

GOVERNANCE AND AUDIT COMMITTEE
22 NOVEMBER 2023

Minutes of the Governance and Audit Committee of Flintshire County Council held as a remote attendance meeting on Wednesday, 22 November 2023

PRESENT: Allan Rainford (Chair)

Councillors: Bernie Attridge, Glyn Banks, Allan Marshall, Ted Palmer, Andrew Parkhurst and Linda Thomas

Co-opted members: Sally Ellis and Brian Harvey

APOLOGIES: Councillor Ian Roberts (Leader of the Council) and Corporate Manager (Capital Programme & Assets)

IN ATTENDANCE: Councillor Paul Johnson (Cabinet Member for Finance, Inclusion & Resilient Communities), Councillor Billy Mullin (Cabinet Member for Governance & Corporate Services), Chief Executive, Chief Officer (Governance), Internal Audit, Performance & Risk Manager, Corporate Finance Manager, Strategic Finance Manager and Democratic Services Officer

Carwyn Rees and Charles Rigby from Audit Wales

For minute number 39

Rebecca Jones - Customer Contact Service Manager

Matthew Harris - Head of the Complaints Standards Authority

For minute number 43

Vicky Clark - Chief Officer (Housing & Communities)

Martin Cooil - Housing & Prevention Services Manager (and minute number 40)

Paul Calland - Strategic Housing & Programme Delivery Manager

37. DECLARATIONS OF INTEREST

None.

38. MINUTES

The minutes of the meeting held on 27 September 2023 were approved, as moved and seconded by Councillors Bernie Attridge and Linda Thomas.

RESOLVED:

That the minutes be approved as a correct record.

39. PUBLIC SERVICES OMBUDSMAN FOR WALES ANNUAL LETTER 2022-23 AND COMPLAINTS MADE AGAINST FLINTSHIRE COUNTY COUNCIL DURING THE FIRST HALF OF 2023-24

The Customer Contact Service Manager introduced the report on the Public Services Ombudsman for Wales (PSOW) Annual Letter which summarised the Council's performance on complaints investigated during 2022-

23. The report also included an overview of complaints received by each portfolio during the first half of 2023-24.

In general, this was a positive report showing a decrease in the number of complaints made against the Council since 2021-22, with the vast majority being closed due to being either premature, rejected or withdrawn by the complainant. Of the 65 complaints received, only five cases required intervention by the PSOW, all of which resulted in early resolution. Improvements to the process were detailed along with the Council's involvement in the PSOW 'own initiative' investigation. A summary of performance for the first half of 2023-24 showed a slight increase in the number of complaints and evidence of improved complaints handling across the Council. Further opportunities for improvement were being progressed through the establishment of a complaints officer group, ongoing workforce training programmes and the development of a toolkit on managing customer contact for schools and elected Members.

Matthew Harris, Head of the Complaints Standards Authority, was in attendance and thanked the Service Manager for the detailed report which demonstrated positive intervention rates and awareness of complaints. In response to a question from the Chair, he gave examples of the types of premature and rejected complaints by the PSOW.

Sally Ellis welcomed the progress made by the Council. On the analysis of complaints appended to the report, she said that the Committee should be given assurance that actions identified for employees were being fed into the performance and development process and that lessons learned were helping to inform preparation of the Annual Governance Statement or Corporate Plan. The Service Manager agreed to feedback these points to the complaints officer group.

In response to Councillor Glyn Banks's comments on areas with high numbers of complaints, it was explained that the officer group would ensure that actions identified from complaints would be extracted to improve services. As requested, Matthew Harris provided clarification on the 'own initiative' investigation which was the second investigation of this type initiated by the PSOW office.

In response to a question from the Chair, background was shared on some of the future priorities identified in the report.

Following a suggestion by Brian Harvey, the recommendations were amended to reflect the debate, as moved and seconded by Councillors Glyn Banks and Ted Palmer.

RESOLVED:

- (a) That the Committee notes the improving annual performance of the Council in respect of complaints made to the Public Services Ombudsman for Wales during 2022-23;
- (b) That the Committee notes the half year performance of the Council (2023-24) in respect of complaints made to services in line with the concerns and complaints procedure;

- (c) That the Committee supports the priorities outlined in paragraph 1.24 to continuously improve complaints handling; and
- (d) That the Committee notes the lessons learned from the developing complaints procedure.

40. ANNUAL GOVERNANCE STATEMENT 2022/23 MID-YEAR PROGRESS REPORT

The Chief Executive presented a mid-year progress report on the areas of improvement set out in the Annual Governance Statement (AGS) for 2022/23. Detailed analysis of progress against the significant Governance and Strategic issues identified in the AGS were appended to the report.

The Internal Audit, Performance & Risk Manager advised that the five significant Governance issues remained open as expected and that progress would be reflected in the AGS for 2023/24 along with the Corporate Self-Assessment. Further progress on the significant Strategic issues would form part of the Risk Management update to be shared at the next meeting.

The Chair asked for clarity on the implications of risks relating to the Council's statutory obligations on homelessness. In highlighting the significant financial pressures and housing challenges nationwide, the Housing & Prevention Services Manager advised that a recent report to Cabinet had set out options for mitigating the risks for Flintshire. He provided background on the reduction of grant funding and forthcoming legislation to reduce homelessness. The findings from a recent review on homeless prevention services by Audit Wales would be shared at a future meeting.

Sally Ellis acknowledged the work being carried out by the Council on homelessness. As suggested, future reports would incorporate an additional column on target risk scores and the impact of the scoring matrix would be reflected in the next Risk Management update.

Councillor Bernie Attridge welcomed the work being done to reduce the homeless risks as reported to Cabinet and Overview & Scrutiny.

As requested by Brian Harvey, the Chief Executive provided an update on various workstreams to help with ongoing recruitment challenges.

Suggestions by Councillor Glyn Banks on the dashboard overview were noted by officers for future reference.

The recommendation was moved and seconded by Councillor Ted Palmer and Brian Harvey.

RESOLVED:

That the Annual Governance Statement 2022/23 Mid-year Progress Report be accepted.

41. **TREASURY MANAGEMENT MID-YEAR REVIEW 2023/24 AND QUARTER 2 UPDATE**

The Strategic Finance Manager presented the draft Treasury Management mid-year report for 2023/24 for recommendation to Cabinet, together with an update on Quarter 2 activities for information.

A summary of key areas reflected the impact of changes to interest rates along with information on borrowing and debt management during the period. The quarterly update detailed the position on investments and borrowing at the end of September 2023, together with a reminder of the annual refresher training session on 8 December.

The Chair welcomed the additional investment income as a result of improved interest rates which helped to support the Council's overall financial position. In response to a question on the impact of resource challenges, the Corporate Finance Manager provided an update on changes within the Finance team and advised that there were no immediate risks to the treasury management function.

The recommendation was moved and seconded by Councillors Bernie Attridge and Andrew Parkhurst.

RESOLVED:

That the Committee notes the draft Treasury Management Mid-Year Report 2023/24 and confirms there are no matters to be drawn to the attention of Cabinet at its meeting in December.

42. **ASSET DISPOSALS AND CAPITAL RECEIPTS GENERATED 2022/23**

The Chief Executive presented the annual report summarising land disposals and realisation of capital receipts during 2022/23 with comparison data from previous years shown.

As requested by the Chair, he provided information on reporting arrangements for determining asset disposals.

When asked by Councillor Andrew Parkhurst about achieving best value, the Chief Executive spoke about consideration of independent valuation advice in conjunction with the services of in-house qualified valuation officers. As requested, details of the disposals summarised in the appendix would be shared with the Committee on a confidential basis.

The recommendation was moved and seconded by Councillors Ted Palmer and Bernie Attridge.

RESOLVED:

That the report be noted.

43. AUDIT ACTIONS OUTSTANDING

The Internal Audit, Performance & Risk Manager presented the report on progress with outstanding portfolio audit actions which had been open for a period of time or overdue, as requested at the previous meeting. Follow-up work on the audits would not take place at the current time due to the status of actions, as shown on the appendix. The actions related to audit work in Streetscene & Transportation and Housing & Communities.

In attendance were Vicky Clark (Chief Officer, Housing & Communities), Martin Cooil (Housing & Prevention Services Manager) and Paul Calland (Strategic Housing & Programme Delivery Manager).

The Chair provided background on the Committee's concerns arising from slow progress on long-standing actions. He and Councillor Bernie Attridge made reference to a lack of evidence needed to close down some actions on Maes Gwern Contractual Arrangements.

Paul Calland provided detailed explanation on the delays and confirmed that final costs for the project had been received and checked by the team. Whilst work on the overage framework and agreement for abnormal costs was not yet completed, information on checking processes would be shared with Internal Audit within the next two months. In relation to the verification data from the contractor, a further meeting was scheduled to finalise the claim for abnormal costs.

In response to Councillor Attridge's queries on outstanding actions for Homelessness & Temporary Accommodation, Martin Cooil advised that a recent report to the Community & Housing Overview & Scrutiny Committee had cited reasons including resources, workforce resilience and emerging issues such as legislative changes. A brief update was given on plans to identify alternative emergency accommodation and to review the offer to private landlords, as detailed in the recent Cabinet report. He acknowledged that some actions noted as completed had been impacted by significant resource pressures as demand for services increased. He envisaged that the audit actions within his service would be completed by the end of the financial year, however this was subject to the ongoing availability of ICT support.

Councillor Attridge questioned whether the projected completion dates were achievable, given the number of actions to be completed. Martin Cooil gave assurance that significant progress had been made on the vast majority of actions and that more work was needed to embed principles within documented procedures and policies.

Sally Ellis acknowledged the pressures on the homelessness service. She queried the lack of focus on the performance management infrastructure and ICT issues, given their prominence in the Annual Governance Statement. Martin Cooil explained that improvements in the capturing of performance data had been identified as one of the actions, as ICT resources had been prioritised to respond to changes in Welsh Government reporting requirements. He anticipated that with continuing ICT support, the actions would be completed by year end.

Brian Harvey queried whether the limitations on ICT support affected other services. The Chief Officer (Governance) said that whilst resources were prioritised accordingly, there were significant challenges due to increased demand for support, recruitment issues and reduced budgets as a result of the Council's financial challenges.

When asked by Councillor Allan Marshall, Martin Cooil advised that procedural notes currently documented would be updated to reflect new practices once the ICT improvements were implemented. He said that Members were able to raise any specific queries directly with him.

Following the debate, the Chair thanked the Housing officers for their attendance. His suggestion that a further report be received at the next meeting was moved and seconded by Councillors Bernie Attridge and Andrew Parkhurst.

RESOLVED:

- (a) That the report and appendix be accepted; and
- (b) That a further report be scheduled for January 2024 to update the Committee on progress with outstanding audit actions.

44. GOVERNANCE & AUDIT COMMITTEE ANNUAL REPORT

The Chair introduced the Committee's Annual Report for 2022/23 for endorsement prior to submission for approval at Council. In meeting best practice requirements, the Annual Report would provide assurance to the Council on demonstrating specific areas of accountability.

In highlighting the main areas, the Chair thanked the Internal Audit, Performance & Risk Manager for her work on the report in aligning topics to the Committee's terms of reference. He said that increases in reviews and requests for information during the period demonstrated the effectiveness of the Committee's role. On the forward work programme, he advised that a workshop would be arranged for January for the Committee to prepare for the self-assessment in March.

Councillor Andrew Parkhurst referred to the Chair's foreword and suggested that various concerns raised by the Committee during the year could be reflected in the final sentence.

The Chair said it was appropriate that any significant issues on governance, controls and risk management arrangements which formed part of the Internal Audit opinion should be highlighted to Council. However, he acknowledged the point that ongoing issues such as missed deadlines remained a key concern for the Committee and that he could liaise with the Internal Audit Manager to incorporate some appropriate wording in the foreword.

Following support on this approach, the recommendation was moved and seconded by Sally Ellis and Councillor Bernie Attridge.

RESOLVED:

That, subject to the inclusion of a sentence to be agreed with the Chair, the Annual Report for 2022/23 be endorsed prior to its submission to Council for approval on 6 December 2023.

45. ACTION TRACKING

The Internal Audit, Performance & Risk Manager presented an update on actions arising from previous meetings.

As requested by Councillor Bernie Attridge, the Chief Officer (Governance) agreed to share a summary of the discussion with Councillor Andrew Parkhurst on officers' interests with the rest of the Committee.

The recommendation was moved and seconded by Councillor Glyn Banks and Brian Harvey.

RESOLVED:

That the report be accepted.

46. FORWARD WORK PROGRAMME

In presenting the current Forward Work Programme for consideration, the Internal Audit, Performance & Risk Manager advised that the annual self-assessment workshop would be arranged for January following circulation of a questionnaire.

The recommendations were moved and seconded by Sally Ellis and Brian Harvey.

RESOLVED:

- (a) That the Forward Work Programme be accepted; and
- (b) That the Internal Audit, Performance & Risk Manager, in consultation with the Chair and Vice-Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

47. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

Exclusion of the press and public was moved and seconded by Councillor Bernie Attridge and Sally Ellis.

RESOLVED:

That the press and public be excluded from the meeting as the following item was considered to be exempt by virtue of paragraphs 14 and 18 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

48. REPORT ON THE INVESTIGATION TO ANONYMOUS ALLEGATIONS RECEIVED

The Internal Audit, Performance & Risk Manager presented a report on the outcome of an investigation into anonymous allegations received by two elected Members. The investigation had been carried out in accordance with the Council's Whistleblowing Policy and Fraud Reporting procedure.

In response to questions, officers advised that no evidence of fraudulent activity had been found and therefore the allegations were unproven. Further information could not be sought due to the source choosing to remain anonymous.

Following a supplementary question, it was explained that the officer who had undertaken the investigation had since left the Council. Officers agreed to respond separately to a request for supplementary information.

Having been moved and seconded by Sally Ellis and Brian Harvey, the recommendation was put to the vote and carried. Councillors Bernie Attridge (against) and Glyn Banks (abstained) asked that their votes be recorded.

RESOLVED:

That the report be accepted.

49. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC

There was one member of the public in attendance.

(The meeting started at 10am and finished at 12.55pm)

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Chair