



## RUSHMOOR BOROUGH COUNCIL

# CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

*at the Council Offices, Farnborough on  
Monday, 24th January, 2022 at 7.00 pm*

**To:**

Cllr Sue Carter (Chairman)  
Cllr P.J. Cullum (Vice-Chairman)

Cllr Jessica Auton  
Cllr Jib Belbase  
Cllr Sophia Choudhary  
Cllr A.K. Chowdhury  
Cllr Christine Guinness  
Cllr A.J. Halstead  
Cllr Prabesh KC  
Cllr Sarah Spall  
Cllr Jacqui Vosper

Mr Tom Davies – Independent Member (Audit)

### **STANDING DEPUTIES**

Cllr J. Canty  
Cllr K. Dibble

Enquiries regarding this agenda should be referred to the Committee Administrator,  
Kathy Flatt, Democracy and Community, Tel. (01252 398829) or email  
[kathy.flatt@rushmoor.gov.uk](mailto:kathy.flatt@rushmoor.gov.uk).

# **A G E N D A**

1. **MINUTES – (Pages 1 - 6)**

To confirm the Minutes of the Meeting held on 22nd November 2021 (copy attached).

2. **MEETING ATTENDANCE - CLLR PRABESH KC –**

3. **STATEMENT OF ACCOUNTS 2019/20 - UPDATE 7 – (Pages 7 - 14)**

To receive the Executive Head of Finance Report No. FIN2207 (copy attached) which informs the Committee of audit progress for the Council's Statement of Accounts for 2019/20 and provision of the audit opinion since the previous meeting on 22nd November 2021.

4. **TREASURY MANAGEMENT –**

To consider the Executive Head of Finance Report No. FIN2209 (copy to follow), which sets out the main activities of the treasury management and non-treasury investment operations during 2021/22.

5. **DECISION TO OPT INTO THE NATIONAL SCHEME FOR AUDITOR APPOINTMENTS MANAGED BY PUBLIC SECTOR AUDIT APPOINTMENTS AS THE 'APPOINTING PERSON' – (Pages 15 - 24)**

To consider the Executive Head of Finance Report No. FIN2208 (copy attached) which proposes that the Committee should recommend that the Council should opt in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors. It is also proposed that the Committee should recommend to the Council that the Executive Head of Finance should be authorised to sign the notice of acceptance on behalf of the Authority.

6. **INTERNAL AUDIT - AUDIT UPDATE – (Pages 25 - 42)**

To receive the Interim Audit Manager's Report No. AUD2201 (copy attached), which sets out work carried out by Internal Audit since the previous report, an update on the overall progress on the 2021-22 Audit Plan and an update on outstanding audit issues from reports issued in 2019-20 and 2020-21.

7. **RUSHMOOR DEVELOPMENT PARTNERSHIP - SIX MONTHLY REPORT – (Pages 43 - 64)**

To receive the Executive Director's Report No. ED2201 (copy attached) which sets out the Executive Director's Report as the Council Shareholder on the progress review received from the Rushmoor Development Partnership (RDP) on its Business Plan. The Report provides some commentary on the progress and delivery through the Partnership during 2021 on the key regeneration sites previously agreed as part of the initial RDP Business Plan.

## **PUBLIC PARTICIPATION AT MEETINGS**

Members of the public may ask to speak at the meeting on any of the items on the agenda by writing to the Committee Administrator at the Council Offices, Farnborough by 5.00 pm two working days prior to the meeting.

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# CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Meeting held on Monday, 22nd November, 2021 at the Council Offices, Farnborough at 7.15 pm.

## **Voting Members**

Cllr Sue Carter (Chairman)  
Cllr P.J. Cullum (Vice-Chairman)

Cllr Jessica Auton  
Cllr Jib Belbase  
Cllr Sophia Choudhary  
Cllr A.K. Chowdhury  
Cllr Christine Guinness  
Cllr A.J. Halstead  
Cllr Sarah Spall  
Cllr Jacqui Vosper

Mr Tom Davies – Independent Member (Audit)

Apologies for absence were submitted on behalf of Cllr Prabesh KC.

## **24. MINUTES**

### **Cllr Prabesh KC – Attendance at Meetings of the Committee**

The Chairman advised the Committee that Cllr Prabesh KC had been absent from consecutive meetings of the Committee held on 27th May, 27th July and 27th September in 2021. It was noted that the Democracy Team had telephoned Cllr Prabesh KC earlier that day and he had confirmed that he was unable to attend the meeting due to a family emergency abroad in Nepal.

Under the Council's Standing Orders, Standing Order 4 (5) stated that "if any Member shall be absent from three consecutive meetings of a Committee, he or she shall cease to be a Member thereof, unless he or she shall in the opinion of the Committee show reasonable grounds for their absence". The Chairman advised that the Democracy Team had contacted Cllr Prabesh KC by email the previous week to raise the matter. However, it was now understood that, as he was abroad, he might have had difficulty accessing his emails and responding on his reasons for absence.

The Committee agreed to postpone a decision on whether there were reasonable grounds for non-attendance until having heard a full representation from Cllr Prabesh KC.

The Chairman requested Members to advise her of any future apologies for absence as well as contacting the Democracy Team.

## **Minutes of the Previous Meeting**

Before the Committee was asked to confirm the accuracy of the Minutes of the previous meeting held on 27th September 2021, the Executive Director (Mr Ian Harrison) gave an update on Minute Nos. 20 (Annual Governance Statement 2020/21) and 23 (Internal Audit Opinion 2020/21).

### **(1) Minute No. 20 – Annual Governance Statement 2020/21**

At the previous meeting, the Committee had requested an update regarding the temporary delegation arrangements in place due to the Covid-19 pandemic and when these would be removed. The Executive Director advised the Committee that the temporary arrangements were still in place and available to the Council. They had not been rescinded but the Council was currently not calling on them. Advice had been received to keep the arrangements in place until there was confidence that the country was clear of the Covid-19 pandemic and any potential Government imposed restrictions.

### **(2) Minute No. 23 – Internal Audit Opinion 2020/21**

The Executive Director advised the Committee that, in light of the findings within the Audit Manager's Report No. AUD21005, the Council had contacted the Chartered Institute of Public Finance and Accountancy (CIPFA) to share information and request an opinion on the strengthening of internal audit arrangements. It was understood that representatives of CIPFA would be attending a meeting at the Council Offices within the following financial quarter to provide advice. The Committee would be updated after that meeting.

The Committee

- (i) **NOTED** the updates to the Minutes; and
- (ii) **RESOLVED** that the Minutes of the Meeting held on 27th September 2021 be signed as a correct record of the proceedings.

**NOTE:** Cllr Christine Guinness requested that it be noted that she abstained from the vote on this item.

## **25. STATEMENT OF ACCOUNTS 2019/20 - UPDATE 6**

The Committee received the Executive Head of Finance Report No. FIN2123 which informed Members of audit progress for the Council's Statement of Accounts for 2019/20 and provision of the audit opinion by Ernst & Young (EY) since the meeting on 27th September 2021.

The Chairman welcomed to the meeting Maria Grindley and Justine Thorpe from EY who had joined the meeting remotely via Teams.

The Committee was advised that, at the time of writing the Report, there had not been any significant progress on resolving the remaining property and valuation related queries. Whilst these were relatively minor queries for the Council to resolve, they were material to allow EY to form its audit opinion. EY required all issues to be resolved before they were able to consider the next stage of the audit opinion process. Once all queries had been addressed, consideration would need to be given to any adjustments proposed by EY to the financial statements. The Council would need to satisfy itself that these adjustments were reasonable and supported by appropriate evidence and detailed accounting guidance.

The Report set out the proposed process to be followed should the audit opinion have been available during October 2021 and prior to this meeting. Should it be possible to resolve all remaining queries during November and December 2021, it was proposed to agree the accounts and audit opinion before the next scheduled meeting in January 2022. Subject to all Members of the Committee being provided with a copy of the audited Statement of Accounts and the Audit Results Report in advance, it was proposed that the Chairman and the Executive Head of Finance be authorised to approve formally and certify the audited Statement of Accounts 2019/20 and to receive the final External Auditor's Report.

The Committee was reminded of the revised draft and final accounts publication deadlines for relevant bodies for the accounting years 2020/21 and 2021/22 which had come into force from 31st March 2021. The Council had amended its 2020/21 accounts closure process to meet the revised Accounts and Audit Regulation 2021 timetable. However, it was unclear when the audit of the 2020/21 financial statement would commence as the audit process for 2019/20 had not yet been completed.

During discussion, a question was raised concerning the Annual Governance Statement and the Internal Audit Opinion which had been considered at the previous meeting, when the Internal Audit Manager had been of the opinion that, due to the reduced number and scope of internal audits completed during 2020/21, she had felt it was not possible to provide a full overall Internal Audit Opinion on Rushmoor's framework of governance, risk management and management controls. The reason for this had been due to a combination of factors including reduced audit resources and the diversion of service resources to the Council's response to the Covid-19 pandemic. In response, the Executive Head of Finance reminded Members of the update provided earlier in the meeting regarding advice sought from CIPFA. He also assured Members that there was no evidence of fraud or corruption or any evidence of lack of internal control within the Authority. CIPFA would be visiting the Council shortly and would be able to provide some assurance to Members in due course regarding the Annual Governance Statement.

In response to a question on when it was expected that the audit opinion could be provided, Ms. Grindley stated that she hoped that the Council would be able to respond quickly to any follow-up queries from EY on information submitted by the Council. It was difficult for EY to give a timeframe on when the audit opinion could be provided.

The Chairman thanked Ms. Grindley and Ms. Thorpe for joining the meeting.

**RESOLVED:** That

- (i) the Executive Head of Finance Report No. FIN2123 be noted;
- (ii) the indicative timetable for approval of the 2019/20 Statement of Accounts and receiving the Audit Opinion be noted; and
- (iii) subject to all Members of the Committee being provided with a copy of the audited Statement of Accounts and the Audit Results Report in advance, the Chairman and the Executive Head of Finance be authorised to approve formally and certify the audited Statement of Accounts 2019/20 and receive the final External Auditor's Report.

**26. INTERNAL AUDIT - AUDIT UPDATE**

The Committee received the Interim Audit Manager's Report No. AUD2105 which gave an overview of the work carried out by Internal Audit in Quarter 3 of 2021/22 to date; an update on progress towards the Audit Plan for 2021/22; a schedule of work expected to be delivered in Quarters 3 and 4; and, an update on the outstanding audit issues from Internal Audit reports covering 2019/20 and 2020/21.

The Committee noted that, since the previous meeting, the audit of National Non-Domestic Rates (NNDR) and Council Tax Recovery had been changed to focus on NNDR Billing, Collection and Recovery only as this process had significant financial risk for the Council with local businesses recovering from the pandemic. The Council Tax Recovery aspect of the audit would be expanded to a separate audit of Council Tax Bill, Collection and Recovery and deferred to Quarter 1 of 2022/23.

It was also noted that the Value for Money audits of Financial Grants to Organisations (FGO) and of the Crematorium had been postponed to 2022/23 following consultation with the Executive Directors and the Executive Head of Finance. The FGO audit would be covered by the CREP Programme and the Crematorium was currently undergoing a feasibility study. Instead, the Interim Audit Manager would focus on the capital project audit of Voyager and assistance with the Union Yard regeneration project.

The audit of procurement had been postponed to 2022/23 as the Procurement Officer had recently left the Council and the function had been moved to a temporary shared service with Portsmouth City Council, being co-ordinated by the Executive Head of Finance and the Assistant Chief Executive. It was further noted that the remaining IT audits regarding Remote Working/Windows 10 and the Property System had been postponed and would be picked up as part of the 2022/23 Audit Plan.

The Report set out a summary of progress relevant to the 2021/22 Audit Plan, an overview of assurance opinions given to completed audits since the previous update to the Committee and expected deliverables for Quarters 3 and 4. The Committee was advised that there had been a significant increase in issues implemented that had been outstanding from previous audits of 2019/20 and 2020/21, with auditees engaging with Internal Audit positively and promptly. Details of the outstanding



high-risk issues for the two years were set out in the appendix to the Report and included management updates and, in some cases, revised target dates.

**RESOLVED:** That

- (i) the audit work carried out in Quarter 3 to date be noted;
- (ii) the update to the expected deliverables for Quarters 3 and 4 be noted; and
- (iii) the outstanding audit issues and engagement by Services to address them be noted.

## 27. **UPDATE TO THE MEMBERS CODE OF CONDUCT**

The Committee considered the Monitoring Officer's Report No. LEG2105 which proposed minor adjustments to the Code of Conduct for Members to reflect amendments to the published Local Government Association Model Code of Conduct related to Members' Interests, details of which were set out in the appendix to the Report.

To ensure that Rushmoor's Code continued to mirror the National Code of Conduct, it was proposed that the following adjustments should be made in respect of registering interests in respect of the disclosure of non-registrable interests and clarified the following:

- Paragraph 8 – where a matter arose at a meeting which affected a financial interest or wellbeing of a body included under Other Registrable Interests (as set out in Table 2 in the Code), Members had to disclose that interest at the meeting. The current version of the Code referenced Table 1 in error
- Paragraph 9 – should read: 'Where a matter affects the financial interest or wellbeing'. The word 'the' replaced the current 'your'. This clarified that the test for whether a councillor could remain in the meeting after declaring a non-registrable interest, related to all of the reasons in paragraph 8.
- Paragraph 10 – adjustment required to tidy the arrangements for executive decisions made by individual Members to match existing provisions in the Constitution. Individual Cabinet Members should not use their delegated powers where they had an interest in a matter.
- Table 2 – missing text to be added, provided by the Local Government Association that councillors must register an unpaid directorship as an "Other Registrable Interest".

**RESOLVED:** That

- (i) approval be given to the amendments to Appendix B of the Members' Code of Conduct, as set out in the Monitoring Officer's Report No. LEG2105 (Appendix 1); and

- (ii) a copy of the updated Code of Conduct be circulated to all Members.

The meeting closed at 7.58 pm.

CLLR SUE CARTER (CHAIRMAN)

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**CORPORATE GOVERNANCE, AUDIT  
AND STANDARDS COMMITTEE  
24 JANUARY 2022**

**EXECUTIVE HEAD OF FINANCE  
REPORT NO: FIN2207**

## **STATEMENT OF ACCOUNTS 2019/20 – UPDATE 7**

### **SUMMARY:**

The purpose of this report is to inform Members of audit progress for the Council's Statement of Accounts for 2019/20 and provision of the audit opinion since the meeting on 22 November 2021. The Committee is reminded that the deadline for issuing a final set of audit statements of accounts and audit opinion of 30 November 2020 was not met.

### **RECOMMENDATIONS:**

It is recommended that the committee

- i) Note the Statement of Accounts Update Report
- ii) Note the indicative timetable for approval of the 2019/20 Statement of Accounts and receiving the Audit opinion.

## **1 BACKGROUND**

- 1.1 This report updates members on the status of the 2019/20 Statement of Accounts and Audit Opinion.

## **2 INTRODUCTION**

- 2.1 Owing to the impact of Covid-19 deadlines for the completion and publication of the 2019/20 accounts have been relaxed recognising the possible disruption to relevant authorities caused by the spread of coronavirus
- 2.2 The table below sets out the changes made to the deadlines, as set out in the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 which came into force on 30 April 2020.

Action	Deadline as set out in Accounts and Audit Regulations 2015	Revised Deadline as set out in Accounts and Audit (Coronavirus) (Amendment) Regulations 2020
Draft Accounts completion	31 May	31 August
Public Inspection period	First 10 working days of June of the financial year immediately following the end of the financial year to which the statement relates	First 10 working days of September of the financial year immediately following the end of the financial year to which the statement relates
Publication of Accounts	31 July	30 November

- 2.3 The Council published a draft statement of account 2019/20 on 31 August 2020. These are available on the Council's website:  
<https://www.rushmoor.gov.uk/statementofaccounts>
- 2.4 The Council is required under regulation to obtain an independent external audit opinion on the true and fair nature of the statement of accounts. Following provision of the external audit opinion the relevant Council Committee (being Licencing, Audit and General Purposes Committee) is required to approve the accounts and publish both the approved set of account and the audit opinion by 30 November 2020.
- 2.5 As reported to the Corporate Governance, Audit and Standards committee in July 2021, September 2021 and November 2021, there were several outstanding issues around asset valuations and the Going Concern consideration. Officers have been working closely with EY to resolve these issues and queries arising from EY's review of the audit. This report provides members with an update on progress made since the last meeting in November 2021.

### 3 CURRENT STATUS OF THE AUDIT

- 3.1 Members will be aware from the meeting in November 2020 that the Council's external auditors set out in the Audit Plan an outline of the timetable and work required to complete their audit and issue an Audit Results Report.
- 3.2 At the LA&GP meeting in January 2021, members were informed that following discussions with EY on 14 January 2021, it was agreed that the current audit work would be paused until mid-February. This would allow the finance team to complete work on the 2021/22 budget setting process unencumbered by other work pressures. The audit would be reconvened in mid-February with the intention to have a scaled-up audit resource to allow the completion of the audit process to be achieved in advance of the next meeting of LA&GP in March 2021.

- 3.3 Audit work was restarted late in February 2021 and worked through some of the remaining issues. However, there were several audit queries that remained unresolved which meant the audit opinion was not available for the committee to consider at the meetings on 29 March 2021, 27 May 2021, 27 July 2021, 27 September 2021 or 22 November 2021.
- 3.4 At the meeting in November 2021 members were updated on the progress of the audit and the need for the Council and EY to close off all the remaining issues on property and valuation related queries. Whilst these were relatively minor queries for the Council to resolve they are material to allow EY to form their audit opinion. EY do require all issues to be resolved before they are able to consider the next stage of the audit opinion process. The Council has responded positively to further queries raised in December 2021. At the time of writing this report EY have confirmed that the Council has yet to resolve all the queries. The Council will need to respond to EY.
- 3.5 An audit updates meeting took place with EY on 12 January 2022. Discussion focussed on the position regarding the remaining asset valuation queries that were submitted to the Council in December 2021. It was agreed that EY would review all the information they had received and would then set out any unresolved queries for the Council to respond to. EY would then be able to set out for the Council the impact on the opinion of the incomplete asset valuation information.
- 3.6 Subject to the position with the audit set out in the above paragraph, the Executive Head of Finance will draft the updated cashflow forecast and Going Concern Note to enable the audit to conclude on the basis as set out below:
- Updated Disclosure Note valid for an 18 month period from the proposed audit opinion issue date. This will address any Going Concern issues with a cashflow forecast covering the period required. This sets out the updated impact on the Council's finances from Covid-19 and any Post Balance Sheet Event (PBSE) given the ongoing risk Covid-19 poses to the Council's financial standing.
  - Consideration will need to be given to any adjustments proposed by EY to the financial statements. The Council will need to satisfy itself that these adjustments are reasonable and supported by appropriate evidence and detailed accounting guidance.
  - Production of updated Statement of Accounts with supporting notes and narrative statement
  - Review of Statement of Accounts by EY including any internal consultation process prior to the issuing of any proposed audit opinion.
- 3.7 At the time of writing, it is not clear when the audit opinion will be received as outlined above. It had been anticipated that the audited Statement of Accounts, Audit Opinion, and the Final Audit Results Report will be available in early 2022 with the next scheduled meeting of the committee (i.e. 28 March 2022).

#### 4 2020/21 AND 2021/22 STATEMENT OF ACCOUNTS AND AUDIT TIMINGS

- 4.1 Deadlines for the completion and publication of the 2020/21 and 2021/22 accounts were amended as part of the Government's response to the recommendations contained in the independent Redmond Review into the effectiveness of external audit and transparency of financial reporting in local authorities. The Redmond review reported on 08 September 2020.
- 4.2 The regulations will amend the draft and final accounts publication deadlines for relevant bodies from 1 June and 31 July to 1 August and 30 September for the next 2 accounting years – i.e. 2020/21 and 2021/22 and the position will be reviewed at that time. The regulations come into force on 31 March 2021.

Action	Deadline as set out in Accounts and Audit Regulations 2015	Revised Deadline as set out in Accounts and Audit (Amendment) Regulations 2021
Draft Accounts completion	31 May	01 August
Public Inspection period	First 10 working days of June of the financial year immediately following the end of the financial year to which the statement relates	First 10 working days of September of the financial year immediately following the end of the financial year to which the statement relates
Publication of Accounts	31 July	30 September

- 4.3 The Council has amended its 2020/21 accounts closure process to meet the revised Accounts and Audit Regulation 2021 timetable. It is unclear when the audit of the 2020/21 financial statement will commence as the audit process for 2019/20 is not yet completed although it is anticipated that the 2020/21 audit work will commence shortly after the conclusion of the 2019/20 with the 2021/22 audit likely to commence in Autumn 2022.
- 4.4 For context, the number of audit opinion completed by the statutory deadline shown in the table below is significantly lower than the 2 previous years underlining the on-going performance of local audit and the challenging external audit environment. Public Sector Audit Appointments issued the following note on 12 October 2021:

*Delayed audit opinions continue to be a major concern in the local audit system. The growing scale of the challenge is illustrated by the latest figures compiled by PSAA. As at the target date of 30 September 2021 only 9% of local government bodies' 2020/21 audits have been completed. The position compares to completion of 45% of 2019/20 audits and 57% of 2018/19 audits by the respective target dates of 30 November 2020 and 31 July 2019.*

*The challenges posed by Covid-19 have contributed to the current position. However, a range of further pressures documented in the Redmond Report are also continuing to impact performance. In particular there is a shortage of auditors with the knowledge and experience to deliver the required higher*

*quality audits of statements of accounts, which increasingly reflect complex structures and transactions, within the timeframe expected. The growing backlog of audits is also a concern, with 70 of the 2019/20 audits still incomplete.*

*The new Liaison Committee established by the Department for Levelling Up Housing and Communities (DLUHC) has a vital role in helping to ensure co-ordinated action in response to Sir Tony Redmond's recommendations and in overseeing the overall progress and performance of the local audit system. It is currently working to develop a strategy to improve the timeliness of opinions within a more resilient, sustainable system.*

*DLUHC's Spring Statement and recent consultation on the Local Audit Framework are key steps in addressing necessary improvements including the need for effective systems leadership.*

- 4.5 Further discussions will need to take place over the coming weeks with EY to schedule the 2020/21 and 2021/2 audit work. It is unlikely the audit work will be able to commence until early 2022 and is dependent on the 2019/20 audit being concluded.

## **5 MEASURES TO IMPROVE LOCAL AUDIT DELAYS**

- 5.1 The Government outlined a series of measures to support the timely completion of local government audits and the ongoing stability in the local audit market in December 2021. The extract below provides the context to the measures set out by the Government:

*(However), challenges remain around the timeliness of local audit, one of the key issues highlighted by Sir Tony. In 2017/18 the deadline for issuing audit opinions was brought forward from 30 September to 31 July. Since this point there has been a reduction in the number of local government audit opinions delivered on time, with significant reductions from 2018/19 onwards. This downward trend accelerated during the COVID-19 pandemic, with only 45% of 2019/20 audits completed by the extended deadline of 30 November 2020 and, most recently, only 9% of 2020/21 audits completed by the extended deadline of 30 September 2021.*

*As the National Audit Office (NAO) outlined in its 2020 report *Timeliness of local auditor reporting on local government in England*, a variety of complex factors are contributing to audit delays. Audit firms are struggling with a net loss of qualified staff, with many qualified accountants choosing to leave the audit sector entirely. For auditors that are choosing to stay within the profession, alternative audit opportunities are often perceived as more attractive than local audit, which is contributing a high turnover of staff within firms.*

*In addition, increasing workload and regulatory pressure on auditors have contributed to further delays. The NAO found that the additional requirements of new International Financial Reporting Standards (IFRS), along with increased expectations from the Financial Reporting Council (FRC) following*

*high-profile corporate failures such as Carillion and Patisserie Valerie, had combined to produce a significant increase in audit work, particularly on asset and pensions valuations. In some cases, issues with the preparation of local authority accounts have led to delays in audits being signed off.*

*In the face of competing workload pressures, some local authorities have diverted staff resources away from completing working papers and preparing accounts, while the quality of processes within the finance functions of some local authorities has affected their preparedness for audit. These issues, have, understandably, been exacerbated by the impact of the COVID-19 pandemic.*

*Considering the complexity of the drivers behind audit delays, it is clear that a whole system response is needed, with local bodies, audit firms, regulatory bodies and code-setters working collectively to implement solutions across the sector.*

*The government is continuing to prioritise measures to improve timeliness and support capacity as part of our response to the Redmond Review. We laid new regulations on 21 October to provide greater flexibility to the appointing person through, for example, extending the deadline for setting fee scales so that they can reflect the most recent market conditions, and streamlining the fee variation process under certain circumstances. We are also providing £15 million additional funding to local bodies for 2021/22 to support with the implementation of recommendations following the Redmond Review and additional costs resulting from new audit requirements, including the new value for money reporting arrangements. In addition, we have extended the statutory deadline for publishing audited local authority accounts to 30 September from 31 July from 2020/21 for 2 years.*

*We recently consulted on proposals for the Audit Reporting and Governance Authority (ARGA), the new body being established to replace the Financial Reporting Council (FRC), to take on a systems leader role for local audit. Ensuring there is a strong system leader will help to ensure broader alignment across the system to respond to challenges within the market. However, while these changes will be beneficial in the longer-term, it is clear that we need to go further in the short-term to address the stark deterioration in timeliness.*

*The government emphasised this point at a recent discussion of the Local Audit Liaison Committee on 21 September, where it was noted by members that, while in the past, ensuring the quality of the final audit had been the priority, timeliness had worsened to the extent it had become a quality issue.*

- 5.2 The document sets out a series of additional measures across 4 broad areas to support improved timeliness and the wider local audit market.



### **Measures relating to audit firms and timely completion of audit**

- FRC to publish updated Key Audit Partner (KAP) guidance by spring 2022, including new routes for an experienced Registered Individual to become a KAP
- Work with CIPFA to further develop the proposal for a new local audit training diploma in local government financial reporting and management aimed at different levels of auditor, and a new technical advisory service that could provide support to firms, and in particular new entrants

### **Measures relating to local audit bodies and quality of accounts preparation**

- DLUHC to provide further funding of £45 million over the course of next Spending Review period to support local bodies with the costs of strengthening their financial reporting, new burdens related to appointment of independent members and other Redmond recommendations and increased auditing requirements.
- CIPFA to publish strengthened guidance on audit committees by April 2022. The guidance will emphasise the role that audit committees should have in ensuring accounts are prepared to a high standard, alongside broader changes including appointment of independent members. Following consultation, consider making the guidance, committees and the independent member statutory
- DLUHC to provide via the Local Government Association sector grant for a number of targeted training events for audit committee chairs

### **Proposed measures relating to accounting and audit requirements**

- NAO rolling over of amendments to 20/21 AGN 03 and 07 to allow for altering the timing of elements on the VfM arrangements work and enable more focus on fully delivering opinions on the financial statements
- CIPFA/LASAAC is undertaking a project to improve the presentation of local authority accounts to inform the development of the 22/23 Accounting Code and comply with IFRS and statutory accounting principles HMT to undertake thematic review of financial reporting valuations for non-investment properties to inform development of the Accounting Code from 22/23 onwards
- The government has asked CIPFA/LASAAC to consider the merits of a time-limited change to the Accounting Code for 21/22
- Delaying implementation of standardised statements and associated audit requirements

### **Longer-term measures to help stabilise the market and address long-term supply issues**

- PSAA to progress their proposed procurement strategy for the next round of local audit contracts from 2023/24
- Extending the deadline for publishing audited local authority accounts to 30 November 2022 for 21/22 accounts and the 30 September date for 5 years from 2023/24 – 2027/28.
- NAO to prepare for a re-laying of the Code of Audit Practice 2020 in parliament, so that it will apply for the whole of the next appointing period

- Developing an industry-led workforce strategy, working with the system leader and audit firms, to consider the future pipeline of local audits, and associated questions related to training and qualifications

## **6 CONCLUSION**

- 6.1 There is some uncertainty around the timing of when the Council will receive the audited financial statements and EY's Audit Opinion as it is dependent on the Council providing further information to resolve the outstanding property-related queries. Subject to EY's internal consultation process, officers and EY will work towards a formal completion of the audit in early 2022. However, there remains some risk around the exact timing given the need to agree the final accounts position, review any proposed adjustments and a revision to the Council's financial statements.
- 6.2 It is worth reassuring members that the additional time taken is not due to errors, omissions or matters concerning the quality of the final accounts.

Contact Details:

Report Author and Head of Service:  
David Stanley – Executive Head of Finance  
01252 398440  
[david.stanley@rushmoor.gov.uk](mailto:david.stanley@rushmoor.gov.uk)

**CORPORATE GOVERNANCE, AUDIT  
AND STANDARDS COMMITTEE  
24 JANUARY 2022**

**EXECUTIVE HEAD OF FINANCE  
REPORT NO: FIN2208**

**DECISION TO OPT INTO THE NATIONAL SCHEME FOR AUDITOR  
APPOINTMENTS MANAGED BY PSAA AS THE 'APPOINTING PERSON'**

**SUMMARY:**

This report sets out proposals for appointing the external auditor to the Council/Authority for the accounts for the five-year period from 2023/24.

**RECOMMENDATIONS:**

That Corporate Governance, Audit and Standards Committee recommends to Council Rushmoor opts-in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors and authorises the Executive Head of Finance to sign the notice of acceptance on behalf of the authority, subject to the decision of full Council.

**1 INTRODUCTION**

- 1.1 Following the demise of the Audit Commission new arrangements were put in place concerning the appointment of external auditors. Report FIN1625 (Appointment of External Auditor) was considered by the Licensing and General Purposes Committee in November 2016 with a recommendation to Council that Rushmoor opted-into the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

**2 BACKGROUND**

- 2.1 The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.
- 2.2 PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

- 2.3 All local authorities have received an invitation to opt-in to the PSAA arrangements for a further five-year period. A copy of the invitation is included in Appendix A of this report.
- 2.4 The decision must be taken in accordance with the Regulations, i.e., by the Members of the authority meeting as a whole, and notice must be given to PSAA of an authority's intention to opt-in by 11 March 2022.

### **3 PROPOSAL AND ALTERNATIVE OPTIONS**

- 3.1 The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.
- 3.2 PSAA reference the following points concerning the opt-in arrangements:
- sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because collective procurement reduces costs for the sector and for individual authorities compared to a multiplicity of smaller local procurements;
  - should the Council not use the national appointment arrangements, the Council will need to establish its own auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
  - PSAA suggest the opt-in arrangement off the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement; and
  - supporting the sector-led body offers the best way of to ensuring there is a continuing and sustainable public audit market into the medium and long term.
- 3.3 If the Council/Authority wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council/Authority. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council needs to return completed opt-in documents to PSAA no later 11 March 2022.
- 3.4 As of 07 January 2022 94 public bodies have opted-into the national scheme (<https://www.psa.co.uk/about-us/appointing-person-information/becoming-an-opted-in-authority-for-2023-24-2027-28/list-of-opted-in-bodies-from-april-2023/>)

- 3.5 The Council could decide to conduct its own procurement process or work with other local authorities as part of a wider consortium. Whilst this may be an attractive proposition given the external audit experience under the current PSAA contract, it is not recommended. The Council would need to allocate significant resources (both in terms of time and budget) to a local procurement process and the outcome of a local procurement process is uncertain.

#### **4 CONCLUSION**

- 4.1 That Rushmoor Borough Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

Contact Details:

Report Author and Head of Service:  
David Stanley – Executive Head of Finance  
01252 398440  
[david.stanley@rushmoor.gov.uk](mailto:david.stanley@rushmoor.gov.uk)

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22 September 2021

To: Mr Shackley, Chief Executive  
Rushmoor Borough Council

Copied to: Mr Stanley, S151 Officer  
Councillor Carter, Chair of Audit Committee or equivalent

Dear Mr Shackley,

### **Invitation to opt into the national scheme for auditor appointments from April 2023**

I want to ensure that you are aware the external auditor for the audit of your accounts for 2023/24 has to be appointed before the end of December 2022. That may seem a long way away but, as your organisation has a choice about how to make that appointment, your decision-making process needs to begin soon.

We are pleased that the Secretary of State has confirmed PSAA in the role of the appointing person for eligible principal bodies for the period commencing April 2023. Joining PSAA's national scheme for auditor appointments is one of the choices available to your organisation.

In June 2021 we issued a draft prospectus and invited your views and comments on our early thinking on the development of the national scheme for the next period. Feedback from the sector has been extremely helpful and has enabled us to refine our proposals which are now set out in the [scheme prospectus](#) and our [procurement strategy](#). Both documents can be downloaded from our website which also contains a range of useful information that you may find helpful.

The national scheme timetable for appointing auditors from 2023/24 means we now need to issue a formal invitation to you to opt into these arrangements. In order to meet the requirements of the relevant regulations, we also attach a form of acceptance of our invitation which you must use if your organisation decides to join the national scheme. We have specified the five consecutive financial years beginning 1 April 2023 as the compulsory appointing period for the purposes of the regulations which govern the national scheme.

Given the very challenging local audit market, we believe that eligible bodies will be best served by opting to join the scheme and have attached a short summary of why we believe that is the best solution both for individual bodies and the sector as a whole.

I would like to highlight three matters to you:

1. if you opt to join the national scheme, we need to receive your formal acceptance of this invitation by Friday 11 March 2022;

2. the relevant regulations require that, except for a body that is a corporation sole (e.g. a police and crime commissioner), the decision to accept our invitation and to opt in must be made by the members of the authority meeting as a whole e.g. Full Council or equivalent. We appreciate this will need to be built into your decision-making timetable. We have deliberately set a generous timescale for bodies to make opt in decisions (24 weeks compared to the statutory minimum of 8 weeks) to ensure that all eligible bodies have sufficient time to comply with this requirement; and
3. if you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2023. We are required to consider such requests and agree to them unless there are reasonable grounds for their refusal. PSAA must consider a request as the appointing person in accordance with the Regulations. The Regulations allow us to recover our reasonable costs for making arrangements to appoint a local auditor in these circumstances, for example if we need to embark on a further procurement or enter into further discussions with our contracted firms.

If you have any other questions not covered by our information, do not hesitate to contact us by email at [ap2@psaa.co.uk](mailto:ap2@psaa.co.uk). We also publish answers to [frequently asked questions](#) on our website.

If you would like to discuss a particular issue with us, please send an email also to [ap2@psaa.co.uk](mailto:ap2@psaa.co.uk), and we will respond to you.

Yours sincerely

Tony Crawley  
Chief Executive

Encl: Summary of the national scheme



## Why accepting the national scheme opt-in invitation is the best solution

### Public Sector Audit Appointments Limited (PSAA)

We are a not-for-profit, independent company limited by guarantee incorporated by the Local Government Association in August 2014.

We have the support of the LGA, which in 2014 worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national body.

We have the support of Government; MHCLG's Spring statement confirmed our appointment because of our "strong technical expertise and the proactive work they have done to help to identify improvements that can be made to the process".

We are an active member of the new Local Audit Liaison Committee, chaired by MHCLG and attended by key local audit stakeholders, enabling us to feed in body and audit perspectives to decisions about changes to the local audit framework, and the need to address timeliness through actions across the system.

We conduct research to raise awareness of local audit issues, and work with MHCLG and other stakeholders to enable changes arising from Sir Tony Redmond's review, such as more flexible fee setting and a timelier basis to set scale fees.

We have established an advisory panel, which meets three times per year. Its membership is drawn from relevant representative groups of local government and police bodies, to act as a sounding board for our scheme and to enable us to hear your views on the design and operation of the scheme.

### The national scheme for appointing local auditors

In July 2016, the Secretary of State specified PSAA as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. Acting in accordance with this role PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme. 98% of eligible bodies made the choice to opt-in for the five-year period commencing in April 2018.

We will appoint an auditor for all opted-in bodies for each of the five financial years beginning from 1 April 2023.

We aim for all opted-in bodies to receive an audit service of the required quality at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local audit. The focus of our quality assessment will include resourcing capacity and capability including sector knowledge, and client relationship management and communication.

### What the appointing person scheme from 2023 will offer

We believe that a sector-led, collaborative, national scheme stands out as the best option for all eligible bodies, offering the best value for money and assuring the independence of the auditor appointment.

The national scheme from 2023 will build on the range of benefits already available for members:

- transparent and independent auditor appointment via a third party;
- the best opportunity to secure the appointment of a qualified, registered auditor;
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives, if the parties believe that it will enhance efficiency;
- on-going management of any independence issues which may arise;
- access to a specialist PSAA team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members - in 2019 we returned a total £3.5million to relevant bodies and more recently we announced a further distribution of £5.6m in August 2021;
- collective efficiency savings for the sector through undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- avoids the necessity for local bodies to establish an auditor panel and undertake an auditor procurement, enabling time and resources to be deployed on other pressing priorities;
- updates from PSAA to Section 151 officers and Audit Committee Chairs on a range of local audit related matters to inform and support effective auditor-audited body relationships; and
- concerted efforts to work with other stakeholders to develop a more sustainable local audit market.

We are committed to keep developing our scheme, taking into account feedback from scheme members, suppliers and other stakeholders, and learning from the collective post-2018 experience. This work is ongoing, and we have taken a number of initiatives to improve the operation of the scheme for the benefit of all parties.

Importantly we have listened to your feedback to our recent consultation, and our response is reflected in [the scheme prospectus](#).

## **Opting in**

The closing date for opting in is 11 March 2022. We have allowed more than the minimum eight-week notice period required, because the formal approval process for most eligible bodies is a decision made by the members of the authority meeting as a whole [Full Council or equivalent], except police and crime commissioners who are able to make their own decision.

We will confirm receipt of all opt-in notices. A full list of eligible bodies that opt in will be published on our website. Once we have received an opt-in notice, we will write to you to request information on any joint working arrangements relevant to your auditor appointment, and any potential independence matters which may need to be taken into consideration when appointing your auditor.

## **Local Government Reorganisation**

We are aware that reorganisations in the local government areas of Cumbria, Somerset, and North Yorkshire were announced in July 2021. Subject to parliamentary approval shadow elections will take place in May 2022 for the new Councils to become established from 1 April 2023. Newly established local government bodies have the right to opt into PSAA's scheme under Regulation 10 of the Appointing Person Regulations 2015. These Regulations also set out that a local government body that ceases to exist is automatically removed from the scheme.

If for any reason there is any uncertainty that reorganisations will take place or meet the current timetable, we would suggest that the current eligible bodies confirm their acceptance to opt in to avoid the requirement to have to make local arrangements should the reorganisation be delayed.

## **Next Steps**

We expect to formally commence the procurement of audit services in early February 2022. At that time our procurement documentation will be available for opted-in bodies to view through our e-tendering platform.

Our recent webinars to support our consultation proved to be popular, and we will be running a series of webinars covering specific areas of our work and our progress to prepare for the second appointing period. Details can be found on [our website](#) and in [the scheme prospectus](#).

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## **INTERNAL AUDIT – AUDIT UPDATE**

### **SUMMARY:**

This report describes:

- The work carried out by Internal Audit since the last report;
- An update on the overall progress on the 2021-22 Audit Plan, and
- An update on outstanding audit issues from reports issued in 2019-20 & 2020-21.

### **RECOMMENDATION:**

Members are requested to:

- i. Note the audit work carried out in Quarter 3 to date.
- ii. Note the update to the expected deliverables for Quarter 4.
- iii. Note the outstanding high-risk audit issues and engagement by the Services to address them.

## **1 Introduction**

1.1 This report is to provide Members with:

- An overview of the work carried out by Internal Audit in Q3 2021-22 to date;
- An update on progress towards the Audit Plan for 2021-22;
- A schedule of work expected to be delivered in Q4; and
- An update on the outstanding audit issues from Internal Audit reports covering 2019-20 & 2020-21 focusing on the high-risk issues.

## **2 Overview of Work Carried Out in Q3 to date**

2.1 Since the last report, Internal Audit continued to work with Heads of Service and Service Managers to action and update the outstanding audit issues from 2019-20 and 2020-21 Audit reports.

2.2 Internal Audit issued the audit report for Contractors & IR35 and is finalising the audit on Risk Management.

2.3 Internal Audit commenced an audit on the Voyager House Capital Project.

2.4 Internal Audit is also involved in the Union Yard Capital Project in a consultative capacity.

2.5 Wokingham Borough Council (WBC), under a s113 Agreement to conduct audits on behalf of Internal Audit, is finalising an audit in Finance on Insurance.

2.6 WBC has also commenced an audit in Finance on National Non-Domestic Rates (NNDR). The fieldwork is underway and a draft report should be completed soon.

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- 2.7 The Interim Audit Manager finalised and issued the External Tenants of the Council Building audit from 2020-21.
- 2.8 Finally, the Interim Audit Manager reviewed the status of the 2020-21 follow up audit reports for Corporate Governance and Depot (Capital Project) with the Executive Head of Finance. The former has been drafted, but not issued. It was decided to update the report and circulate it for discussion in the Corporate Governance Group. Re the latter, as the issues raised were generic on project management, a follow up was deemed unnecessary, as all future capital projects will test the recommendations' implementation.

### 3 Progress towards the 2021-22 Audit Plan

- 3.1 Since the last update to the Committee, there have been no further changes to the 2021-22 Audit Plan.
- 3.2 The table below provides a summary of progress relevant to the 2021-22 Audit Plan:

Audit Status	Number of reviews	%
Finalised	4	22.2
Draft report with Auditee for management response	2	11.1
In progress	3	16.7
Not yet started	2	11.1
Postponed to 2022-23	5	27.8
Cancelled	2	11.1
<b>Total</b>	<b>18</b>	<b>100%</b>

- 3.3 The table shows that 9 of the 11 audits (82%) to be delivered in 2021-22 are completed, being finalised or in progress. The remaining 2 are scheduled to commence in Q4.

### 4. Audit Work Completed

- 4.1 The table below provides an overview of the assurance opinions, given to completed audits since the last update, based on Internal Audit's assessment of the control environment:

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Audit Title	Assurance Opinion	Recommendations by Priority		
		High	Medium	Low
<b>2021-22 Internal Audit Plan</b>				
Contractors & IR35	Limited	1	5	0

4.2 The table above highlights one audit for Human Resources & Organisational Development (HR&OD). The one high risk-rated issue relates to conducting and evidencing an IR35 check over contractors before engaging their services, which has been a requirement for the public sector since 1<sup>st</sup> April 2017, but has not always been done. The risk to the Council is that, if no checks are done or not done properly, HMRC may hold the Council liable for PAYE and NI payments, as they could deem the contractors as employees, as well as possible fines. Whilst the onus to implement is on the Heads of Service, to help address the issue, the Corporate Manager for HR&OD has updated the existing policy and disseminated to CMT, which was a medium risk issue.

The other medium risk-rated issues relate to ensuring hiring departments have sufficient budgets and ELT approval prior to hiring; a significant current contractor has an IR35 check and contract in place (implemented); Finance update their procedures for handling contractor's invoices; and Corporate Legal Services has sight of all contractor's contracts before engagement and ensures standardisation to RBC's terms and conditions.

### 5. Expected Deliverables for Q4 2021-22

5.1 The Audit Plan has been reviewed and updated. The work expected to be carried out and completed in Q4 is detailed within the table below:

Service	Audit/ follow up/descriptor	Status
ACE	Corporate Risk Management – <i>A review of the process for identifying, assessing, monitoring and reporting risk across RBC.</i>	Report to be issued for management responses
Finance	Insurance – <i>A key financial system review looking at adequate coverage for RBC assets.</i>	Fieldwork complete and draft report being finalised
Finance	NNDR Billing, Collection &	In progress

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	Recovery – <i>A key financial system review looking at business rates billing, collection &amp; recovery.</i>	
Regeneration & Property	Voyager (Capital Project) – <i>A review of the regeneration project</i>	In progress
Regeneration & Property	Union Yard (Capital Project) – <i>Audit is providing Project Assurance and will be working alongside the Project Manager</i>	In progress
Finance	CIPFA Financial Code – <i>A key financial system review looking at compliance with the code</i>	Planned for Q4
Finance	Sales Ledger – <i>A key financial system review looking at debtors and recovery</i>	Planned for Q4

### 6. Outstanding Audit Issues from 2019-20 & 2020-21

6.1 From a review of the Audit reports issued during 2019-20 & 2020-21, the following information was identified:

Year	# of Reports	# of Issues	# Implemented (@22/11/21)	% Implemented (@22/11/21)
2019-20	12	106	62 (59)	58 (56)
2020-21	12	118	52 (47)	44 (40)

6.2 Overall, there has been a slight increase in issues implemented for both audit years with auditees engaging with Internal Audit positively and promptly.

However, there is still an unissued report for 2020-21 in Finance on the Purchase Ledger. Although the audit field work was concluded and a draft report was issued, the long-term absence of key finance staff with responsibility for the Purchase Ledger has led to a delay. The Executive Head



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of Finance is aware of the recommendations and will review in due course alongside the wider Finance Improvement Plan.

Also, there is a concern over issued audits, including some from 2019-20, especially re Finance, where little action has been taken, mainly due to a lack of resources. Hence, deadlines have had to be pushed back to 2022-23.

6.3 For 2019-20, of the 106 issues raised, 17 were high-risk and 8 (47%) have been implemented. This is unchanged per the previous report.

For 2020-21, of the 118 issues raised, 17 were high-risk and 7 (41%) have been implemented. This is unchanged per the previous report.

6.4 Details of the outstanding high-risk issues for the two years are attached in Appendix A below. They include management updates and, in some cases, revised target dates.

### 7. Recommendation

7.1 Members are requested to note the information provided within the report in relation to the audit work carried out in Quarter 3 to date, the expected deliverables for Quarter 4 and the outstanding high-risk audit issues from 2019-20 & 2020-21.

**AUTHOR:** David Thacker, Interim Audit Manager  
07867 377484

[david.thacker@rushmoor.gov.uk](mailto:david.thacker@rushmoor.gov.uk)

**HEAD OF SERVICE:** David Stanley, Executive Head of Financial Services

**References:** *Internal Audit – Audit Plan* report, presented to the Committee on the 29<sup>th</sup> March 2021.

[Agenda for Corporate Governance, Audit and Standards Committee on Monday, 29th March, 2021, 7.00 pm - Rushmoor Borough Council](#)

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APPENDIX A

OUTSTANDING HIGH-RISK AUDIT ISSUES

Year of Audit	<b>2019-20</b>		
Report	Key findings	Management response and agreed action	Action by whom and when
PCI DSS	<p>a) The Council are allegedly paying a fine as a result of not being fully compliant with PCI DSS standards. This is due to the card terminal within the Princes Hall Theatre not transferring Cardholder data securely to the in-house CAPITA 360 system. This could not be confirmed at the time of audit.</p> <p>b) There is no management or oversight of the alleged fine within the Council, with no one being able to provide details i.e. start date, monthly amount, expiry date or whether this was still ongoing.</p>	<p>AGREED</p> <p>The Council has been making a monthly payment to CAPITA since late-2018 in respect of “CAPITA PCI DSS ANNUAL MGMT FEE”. Whilst the charge is relatively low (£10 per month) it is unclear what this fee covers.</p> <p>In the absence of any detailed knowledge or awareness across Finance and IT teams, the Executive Head of Finance will review.</p> <p><i>Update: a) The Council pays CAPITA an additional processing fee. There is no fine. Issue addressed.</i></p> <p><i>b) A project has been established to ensure the Council is PCI DSS compliant with options available depending on the way in which car payments flow through the Council's systems.</i></p>	<p>David Stanley, Executive Head of Finance <b>30/09/2022</b></p>

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		<p><i>An independent assessment is being commissioned (SAQ Assessor) to ensure the Council fully addresses the PCI DSS compliance issues given its varied payment processes.</i></p> <p><i>It is unlikely the project will be completed until Q1/Q2 2022/23 given the complexity and IT solutions.</i></p>	
Estates Management & Commercial Lettings	<p>Information Sharing</p> <p>Prior to the Property and Estates Manager joining the council in March the graduate surveyor was the only officer with full knowledge of how to manage the records management spreadsheet</p>	<p>But now the knowledge sits with the P&amp;E Manager and alternative means to manage this needs to be put in place, with a dedicated Admin role to do so.</p> <p><i>Update: Others within the team have knowledge of the workings as an interim measure.</i></p>	<p>Paul Brooks, Head of Property, Estates &amp; Technical Services <b>31/01/2022</b></p>
Estates Management & Commercial Lettings	<p>Debt Write Off</p> <p>Audit were advised by the Sales Ledger team that a debt of £26,595 relating to one of the two tenants at Wellesley House was awaiting write off authorisation. However, the property team were unclear who had responsibility to do this and the process to follow for writing off/chasing debts was unclear.</p>	<p>The current procedures contain debt management within the Finance Team. This responsibility needs to be shared and properly communicated through clear and jointly owned information collected in a way that reflects property as a different kind of debt to others.</p> <p>See above</p> <p>Through proactive tenant management the situation has improved on the</p>	<p>Paul Brooks, Head of Property, Estates &amp; Technical Services / David Stanley, Executive Head of Finance <b>30/06/2022</b></p>

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		retained office part occupied in the building and as at Jan 2020 the tenant had caught up with the rental payments for that Ground Floor Office Suite only.  <i>Update: Executive Head of Finance to provide HoS with supplementary debt management guidance.</i>	
Estates Management & Commercial Lettings	Aged Debt The 63.1% of the total debt (29/8/19), £142,238.36, has been outstanding for over 90 days.	As above.  <i>Update: Executive Head of Finance to provide HoS with supplementary debt management guidance.</i>	Paul Brooks, Head of Property, Estates & Technical Services/ David Stanley, Executive Head of Finance <b>30/06/2022</b>
Estates Management & Commercial Lettings	Financial Monitoring There is currently no reporting on the performance requirement that the Council needs to achieve a net initial yield of approximately 5.25% to make an asset purchase financially viable. In addition, there is confusion as to whose responsibility it is to undertake this monitoring and reporting	LSHIM is reporting on the Investment and Legacy portfolios to the PIAG There is no such reporting on the remainder of the Councils properties managed in house by the Estates Team. These do not sit comfortably within the same performance parameters or expectations as the Investment/Legacy Portfolios but still a means to measure and to report will be required to be developed.  <i>Update: Rent collection data is reported to PIAG for the nine LSHIM asset managed properties. The new asset</i>	Paul Brooks, Head of Property, Estates & Technical Services <b>30/06/2022</b>

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		<i>management system will allow performance data to be collected to assess this.</i>	
Taxi Licencing	Due to the manual nature of inputting the data into the system this has highlighted a number of human errors. Ranging from not recording payments which have been made against accounts, to the incorrect amount being inputted and charged. Options should be considered to see if elements of the system could be more automated to minimise the potential for errors and have a more efficient process.	<p>We recognise that the current systems and processes for Taxi Licensing are open to human error, due to the lack of automation available with the systems that we are working on. The errors identified have been corrected as far as possible, and changes have been made to the documents, processes and performance monitoring of the work to reduce the likelihood of errors, and to identify errors sooner. Longer term, we are reviewing the way that licences are processed, with a view to improving the technology to allow for more automation, therefore reducing the likelihood of human error, whilst improving the service to customers. We are undergoing continuous review, and where errors are identified, consideration is given to any process or system change that could be implemented to reduce the likelihood of the same error occurring. Since implementing this, we have seen a reduction in the error rate on the cases which are reviewed.</p> <p><i>Update: Since our last update Operations</i></p>	<p>Shelley Bowman, Principal Licencing Officer <b>31/01/2022</b></p>

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		<p><i>have purchased Enterprise (IT System which allows automation of process) and RBC have additionally purchased the connectors which will further improve automation and self-service.</i></p> <p><i>Through the ICE project Manage my Licence has been designed and a prototype tested. We are anticipating a go live date on our website November 21. This IT based approach will reduce pressure on the officers and give them time to review charges, carry out checks and reduce opportunity for human error in the processing of taxi license request.</i></p> <p><i>In addition, we have introduced an administrative support role within the Licensing Team and are currently exploring new ways to structure the team to further improve service delivery, capacity and reduce error.</i></p>	
<p>Building Control Partnership</p>	<p>2010 Building Regulations Requirement Hart do not publish their surplus or deficit figures as is required by the 2010 Building Regulations</p>	<p>Look to resolve during negotiations on new Deed, referring to The Building (Local Authority Charges) Regulations 2010. Review of Regs to agree how the Partnership adheres to the requirement.</p> <p><i>Update: The figures have been received</i></p>	<p>Martin Hobley, Building Control Partnership Manager <b>31/01/2021</b> <b>Revised to 28/02/22</b></p>

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		<p><i>through another route. However, the issue continues to be pursued with writing to the finance team as well as pursuing through their Head of Finance.</i></p> <p><i>21/12/21: No further updates and so will be escalated higher. Revised target date suggested.</i></p>	
<p>S106 SANGS</p>	<p>a) There should be a plan in place as to how the funds are properly utilised and regular meetings to monitor this. This needs to include a plan of how to utilise monies that the Council may currently hold over 5 years or determine to repay sums. This would ensure that all monies that have been paid to the Council are utilised appropriately and prevent Developers successfully requesting funding back.</p> <p>b) There should be knowledge of who manages this fund. There should be regular meetings to discuss the value to enable full oversight.</p>	<p>Recommendation agreed. As part of the process of compiling the register and cleansing data any sums held for over 5 years will be identified. Regular meetings will be held between the Head of Economy, Planning and Strategic Housing, Planning and finance will be held quarterly starting in September All sums will be allocated to specific officers and teams and monitored through the quarterly meetings.</p> <p><i>Update: This process is ongoing due to the extent of the work. Additional funds have been identified over 5 years. The focus is on ensuring expenditure and developing proposals for an officer who will deliver these projects funded from s106, which will be considered by ELT shortly and it is anticipated this will be agreed.</i></p>	<p>Tim Mills, Head of Economy, Planning and Strategic Housing <b>30/11/2021</b> <b>Revised to 30/06/22</b></p>

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		<i>21/12/21: Infrastructure Funding Statement completed for 19/20 and will be published on web prior to 31/12/21 deadline. Work ongoing to identify potential spend. Revised target date suggested.</i>	
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**OUTSTANDING HIGH-RISK AUDIT ISSUES**

<b>Year of Audit</b>	<b>2020-21</b>		
<b>Report</b>	<b>Key findings</b>	<b>Management response and agreed action</b>	<b>Action by whom and when</b>
Alderwood Leisure Centre	It is unclear to identify if payments have been received for all of the bookings made as clear payment records are not held on the EZ facility system and unclear narratives on the Integra code.	EZ confirm certain aspects can be tied into RBC system. Nigel Swan emailed for guidance 30/11/21.Meeting with Alex Shiell 6/01/2021 to discuss requirements to integrate the two systems.  <i>Update: This is a system connectivity issue. However, until a solution is found, a manual workaround is in place.</i>	Chris Beckett, ALC Manager <b>31/01/2022</b>
Application Patch Management	IT are in the process of documenting processes, although application change management/patching has not yet been covered. When this is documented both overall and system specific arrangement need to be addressed.  Linked to this further investigation needs to be carried out regarding systems where there is limited user testing of changes (see findings below, on roles and responsibilities). Specific to Express future changes need to be applied to test and tested/signed off, prior to migration to live.	The council has a small IT team and tends to focus its limited resources on key line of business applications support. There are plans to recruit a service delivery manager to improve consistency of application support. It should be noted that key systems e.g. payments, payroll, revenues and benefits, business rates are well supported, including the use of external support companies – to ensure applications are patched and upgraded to the correct level.	Nick Harding, Head of ICT, Facilities & Projects <b>30/10/2021</b> <b>Revised 31/07/2022</b>

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	<p>Retain evidence for future nontrivial changes/patches applied. This should aim to capture:</p> <ul style="list-style-type: none"> <li>• Identification of change/patch, i.e. what was applied.</li> <li>• Evidence of testing (unit, integration and user, as applicable) and outcomes.</li> <li>• Sign offs/approval.</li> </ul> <p>Longer term a Configuration Management Database (CMDB) could be investigated, to store this information in a structured manner.</p> <p>IT are in the process of increasing the IT Team, specifically recruiting additional staff to support changes to applications, including bringing back in-house changes currently processed by third parties; this should continue as planned.</p> <p>Batching is a symptom of current under resourcing and reliance on third parties. While a pragmatic approach is sensible, current batching levels are excessive. How batching is approached needs to be covered in documentation (i.e. assessment and decision for each change) and, as far as possible, minimised.</p>	<p>The regulatory services applications e.g GIS/LLPG, Confirm and Uniform have dedicated IT staff employed to carry out upgrade works and maintain the systems to the correct level.</p> <p>It is agreed that the exception is the financial system, which is of ongoing concern. There are plans for a major review planned for 2021 as part of the ICE programme.</p> <p>On Risk, the over-reliance point is more a management prioritisation issue both for Heads of IT and Finance.</p> <p><i>Update: Change Management – Jul 2022 as dependent on a new service desk system that incorporates Change. UAT – April 2022. Asset Management – new solution trial aimed to complete during Q4 2021/22 All other recommendations are ongoing.</i></p>	
<p>Application Patch Management</p>	<p>Locate/put in place fit for purpose contracts for all systems. At a high level these should:</p> <ul style="list-style-type: none"> <li>• Be up to date/in date.</li> <li>• Refer/link to current legislation.</li> <li>• Set out performance expectations, ideally</li> </ul>	<p>Disagree – this is in medium priority and not a priority at this time/ the ICE and C19 projects have a higher priority. If additional resources are provided this task could be agreed.</p>	<p>Nick Harding, Head of ICT, Facilities &amp; Projects 31/12/2022</p>

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	<p>quantified.</p> <ul style="list-style-type: none"> <li>• Set out support arrangements/response times.</li> <li>• Set out a realistic level of reporting, to confirm that performance/support expectations are being met. For example, annual/quarterly reports, against contract expectations.</li> <li>• Identify a realistic level of oversight, for example, periodic calls/meetings with account managers.</li> </ul>	<p>Many of the Council's line of business applications have been in place with suppliers for many years and over time contracts have not been reviewed as the systems and support have been satisfactory. The council have good ongoing working and support arrangements, so contracts have only been reviewed as services have decided to change applications. If for any reason, we needed to request an up-to-date contract from a supplier this would be possible. Given the amount of work involved we have not been able to allocate resources from IT to Legal to carry this task.</p> <p><i>Update: Review of contracts status by March 2022.</i></p> <p><i>Reviews with suppliers between Nov 2021 and April 2022.</i></p> <p><i>Where agreed re-negotiation needs to take place – throughout 2022</i></p>	
<p style="text-align: center;">Contract Management Follow Up</p>	<p>There is no Contract Management corporate framework in place to provide guidance for Contract Managers, Procurement and management to:</p> <p>a) Assess the level of contract management required, e.g. formal, ad-hoc, 'light touch';</p> <p>b) Assess the risk to the business, e.g. financial, Health and Safety, reputational, business continuity, etc;</p>	<p>The New Constitution with the Contract Standing Orders, which covered the elements highlighted in the recommendation, went to Cabinet in May and was agreed. The Policy and Project Advisory Board (PAB) were consulted on the Council's Procurement Strategy</p>	<p style="text-align: center;">Principal Procurement Officer <b>30/06/2022</b></p>

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	<p>c) To re-assess the level of contract management as the contract becomes established and client relationships evolve;</p> <p>d) Set out the requirement of recording meeting minutes / contract issues / progress, including the need for a standard template;</p> <p>e) Set out the steps to take if a contractor’s performance / quality of delivery is inadequate, e.g. KPIs.</p> <p>f) Set out the process for the review / monitoring of continual contracts, e.g. HAGS/SMP Ltd, those contracts with expiry dates and any action required, e.g. PHS;</p> <p>g) Set out the process for adding on to the Contract Register;</p> <p>h) Set out the process when handing over an on-going contract to a new manager to oversee, e.g. PHS.</p> <p>i) Set out the reporting requirements to senior management and Members</p>	<p>2020-2024 at their meetings in November 2019 and June 2020. A final draft of the Procurement Strategy was considered by Cabinet in August 2020. Training and Guidance will be produced for all officers involved in the procuring of services following the adoption of the revised Contract Standing Orders and Procurement Strategy.</p> <p><i>Update: Procurement responsibility changed September 2021 with Portsmouth CC (PCC) providing support. Head of Finance and Asst CEX to review Q1 2022</i></p>	
<p align="center">Contract Management Follow Up</p>	<p>There is no corporate guidance that sets out the clear roles and responsibilities for the Contract Managers, Procurement and management</p>	<p>The updated Contract Standing Orders (CSO) sets out the roles and responsibilities. However, training on the update CSO will be given in the next few months so that contract managers are aware are their roles and responsibilities.</p> <p><i>Update: Procurement responsibility changed September 2021 with PCC providing support. Head of Finance and Asst CEX to review Q1 2022</i></p>	<p align="center">Principal Procurement Officer <b>30/06/2022</b></p>

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<p>Disabled Facilities Grants Follow Up</p>	<p>Two quantity surveyors are exclusively used (with one particularly favoured- BJC Design with payments in 2018/19 of c.£46k). The Contract Standing Orders 'requirement of aggregation' are not applied in assessing contract requirements.</p>	<p>The Procurement Officer is working with Property Services to set up a separate framework agreement for surveyors and to advertise for new surveyors to be 'procured' and vetted. The Procurement Officer confirmed this will go out to competition for acquiring new contractors/surveyors (see also recommendations 5 and 6 above).</p> <p><i>Update: Working with PCC to understand where they can support this process.</i></p> <p><i>4Jan22: Still awaiting an update from PCC.</i></p>	<p>Hilary Smith, Private Sector Housing Manager 31/12/2021</p>
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24 JANUARY 2022

**RUSHMOOR DEVELOPMENT PARTNERSHIP  
SIX MONTHLY PROGRESS REVIEW****SUMMARY:**

This is the Executive Director's report as Council Shareholder on the progress review received from the Rushmoor Development Partnership (RDP) on its business plan. It provides some commentary on the progress and delivery through the partnership during 2021 on the key regeneration sites agreed as part of the initial RDP Business Plan.

**RECOMMENDATION:**

The Committee are requested to note the progress set out in the report from the RDP and the next steps for each of the current projects covered by the RDP Business Plan

**1. Introduction**

- 1.1 The Rushmoor Development Partnership was established in 2018 as a joint venture with Hill Partnerships Ltd to provide expertise and capacity to support delivery of Council's regeneration aspirations. As Shareholder, the Council's Executive Director and Monitoring Officer receives the RDP's annual report and 6 monthly reviews and reports it to this committee as part of the agreed governance arrangements.
- 1.2 This is the second time the Committee has considered such a report and whilst the Cabinet has considered a number of reports relating to schemes being taken forward through the RDP, the progress review was received later than anticipated and accounts for a year's activity rather than the anticipated six months. The RDP, like many organisations, has been affected by Covid but would expect future reports to be submitted in line with agreed arrangements. The RDP's financial position is reviewed by the Council's finance service and annual accounts are included as confidential appendices to the report attached.

**2. Shareholder commentary**

- 2.1 The Progress Review is set out as at Appendix 1 to this report. Overall there has been significant progress since the approval of the initial business plan particularly on Union Street, Aldershot where the RDP secured a planning

consent during 2020 despite the pandemic and has supported the Council through its due diligence process that has in turn facilitated a construction start on site in November 2021. Work on the Civic Quarter Masterplan has progressed well with two public consultations undertaken during the year to support the submission of the outline planning application. The disposal of Parsons Barracks Car park has been concluded to enable the development of a care homes with the proceeds being utilised to fund the work of the RDP to date, which assists with reducing pressure on the Council's financial position.

- 2.2 The partnership where Council and Hill staff work together continues to enable a commercial approach to be taken to bringing forward sites alongside the translation of the Council and community's ambitions for both town centres.
- 2.3 Overall, the RDP has made a positive contribution to moving forward the Council's regeneration objectives over the past year and the Committee are invited to note the progress achieved.

**Ian Harrison**  
**Executive Director**

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## **Appendices**

**Appendix 1:** Rushmoor Development Partnership LLP Shareholder Report for January 2021 to December 2021

**Exempt Appendix 2:** Rushmoor Development Partnership Management Accounts for the period ended 30 November 2021

## **Background Papers**

- a) Rushmoor Development Partnership Business Plan – Council 25 July 2019
- b) CGAS REPORT NO. CEX2101: Rushmoor Development Partnership Progress Review





Rushmoor Development Partnership LLP

Shareholder Report for January 2021 to December 2021



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## 1. Progress Summary

Site	Feasibility	Planning	Construction
<b>Parsons Barracks</b>	Complete	Complete	Site disposal completed October 2021
<b>Civic Quarter</b>	Complete (High level associated with outline proposals)	Outline planning application submission by end of calendar year	Not commenced
<b>Union Yard</b>	Complete	Complete	Commenced (November 2021)
<b>The Meads</b>	In progress	Incomplete	Not commenced
<b>Blandford House</b>	Complete – unsuccessful with bid to secure site	N/A	N/A

## 2. Background

- 2.1 The Rushmoor Development Partnership (RDP) brings together Rushmoor Borough Council and development partner, Hill Investment Partnerships Ltd, to deliver major regeneration schemes across the borough.
- 2.2 Formed in October 2018, the RDP's aim is to support delivery of the Council's ambitious borough-wide regeneration programme, 'Regenerating Rushmoor'.
- 2.3 The RDP is committed to supporting the Council's ambitious regeneration plans, which seeks to build on existing assets and create distinctive, mixed-use town centres with a high-quality retail, leisure, cultural, employment and housing offer. The RDP will also identify opportunities to develop long term income generating assets for the Council.
- 2.4 As part of the governance and reporting arrangements agreed by the Council's Cabinet in September 2018 (Report CEX1806), the RDP is required to report on a six monthly basis to the Shareholder (Executive Director) who will enable consideration of an appropriate report by the Corporate Governance, Audit and Standards Committee.
- 2.5 The initial Business Plan of the RDP was presented to and approved by Full Council on 25th July 2019 and this report is prepared to track the company's progress against it, providing an update for the period January 2021 to December 2021.

### 3. Progress Review

3.1 The initial sites as identified within the agreed Business Plan were:

- Farnborough Main (Union Street West) Car Park
- Parsons Barracks Car Park, Aldershot
- Union Street East (Union Yard), Aldershot
- The Civic Quarter, Farnborough

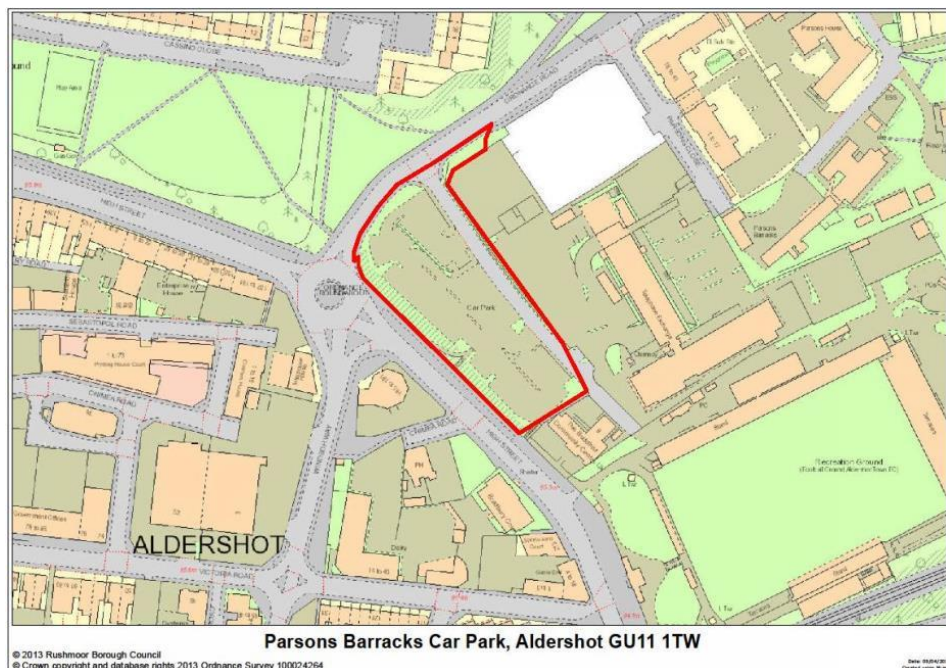
3.2 A previous shareholder report set out that following the outcome of feasibility work, it was agreed by the RDP Board to remove the Farnborough Main Car Park site from the portfolio of sites going forward. As such, this, and subsequent reports going forward, do not provide an update and will be removed from reports in line with subsequent updates to the Business Plan.

3.3 During the course of the reporting period, the RDP has also given consideration to the following sites:

- Blandford House, Aldershot
- The Meads, Farnborough

3.4 An update on the progress of each development opportunity is outlined below.

#### Parsons Barracks Car Park, Aldershot



*Figure 1 Parsons Barracks red line site boundary*

3.5 Following approval from both the RDP Board and Council Cabinet, disposal of the site to a care home operator, LNT, was progressed during the reporting period.

3.6 A planning application was submitted by LNT Care Developments in April 2021 for a three storey, 66-bed care home for general residential and dementia elderly people, with



associated car parking, access and landscaping. Planning permission was granted by the Local Planning Authority on 22nd July 2021.

- 3.7 Disposal of the site was achieved on the 21st October 2021, securing a capital receipt for the RDP. The site will subsequently be removed from the portfolio of sites being considered by the RDP.

### **Union Street East (Union Yard), Aldershot**



*Figure 2 CGI of consented Union Yard development*

### Planning Permission summary

- 128 student accommodation rooms
- 80 market rent/private sale residential homes
- 20 affordable homes
- 2,300sqm new commercial and retail provision

- 3.8 During the reporting period, the RDP has assisted the Council through its delivery due diligence process. The Council entered into a Demolition and Enabling contract with Hill Partnerships with works concluding in early November 2021.



*Figure 3 Time lapse image of Union Yard demolition works*

- 3.9 The Council entered into the main build contract with Hill Partnerships in November 2021 with the scheme targeting practical completion in Spring 2024.

### Civic Quarter, Farnborough



*Figure 4 Illustrative visual of Civic Quarter scheme*

- 3.10 The RDP has progressed the outline masterplan application for the Civic Quarter site, seeking to deliver a transformational redevelopment of a large-scale, mixed-use town centre scheme to create a development within Farnborough, for people of all ages to come together, and drive the future prosperity and long term sustainability of the town centre.
- 3.11 During the reporting period, the RDP has undertaken two phases of public engagement in March 2021 and September 2021.
- 3.12 The first phase of engagement took place during the height of the Covid-19 pandemic, meaning the RDP had to adopt a virtual, web-based approach. To ensure that the consultation was accessible to everyone, whilst being Covid secure, all of the consultation materials were available in hard copy upon request.
- 3.13 Public consultation was carried out between 8th and 28th March 2021, with information hosted on the RDP website, along with the engagement survey. This consultation used the eight established objectives from earlier phases of engagement to understand what local people would like to see prioritised in the area.

## NEXT PHASE OF CIVIC QUARTER CONSULTATION

Based on responses to the public consultation undertaken in 2019, the Rushmoor Development Partnership is focussed on bringing forward a masterplan for the Civic Quarter site that:



Before coming forward with more detailed proposals later this year, the RDP would like to understand the preferences of local people to further feed into the future masterplan.

Please take part in this consultation between 8th March—28th March:

Visit: [www.rushmoordevelopmentpartnership.com/civic-quarter](http://www.rushmoordevelopmentpartnership.com/civic-quarter)

Call: 0800 368 7592 (Freephone)

Email: [information@rdplp.co.uk](mailto:information@rdplp.co.uk)



For more information, visit; [www.rushmoordevelopmentpartnership.com/civic-quarter](http://www.rushmoordevelopmentpartnership.com/civic-quarter)

Figure 5 Public Consultation Advert for first engagement in March 2021

3.14 In total, 390 survey responses were received to the consultation. The feedback received from the consultation was very balanced and gave some helpful indicators as to what the community would like to see arising from development of the Civic Quarter site.

3.15 The key themes arising from the consultation were:

- Reflecting the requests for a leisure centre on site and for this to include a swimming pool
- The need for a library
- The need for outside seating areas
- The need for parking to be considered as part of the proposals
- Traffic concerns around the town
- Respondents wanted there to be consideration for community uses, with spaces for visitors to meet up, as well as for specific uses.
- Respondents would like to see more space for performance arts and culture
- Improved pedestrian and cycle connectivity
- Support for the introduction of restaurants, bars, and cafes
- The need for consultation to be as inclusive as possible

3.16 As the second phase of the consultation took place after Covid – 19 restrictions in England had eased, the consultation for the Civic Quarter in September 2021 took place in a hybrid fashion. To ensure that the consultation was accessible to everyone, the project team ensured that in addition to the traditional in-person consultation events, all of the information on the Masterplan proposals was provided on the RDP website in a virtual exhibition room, plus available in hard copy upon request.

3.17 Public consultation was carried out between 6th and 26th September 2021 and was advertised in the local community through community mailing, the Heart of Farnborough and the RDP distribution lists, Facebook and Twitter posts, Facebook and Instagram adverts, a poster and information stand placed up in Princes Mead as well as other posters in the Town Centre, and a press release. All communications linked the community through to a dedicated consultation website, where more details on the proposals were available, as well as details on how to submit feedback, and a survey. All communications included details of the in-person consultation event.



*Figure 6 Public consultation at Council Offices*

- 3.18 In total, 479 survey responses were received to the third phase of the consultation. This represented a response rate of 1.94% when compared to the 24,672 leaflets mailed out to households in Farnborough.
- 3.19 It is worth noting that the survey responses received at the consultation events were generally more positive than those received online. This could be attributed to the fact that those residents were able to speak to the project team about their concerns and were perhaps more informed on the benefits of the proposals.
- 3.20 The feedback received during the second phase of consultation was balanced, with a number of stakeholders noting their support for the proposals in general. Concerns raised included insufficient car parking, the impact of the new residents on local traffic, safety issues with regards to e-scooters, the closure of the leisure centre, the size of the green space considering the number of new residents and the number of new homes on the site and what percentage of these will be affordable.
- 3.21 The RDP team has taken into consideration the consultation responses and subsequent refining of the key Council and community objectives and outcomes sought from the regeneration. This has been further informed by a design review, pre planning meetings and liaison with HCC highways officers.
- 3.22 Whilst the technical aspects of the masterplan are being considered, RDP is also in the early stages of assessing market appetite for a wide range of commercial uses and forms of residential, as well as private sale. Initial discussions with a variety of commercial operators confirms strong interest in the site and is informing the masterplan.
- 3.23 The RDP is also developing a business case, with the assistance and input from SQW, to provide the platform for potential submissions in support of prospective public funding opportunities to address an identified funding gap arising in respect of proposed delivery of the Civic Quarter development.



- 3.24 Working concurrently with masterplan development, RDP is also preparing the site development strategy and model to support the delivery of a high quality comprehensive development. The model will evolve as the masterplan develops and will also address important aspects such as the funding of site wide infrastructure and creating a town centre focus for improving Farnborough's commercial core.
- 3.25 The RDP is scheduled to submit an outline application in Q1 2022.

#### **Blandford House, Aldershot**

- 3.26 The RDP was made aware of the opportunity to acquire the freehold interest known as Blandford House, Aldershot in early 2021. Following Board approval, a first round offer was submitted in February 2021. The site, owned by Grainger, had the benefit of an outline consent for 180 new homes. A proposal, on the basis of seeking to achieve 195 units, was presented by the RDP for consideration.



*Figure 7 Blandford House proposal*

- 3.27 The RDP was subsequently invited to submit a best and final offer in March 2021. Following consideration, the RDP was notified that it was unsuccessful with its final offer.

#### **The Meads, Farnborough**

- 3.28 The RDP has been asked to provide some high-level feasibility input to assist the Council as part of its due diligence associated with the acquisition of the long lease interests at

The Meads shopping centre, Farnborough. To date, consideration has been given to development options associated with Block 3 alongside high-level appraisals.

### **Communications and Profile of Partnership**

- 3.29 The RDP continues to host a website ([www.rushmoordevelopmentpartnership.co.uk](http://www.rushmoordevelopmentpartnership.co.uk)) and a social media presence on both Twitter and Facebook. These mediums have been used to host site-related materials and to promote engagement events / gauge public opinion, particularly in relation to the Civic Quarter during this reporting period.

RDP Investment Team

December 2021

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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