

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Audit & Governance Committee **Date:** 27 July 2020

Place: Virtual Meeting on Zoom **Time:** 7.00 - 7.55 pm

Members Present: I Hadley, S Heap, R Jennings, P Keska and B Vaz

Other Councillors: J Philip

Apologies:

Officers Present: A Hendry (Democratic Services Officer), S Linsley (Senior Auditor), S Marsh (Chief Internal Auditor), S Mitchell (PR Website Editor), N Richardson (Service Director (Planning Services)), A Small (Strategic Director) and G Woodhall (Democratic & Electoral Services Manager)

16. WEBCASTING INTRODUCTION

The Chairman made a short address to remind everyone present that this virtual meeting would be broadcast live to the internet, and would be capable of repeated viewing, which could infringe their human and data protection rights.

17. DECLARATIONS OF INTEREST

There were no declarations of interest pursuant to the Council's Member Code of Conduct.

18. MINUTES

Resolved:

- (1) That the minutes of the meeting held on 25 June 2020 be taken as read and signed by the Chairman as a correct record.

19. MATTERS ARISING

There were no matters arising from the previous meeting which warranted further discussion.

20. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME

The Chief Internal Auditor presented the Committee's Work Programme for 2020/21.

The Chairman informed the Committee that consideration of the Council's Statutory Statement of Accounts for 2019/20 would be considered at the Committee's next meeting in September now, and not at tonight's meeting.

The Committee noted its Work Programme for 2020/21.

21. PLANNING SERVICES DIRECTORATE RISKS

The Service Director for Planning Services, N Richardson, updated the Committee on the risks currently facing his Directorate.

N Richardson stated that the biggest risk was the inability of the Council to issue planning permissions for new developments affecting the Special Area of Conservation (SAC) within the Epping Forest. The main issue affecting this risk was the increased amounts of traffic from developments affecting the SAC; therefore, any development leading to a net increase in traffic on the roads within 200 metres of the SAC should not be granted permission unless mitigation measures had been put in place. A small number of planning permissions had been issued where the Developer had been able to demonstrate that no harm would arise to the SAC, but Natural England was a statutory consultee and the Council could only depart from Natural England's advice when it had strong reasons for doing so.

N Richardson reported that the District's draft Local Plan had designated a number of sites across the District for residential development. The draft Local Plan was currently subject to independent inspection from the appointed Planning Inspector, who had identified a number of actions for the Council to take to resolve this issue. The Council had been working on this issue through modelling, but Natural England and the Conservators of Epping Forest had raised concerns about the methodology being used by the Council. The whole issue was highly technical and scientific, but the Service Director was optimistic that a solution could be found. The Cabinet had agreed the Mitigation Strategy at its meeting last week, and the Council would continue to work with Natural England and the Conservators to find a solution.

N Richardson commented that there were many local developers frustrated with the current situation, some of whom had waited two years for their planning permissions, and the Council was not now submitting such applications for determination unless mitigation of the potential effects on the SAC had been clearly demonstrated. Air quality was an issue highlighted in the draft Local Plan, for which the Planning Inspector had queried some of the allocations and the Council had made some changes to these allocations subsequently. However, the Service Director was optimistic that the draft Local Plan would get adopted in early 2021.

N Richardson added that the situation was frustrating for Planning Officers also, as the permissions that could be released currently affected the whole of the District because, potentially, traffic could travel through the Forest. Fortunately, the majority of the planning applications received by the Council were for extensions to residential properties, which were not affected by this issue.

Cllr R Jennings queried if this Council was the only local authority in England in this position? N Richardson stated that Portsmouth City Council had water quality issues to resolve and the Council had been liaising with them. The Council had also been trying to engage with the District's three Members of Parliament to highlight this issue at a higher level.

Cllr S Heap enquired if the Council could implement other measures to offset carbon usage, was the development at Latton Priority affected by this issue as well, and what was the Council's response to the last letter from the Planning Inspector querying some of the statistics that the Council was basing its draft Local Plan on.

N Richardson responded that the draft Local Plan was encouraging more sustainable methods of developing throughout the District. The Council had engaged a

Sustainable Transport Officer, and was recruiting for a Climate Change Officer, so change would be encouraged in the future. All sites in the draft Local Plan would affect the air quality throughout the District, and the Council needed to demonstrate that the predicted increase in pollution was not enough to affect the SAC. Ultimately, the Conservators of the Forest and Natural England would decide what was damaging for the Forest, but if the Council could gain agreement for its Sustainable Transport Strategy from Natural England, then the Council would be relied upon to make the requisite planning decisions. It could also not be assumed that all future vehicle movements would be electric, despite all new properties being required to provide a charging point, and not even electric vehicles were completely sustainable. The Council was doing all it could to reduce the traffic movements arising from the development at Latton Priority, but the developers felt that each dwelling should have two or three parking spaces provided. Cllr P Keska added that it was essential to have access to at least one car if you lived in the east of the District.

In respect of the last letter received from the Planning Inspector, N Richardson agreed that the Council did need to review some of the Housing numbers within the current draft Local Plan. In addition, the Council also needed to carefully review its proposed release of sites within the Metropolitan Green Belt, as it had already been requested to remove some of the greenfield sites currently within the draft Local Plan.

Cllr Heap agreed that the current situation was very problematic, and would need some compromises to resolve. N Richardson stated that this was the most challenging time during his thirty-year career in Planning.

Cllr I Hadley highlighted recent instances within the Council where there was a lack of procedures for staff to follow, and enquired if this was the case within the Planning Department? N Richardson reassured the Committee that the Planning Department did have a number of written procedures in place, and these had been audited in the past. A review of the existing procedures was currently being undertaken by the Service Manager and the Principal Planning Officers. The Department did receive complaints from residents about Planning from time to time, but this did sometimes result in the improvement of existing procedures.

N Richardson informed the Committee that 'what kept him awake at night' was the difficulty in getting good Planning Officers whenever the Council had a vacant post. It had been necessary to use Agency staff at times, and Consultants as well. However, the Council had been developing its own Planning Officers over the previous ten years by getting suitable candidates qualified before they started to work for the Council afterwards. In addition, revenue from Planning fees had been reduced due to the Covid-19 pandemic, but the Department was looking to increase revenue in other areas, such as chargeable pre-planning advice.

Cllr R Jennings enquired about the role of Members in Planning, as the Government could remove the responsibility for Planning from District Councils. If the Planning Committees were not as consistent as they should be in their decision-making, then could they be the weakest part of the system?

N Richardson explained that it was virtually unknown for an Officer recommendation to be overturned at other Essex authorities, but the Council did perform well at Planning Appeals so perhaps the involvement of Members added an important local element to the process. The Council received so many planning applications that it was impossible for Members to comment on all of them, and the delegation to Officers to determine planning applications was not as high as other Councils, but the Service Director felt that Members did have a role to play in the Planning process but

not for every planning application. In addition, the Town and Parish Councils commented on all Planning applications submitted and Planning Officers did take account of their representations.

Resolved:

- (1) That the Service Director for Planning Services be thanked for his attendance to answer the Committee's questions on his Service Area.

22. ANNUAL GOVERNANCE STATEMENT 2019/20

The Chief Internal Auditor, S Marsh, presented a report on the Council's Annual Governance Statement for 2019/20.

S Marsh reminded the Committee that the Council's Statutory Statement of Accounts had to be prepared in accordance with the Accounts & Audit Regulations 2015. Within the regulations, and in accordance with defined 'proper practice', there was a mandatory requirement to publish an Annual Governance Statement to accompany the Statutory Statement of Accounts. These arrangements were designed to provide stakeholders with assurance regarding the adequacy of the Council's governance arrangements, and identify those areas where improvements were required.

S Marsh reported that the Annual Governance statement had identified progress on four significant governance issues during 2019/20; these being:

- (i) Business Continuity Planning;
- (ii) the Economic Climate, and in particular the continuing uncertainty over Brexit;
- (iii) the compliance of the Council's statutory posts with relevant legislation; and
- (iv) the close down of the Council's Accounts.

S Marsh informed the Committee that four areas had been identified for improvement or monitoring during 2020/21; these being:

- (i) the monitoring and mitigation of risks to the achievement of the Council's objectives;
- (ii) financial resilience due to the Covid-19 pandemic;
- (iii) the health and safety of staff, partners and the public during the Covid-19 pandemic; and
- (iv) the governance arrangements for the new Qualis group of companies.

S Marsh added that a number of common themes had been identified, including the need for a consistent Project Management approach, documented procedures and guidance notes to support critical functions, and the identification of mandatory training requirements for all staff.

S Marsh stated that the Annual Governance statement demonstrated the Council's governance arrangements had remained 'fit for purpose', even when the Leader of Council invoked his Emergency Powers at the start of the Covid-19 pandemic in

March 2020, and there had been no significant detrimental effect on the Council's ability to deliver its services. The longer term impact of the pandemic on the governance framework would be monitored throughout 2020/21.

In respect of the Council's procedures and guidance notes, Cllr I Hadley commented that it would be beneficial to review them at some stage, and also enquired if all of the processes were in the same format? Cllr S Heap also added that the Council needed a standard process to ensure that future handovers were handled efficiently. S Marsh responded that that was being progressed.

Cllr S Heap asked in respect of the Financial Resilience item whether the Council was particularly worried about its current levels of debt, which he estimated to be approximately £8million (or about £61 per resident of the District). A Small agreed that the current debt was relatively small, but the Council needed to maintain an adequate level of reserves and the Covid-19 pandemic would have an impact on this. In addition, the financial landscape would be more complicated over the next few years so the Council could conceivably need a higher level of reserves. It would be unsustainable for the Council to continually borrow money to fund its revenue budgets, and it was important to ensure that the Council's budget was balanced over the longer-term.

In relation to the close down of the Council's accounts for 2018/19, Cllr R Jennings highlighted that there had been an increase in the audit fee charged to the Council and asked if the Council was content that the audit of last year's accounts had been a thorough one? A Small stated that, ultimately, the Auditors had signed off the accounts so it would be difficult for the Council to criticise them, and highlighted that there was pressure on audit fees nationally due to a number of enhanced obligations. Officers would ascertain the exact increase in the audit fees and inform the Committee of this figure.

Resolved:

- (1) That the Annual Governance Statement for 2019/20 be approved.

23. INTERNAL AUDIT MONITORING REPORT - JULY 2020

S Linsley presented the Internal Audit Monitoring Report for the period June to July 2020.

S Linsley reported that one report had been issued since the Committee's previous meeting on 25 June 2020. This report had been focused on the governance arrangements for the Harlow Gilston Garden Town project and had been issued with substantial assurance. The current Recommendation Tracker showed 14 audit report recommendations had passed their due date, of which one was high priority. The progress of all audit recommendations continued to be monitored by the Corporate Governance Group.

S Linsley highlighted the other activities being undertaken by the Internal Audit Team, which included: providing advice and assistance for the Local Authority Discretionary Grants Fund for small businesses not eligible for the other Government schemes; and assisting with developing a schedule of responsibilities for each level of the Council's management structure. The Corporate Fraud Team had been instrumental in the withdrawal of five Right-to-Buy applications, and had also been involved in a fraud resilience project concerning Council Tax Student Exemptions.

In respect of personal data being shared by email with Members, S Linsley reported that a new solution was being developed for those Members using their personal email addresses. Cllr R Jennings enquired if steps were being taken to ensure that confidential information was not able to be accessed by individuals passing by a Councillor's home. Cllr J Philip informed the Committee that if the Councillor was using a Council laptop computer then no data would leave the laptop unencrypted.

Cllr I Hadley queried if all staff working from home during the pandemic had completed personal safety assessments? A Small responded that some issues with working from home had been highlighted by staff, and consequently the Cabinet had agreed an allowance should be made available for each member of staff working from home to address these issues. The Council took the mental health and general wellbeing of its staff seriously, and any issues identified by staff were being addressed.

Cllr S Heap reiterated his belief – mentioned in previous meetings of the Committee - that the Committee needed to be notified about any allegations of fraud by members of staff.

Resolved:

- (1) That the summary of the work undertaken by the Internal Audit Team and the Corporate Fraud Team during the period June to July 2020 be noted.

24. ANY OTHER BUSINESS

The Committee noted that there was no other urgent business for discussion at the meeting.

25. EXCLUSION OF PUBLIC AND PRESS

The Committee noted that there was no business which necessitated the exclusion of the public and press.

CHAIRMAN