

CABINET

THURSDAY, 30TH JULY, 2020

At 6.15 pm

in the

VIRTUAL MEETING - ONLINE ACCESS, RBWM YOUTUBE

SUPPLEMENTARY AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
	iii. CIPFA REVIEW OF GOVERNANCE RESPONSE TO THE FINAL REPORT AND DEVELOPMENT OF AN ACTION PLAN Draft Minutes from the Corporate Services O&S Panel	3 - 8

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CORPORATE OVERVIEW & SCRUTINY PANEL

MONDAY, 27 JULY 2020

PRESENT: Councillors Lynne Jones, Julian Sharpe, Chris Targowski (Chairman), Leo Walters (Vice-Chairman) and Simon Werner

Also in attendance: Councillors John Baldwin, Gurpreet Bhangra, Simon Bond, John Bowden, Jon Davey, David Hilton, Andrew Johnson, Ewan Larcombe, Helen Price, Samantha Rayner, Donna Stimson and John Story

Officers: Mark Beeley, Nikki Craig, Fatima Rehman, Duncan Sharkey, Adele Taylor, Andrew Vallance, John O'Halloran (CIPFA), Aron Kleiman (Deloitte) and Jonathan Gooding (Deloitte)

APOLOGIES FOR ABSENCE

There were no apologies for absence received. Councillor Walters joined the meeting late due to a technical issue.

DECLARATIONS OF INTEREST

No declarations of interest were received.

MINUTES

RESOLVED: That the minutes of the meeting held on 27th May 2020 and the Part I minutes of the meeting held on 15th June were approved an accurate record.

Councillor L Jones asked why the budget monitoring reports were not on the agenda. The Chairman said that he had emailed Panel members explaining why. Councillor Werner said that he had asked for financial updates to come to the Panel in the past and the email that the Chairman sent explaining the reasons why was not transparent.

CIPFA REPORT

Adele Taylor, Director of Resources, explained that the item contained a covering report and four appendices. This included the CIPFA report, the completed action plan, the proposed action plan and the Part II section of the report. The completed action plan showed what had recently been done, while the proposed action plan showed the actions that RBWM was planning to take to improve governance, this also contained a timeline. The Panel were asked to review the action plan and consider the areas and propose any additions or alternations to the plan, which would then be passed to Cabinet. The reason why a specific committee had not been named in the report was because a new Audit and Governance Committee may be created, should Full Council choose. There were also links to other reports, as the action plan was only part of the improvement. RBWM had also undertaken work to improve its values and behaviours.

The Chairman said that the Panel/Committee named should be Corporate Overview and Scrutiny, as this fell under the scope of the Panel. He commented that the Medium Term Financial Strategy and Treasury Management Strategy was under 'constant review', and asked if the Panel was the appropriate way to review this. He also asked where Corporate Overview and Scrutiny would sit if the Audit Committee was created, and which papers would be appropriate to come to each of the Panels.

Adele Taylor said that the Treasury Management Strategy would come under the remit of the Audit Committee, if it was created. The Medium Term Financial Strategy would be reviewed and scrutinised by all four scrutiny panels as part of the budget setting process. They have to be constantly reviewed as they are based on assumptions.

The Chairman said that it was not clear how Corporate Overview and Scrutiny would fit into that process. Adele Taylor said that audit and scrutiny were different functions. Corporate Overview and Scrutiny had a broad remit, with the difficulty being on statutory reports that needed to be considered. Due to things like the annual accounts having to be considered, the Audit Committee would be likely to have more statutory functions.

The Chairman asked if the timescale of having all proposed actions completed by the end of the year was realistic. Adele Taylor informed the Chairman that many of the actions were underway already and that these were realistic timescales.

Councillor Walters joined the meeting.

Councillor Werner welcomed the audit function becoming a separate committee as Corporate Overview and Scrutiny had missed other important matters due to its focus on audit. He expressed concern that there was no role for opposition councillors in ensuring good governance, and suggested that scrutiny panel Chairman should be from the opposition. He asked if there were opportunities in the action plan for the opposition.

John O'Halloran, CIPFA, said that they were happy with the action plan, and felt that it was well set out, timescales had been shown and expected delivery proposed. Political roles are a matter for councillors to sort themselves, CIPFA would not comment on giving leading roles to opposition.

Councillor Werner said that there was inadequate reserves in the completed actions and asked what position the reserves were in now.

Adele Taylor said that a full review had been undertaken. If the budget had been delivered, then RBWM would have adequate reserves. The budget monitoring report showed that the reserves had been depleted unless there was further government funding. While there was not adequate reserves, there were still some. This was largely because of the tricky year so far with Covid-19 and the additional losses incurred.

Councillor Werner asked what the capital review board was, what its role was and how it fitted in the structure of the council.

Adele Taylor explained that it was an officers only board and provided oversight of the capital programme. There had been two meetings so far, which would be chaired by the Head of Finance. The board would consider all aspects of the capital programme including funding, capital investment strategy and ensuring that the strategy remained compliant.

Following up on this, Councillor Werner asked if the board was transparent, with minutes being available, or whether it was held in private. Adele Taylor said the output of the board was visible in budget monitoring reports and other financial reports and that the group was an internal operational group for officers to oversee the capital programme.

Councillor Werner continued his questions by asking about the Clewer and Dedworth Scheme, and whether there was any other similar examples of bad practise. John O'Halloran said that CIPFA only looked at that scheme in detail, they could not guarantee that there were no other examples but believed that it was unlikely.

Councillor Werner commented on the Audit Committee proposals and asked if there would be an independent Chairman, along with the option to Co-Opt experts as part of the Panel so that they could offer advice.

Adele Taylor explained that the decision would need to be made by councillors and there were a number of options used by different local authorities. There would be representation from external experts at appropriate times, depending on what matters were on the agenda. For example, external auditors would be invited when appropriate. There were models of having independent Chairman that councillors could choose if they wished.

Councillor Johnson, Leader of the Council, said that the proposals would be discussed at Full Council the following day. He said that RBWM actively reached out to CIPFA, and while some opposition councillors had identified issues these were obvious. The Audit Committee would provide a new mechanism for scrutiny and up until recently there had been an opposition Chairman on the Infrastructure Overview and Scrutiny Panel. As part of the recommendations, the Vice Chairman of the Audit Committee would come from the opposition.

In reply, Councillor Werner said that he had raised numerous issues before Councillor Johnson had been elected. He said that scrutiny needed to change, the Chairman should be an opposition member and opposition members should be able to put items on the Work Programme without having to get the agreement of the Chairman.

Councillor L Jones agreed with the Audit Panel recommendation. She pointed out that in the report, there was no time period of the reserve review. In the proposed action plan, the Medium Term Financial Strategy needed clarity on the budget gap going forward and Councillor L Jones said that she would like to see that information going forward. The capital programme had not been transparent and needed to come to Corporate to be scrutinised. She was also concerned about partnership arrangements, particularly with the RBWM Property Company and was concerned about the scope and transparency of the organisation.

Adele Taylor said that the reserve management policy was done as part of the budget setting process. Any impact of an overspend on the reserves would be shown in the budget monitoring report. The time period for the budget monitoring would be every two months. Regarding the budget gap, a revised Medium Term Financial Strategy would happen by October, as the assumptions would need to be reviewed. The review around the partnership arrangements would ensure that RBWM considered that there should be clear expectations on what was expected from any separate entities.

Councillor Cannon joined the meeting.

Councillor L Jones said that there could be a review of the scope of Corporate Overview and Scrutiny by all Members. She asked if RBWM was now at full capacity in finance areas and how RBWM could safeguard against any issues going forward.

Adele Taylor informed Councillor L Jones that new roles had been created in the Head of Finance and Director of Resources which was part of additional capacity. Skills and knowledge needed to be addressed across the whole organisation and money had recently been put into the finance team when the budget was set for this year. The new Head of Finance would look at any resourcing issues or gaps.

Councillor Johnson said that those referred to in the report from a previous administration were no longer at RBWM. He said that if anyone overstepped the mark, under his leadership, they would be removed.

Councillor L Jones said that she was concerned about safeguards around staffing and how safeguards could be put in place so that there was no repeat. The Staff Values paper could build on this.

Councillor Rayner, Deputy Leader of the Council and Lead Member for Resident & Leisure Services, HR, IT, Legal, Performance Management & Windsor, said that the Values paper would be going to Cabinet and recommended that councillors also signed it.

Councillor Sharpe was delighted that actions had already been completed and that there was a clear pathway to get the rest of the issues resolved. He asked what it would look like when complete.

Adele Taylor explained her vision that finance was part of delivering the councils plan and the way in which finance and performance were linked was like telling a story, it was the narrative of the organisation. RBWM wanted people to see finances as an enabler and to understand why decisions were taken.

Councillor Werner commented on the Cabinet Transformation Sub Committee and if it would be open and transparent. He also mentioned the relationship between Corporate Overview and Scrutiny and the new Audit Committee. Governance relied upon the Leader of the Council to enforce the culture, which needed strong scrutiny.

Councillor Johnson said it was about cultural change and that he wanted RBWM to be regarded as a leading council.

Adele Taylor said that the Audit Committee was a separate committee and would provide an extra layer of scrutiny. This was because a number of papers were taken straight to Full Council, but now had the potential to be scrutinised more fully by the Audit Committee. In terms of cultural change, Adele Taylor explained that as part of being the S151 Officer it was important for her to report things that were not right.

Duncan Sharkey, Managing Director, said that good governance was in everything that the council did. It was important that everyone was aware of good governance as it was the best way of delivering successful outcomes.

Councillor Walters said that there had been a number of dominate Members in the past, but this was now a new era of RBWM under the leadership of Councillor Johnson. He agreed that the separation of audit and scrutiny was a good thing to do.

The Chairman then opened up the meeting for comments from non-Panel members who were present. Councillor Price said that some former Members were able to circumvent the framework regarding the Clewer and Dedworth Scheme, and said that their names should not have been redacted. It was important to note that current Members who represented these wards had no involvement.

In response, Duncan Sharkey explained that it was not normal practise to put names in reports because they did not have the ability to respond and defend themselves.

Councillor Price said that the issue was residents would not know who had been involved and therefore could stand at a future election. She said that Impact Equality Assessments needed to be completed in a timely manner. Duncan Sharkey said that more training could be offered and they were looking for a designated officer to improve this process.

Councillor Baldwin joined the meeting.

Councillor Davey asked if there were any policies in place to raise issues in the workplace and how officers could be protected.

Duncan Sharkey confirmed that there was a whistleblowing policy in place but staff should trust the system that was in place.

The Chairman said that there had been a number of good points raised by Panel members and that these comments would be passed onto Cabinet for consideration later in the week. He said that he would like the Quarterly Progress report to be considered by the Panel.

Councillor L Jones suggested that there was an amendment to the wording on the Proposed Action Plan, in the 'What success will look like' column for the Medium Term Financial Strategy, so that it said "A clear and timely understanding...". A named vote was carried out.

RESOLVED UNANIMOUSLY; That the Corporate Overview and Scrutiny Panel:

- i) **Recommends to Cabinet that the wording is amended for the Proposed Action Plan, 'what success will look' for the Medium Term Financial Strategy.**
- ii) **Had provided commentary on the Report and Action plan for July Cabinet meeting to consider the proposed actions.**
- iii) **That a quarterly progress report be considered by the Panel.**

WORK PROGRAMME

The Chairman said that the Panel would have more time to look at other items if the split between audit and scrutiny was passed.

Mark Beeley, Democratic Services Officer, explained that an August meeting had been put in as preliminary on the Work Programme if it was needed to consider the remaining July items. Infrastructure Overview and Scrutiny had recommend a topic, suggested by Councillor L Jones on Council Vehicles Governance come to the Panel. The Panel were also asked to confirm which parts of the Annual Governance Statement they would like to see progress reports on and at which meetings they would like to hear them.

Councillor L Jones said that she could see it through the action plan, and it would be discussed offline whether it would need to be added to the Work Programme. The Chairman said that he would communicate with Panel members about which progress reports they would like to see and inform this to the Clerk and Head of Governance.

Councillor L Jones said that she would like to see a review of budgetary management and would like the most recent report circulated to Panel members so that any questions could then be submitted to officers.

Councillor Werner said that the Chairman had made it clear that there would be no Financial Updates added to the agenda. He suggested bringing the full paper to the Panel and then it can be circulated for any future questions. He also said that a review of how scrutiny is working might be worthwhile, and could be a Task and Finish Group.

The Chairman said that the Highways contract outsourcing Task and Finish Group would be started soon and he would ask for Panel suggestions for any other groups that they would like to see.

Councillor Werner said that the August meeting could be designated to look at the Financial Update and that it was essential to have a meeting of the Panel in August.

The Chairman said that he would consider a list of topic suggestions and talk to Panel members about how best to proceed.

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY; That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes

place on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.

The meeting, which began at 5.10 pm, finished at 7.25 pm

CHAIRMAN.....

DATE.....