Town Council at a meeting on 2nd December. Councillor Talbot agreed to report back to the Head of Public Services following the meeting.

In response to a question on the Background Papers listed in the report, it was noted that these were available to view if required by contacting the Head of Public Services.

The positive uplift between 2017 and today in the number of diffusion tubes at a shortlist of sites in Kettering was welcomed, as it would help get a better picture of air quality across the Borough. The increase in the number of charging points was also welcomed.

Discussion was held on London Road/Bowling Green Road junction. The junction had been a cause for concern in relation to both air quality and traffic management in the past although it was now showing an improvement. The Head of Public Services agreed to check on junction improvement progress with NCC highways. It was noted that the new Unitary Council would be able to take decisions on air quality management after agreement with DEFRA following a prescribed process.

During discussion on cycle parking, it was noted that work on more secure parking in Kettering town centre was ongoing. Consultation had been undertaken and the project was now in the design phase.

RESOLVED that:-

- (i) the information provided in the report be reviewed and the approach being undertaken with regards to the ongoing monitoring of air quality be supported; and
- (ii) the work undertaken to implement electric vehicle charging points within a number of public car parks and work undertaken as part of the County Council's VPACH project be noted.

20.MA.13 **PROJECT SPECIFICATIONS FOR THE VOLUNTARY SECTOR
GRANT AGREEMENTS 2021-23 (A5)**

A report was submitted which set out the proposed Performance Indicators for the 2021 to 2023 Voluntary Sector Grant Agreements.

Organisations were congratulated on their achievements and the important work they had undertaken in the community as a result of Covid-19.

RESOLVED that:-

- (i) the proposed changes to the Performance Indicators and Annual Reports be noted; and
- (ii) the reporting timetable for 2021/22 as set out in Table 2 of the report be noted.

20.MA.14 KEY PERFORMANCE INFORMATION BOOKLET (A6)

It was noted that there had been some challenges in collecting the information for the Key Performance Information Booklet due to Covid-19.

The improvement in the number of days lost due to sickness was welcomed, as was the positive news regarding apprenticeships.

Discussion was held on agency staff numbers and it was noted that, in some areas, for example Planning, it was difficult to recruit suitably skilled and qualified staff.

Councillor Tebbutt (Chair of the Planning Policy Committee) reported that housing and affordable homes targets were not being achieved because of the necessity to agree different targets with developers, but it was hoped to catch up in the future.

RESOLVED that the Key Performance Information Booklet be noted.

(The meeting started at 6.00pm and ended at 7.46 pm)

Signed
Chair

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