

LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 25th January, 2021 via Microsoft Teams and streamed live at 7.00 pm.

Voting Members

Cllr S.J. Masterson (Chairman)
Cllr Mara Makunura (Vice-Chairman)

Cllr Sophia Choudhary
Cllr A.K. Chowdhury
Cllr A.H. Crawford
Cllr Veronica Graham-Green
Cllr Christine Guinness
Cllr A.J. Halstead
Cllr L. Jeffers
Cllr Jacqui Vosper

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

19. MINUTES

The Minutes of the meeting held on 23rd November, 2020 were approved and would be signed by the Chairman at a later date.

20. SELECTION OF MAYOR AND DEPUTY MAYOR 2021/2022

The Chief Executive reported on the outcome of the selection process for the Mayor-Elect and the Deputy Mayor-Elect for 2021/22. The appropriate Members on the seniority list had been contacted and Cllr C.P. Grattan was the next Member able to accept the nomination for Deputy Mayor. Through normal progression, Cllr B.A. Thomas, currently Deputy Mayor, would progress to the position of Mayor for 2021/22.

The Committee **RECOMMENDED TO THE COUNCIL** that:

- (i) Cllr B.A. Thomas be appointed as Mayor-Elect for the 2021/22 Municipal Year; and
- (ii) Cllr C.P. Grattan be appointed as Deputy Mayor-Elect for the 2021/22 Municipal Year.

21. REVIEW OF RUSHMOOR'S POLLING DISTRICTS AND POLLING PLACES

The Committee considered the Head of Democracy and Community's Report No. DCS2102, which recommended changes to the arrangements for polling districts

and places following a review that had been undertaken by the Elections Group and other Members of the Council.

The Committee was advised that, in carrying out the review, consideration had been given to a range of issues with specific regard to the criteria of:

- using existing polling places where possible
- accessibility for electors
- avoiding the use of mobile stations/temporary structures
- ensuring the facilities meet the requirements of a range of electoral events

The stages of the review process were as follows:

- notification of the review primarily through the Council's website and online media
- consultation process with stakeholders and the local community
- preliminary consideration by the Elections Group
- discussion with Ward Members where issues were raised through the consultation to consider the issues and to finalise proposed polling districts and places
- review meeting by the Elections Group on 13th January 2021
- recommendation to the Licensing, Audit and General Purposes Committee (25th January 2021) and the Council on 25th February 2021.

The Report set out a schedule of all the polling places in the Borough, which largely met the criteria established at the start of the review process and the number of changes proposed was minimal. Following consideration by the Elections Group, it was proposed that there should be two new polling places: Parsonage Farm Nursery and Infant School (St. John's Ward) and Elim Pentecostal Church Hall (North Town Ward). The Group was also recommending a change to the polling district of St John's Ward.

The Elections Group had also been advised that Ascension Church Hall (Rowhill Ward) would not be available for use in 2021 and consideration was being given to the use of a temporary arrangement, and this was likely to be the Aldershot Traction Club.

The Head of Democracy and Community advised the Committee that, in Wellington Ward, the Elections Group had agreed that consideration should be given in the future to an additional polling place in Wellesley when the population there increased. The Committee noted that Princes Hall was currently in use as a vaccination centre and, after consideration by the Elections Group of possible other polling place locations, it had been agreed that another location would be used within Princes Hall for a polling place.

RESOLVED: That the Council be RECOMMENDED TO APPROVE the proposed changes to polling districts and polling places, as set out in the Head of Democracy and Community's Report No. DCS2102.

22. UPDATE ON THE LOCAL GOVERNMENT ASSOCIATION MODEL CODE AND DRAFT NEW CODE OF CONDUCT FOR MEMBERS

The Committee considered the Monitoring Officer's Report No. LEG2101, which recommended the approval of a draft new Code of Conduct for Councillors for a six-week period of consultation with Councillors, members of the public, community organisations and neighbouring authorities. Following the consultation exercise, a final draft new Code would then be considered by the Committee on 29th March 2021 for recommendation for adoption by the full Council at the meeting on 22nd April 2021.

The Report advised Members that the current Code of Conduct for Councillors required updating and being consulted upon in line with the best practice recommendations of the Committee on Standards in Public Life following their report into Ethical Standards in Local Government. A new Model Councillor Code of Conduct had been produced by the Local Government Association, designed to protect a councillor's democratic role, encourage good conduct and safeguard the public's trust in local government. The new draft Code also sought to reassure members of the public that those they elected would be accountable in meeting the behaviours set out in the Seven Principles of Public Life and taking decisions in a fair and transparent way.

Rushmoor's draft new Code of Conduct for Councillors, as set out in the Report, mirrored the Local Government Association's Model Code and had been produced for consideration and consultation in order to finalise a new Code for adoption by the Council.

The Committee was advised that the draft new Code applied to all forms of communication and interaction, including social media communications. The draft Code set out the minimum standards of conduct required of councillors with guidance on the reasons for the obligations and how they should be followed. If a councillor's conduct fell short of these standards it was made clear that, on receipt of any complaint, this might result in action being taken. The obligations included:

- treating others with respect
- not bullying or harassing anyone
- the promotion of equalities
- not attempting to compromise the impartiality of anyone working for, or on behalf of, the Council
- confidentiality
- not using knowledge gained solely as a result of being a councillor for the advancement of self or others
- not preventing anyone from getting information they were entitled to by law
- not bring role of the Council into disrepute
- not use or attempt to use the position of councillor improperly to the advantage/disadvantage of themselves or others
- not misuse Council resources
- undertake training on the Code
- co-operate with any investigation under the Code

- register and disclose interests
- disclose gifts and hospitality with a value of over £50 within 28 days of receipt and register any significant gift or hospitality offered but that has been refused

In respect of the registration and disclosure of interests, the new Code maintained the legal requirement within 28 days of election or re-election to register Disclosable Pecuniary Interests in accordance with The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. There was also a requirement to register the details of other personal interests. The new Code set out a list and description of these types of interest and also the implications of the existence of such interests in relation to a councillor taking part in any discussion or decision making on a matter in which they have any interest. It was noted that the new draft Code simplified the description and impact of personal interests and did not contain reference to the concept of 'prejudicial interests', in so doing removing the requirement to apply an additional subjective test.

RESOLVED: That

- (i) the draft new Code (as set out in the Report) be agreed for public consultation;
- (ii) approval be given to a six-week period of consultation on the draft new Code with Councillors, members of the public, community organisations and neighbouring authorities;
- (iii) following the period of public consultation, a report be brought to the Committee with a final new draft Code for consideration and recommendation to the Council for adoption, if appropriate.

23. INTERNAL AUDIT - AUDIT UPDATE

The Committee received the Audit Manager's Report No. AUD2101, which provided: an overview of the work carried out by Internal Audit for quarter 3 of 2020/21; an update on the overall progress towards the 2020/21 audit plan; a schedule of work expected to be delivered in Quarter 4; and, an update on counter-fraud work carried out to December 2020.

In respect of the audit assurance opinion given on Alderwood Leisure, the Head of Democracy and Community informed the Committee that action was taking place, with some considerable progress having been made, on many of the issues raised in the audit. He had recommended that a follow-up audit should be carried out on Alderwood Leisure.

During discussion, Members raised questions regarding: the use of the facilities at Alderwood Leisure; pressure on staffing resources within Internal Audit; use of staffing resources from Wokingham Borough Council; the need to build in resilience within the Council's staffing resource; and, the effect of home working on delivering projects and targets.

RESOLVED: That the Audit Manager's Report No. AUD2101 be noted.

24. STATEMENT OF ACCOUNTS 2019/20 - UPDATE

The Committee received the Executive Head of Finance's Report No. FIN2102, which gave an update on audit progress for the Council's Statement of Accounts for 2019/20 and provision of the audit opinion since the meeting on 23rd November 2020.

Members were reminded that, as reported to the meeting on 23rd November 2020, the Council's external auditor opinion was not due to be received until after the statutory deadline, with a commitment to work towards an opinion being available for this meeting. The Committee was advised that there were 265 public bodies that had not received an auditor opinion by 30th November, 2020, which equated to around 55%. This figure had been 43% in 2018/19.

The Report advised that officers and Ernst and Young had worked through a number of audit issues since November with a number of audit areas completed. However, there remained a number of outstanding queries in relation to asset valuations which needed to be resolved before an opinion could be given. It was likely that the Council would need to respond to Ernst and Young on any valuation differences and whether these gave rise to an adjustment to the financial statements. Members were also informed that the Council would also have to provide Ernst and Young with an updated impact on the Council's finances from Covid-19 and any Post Balance Sheet Event given the ongoing risk Covid-19 posed to the Council's financial standing. It was noted that, in order to complete the accounts and audit opinion process, the Statement of Accounts would need to include a detailed Disclosure Note that addressed going concern. A Disclosure Note would be drafted with an updated forward projection of the Council's reserves and balances and a projection of the Council's cashflow and liquidity for the next 12-18 months as well as a forward projection of reserve deployment over the Medium Term Financial Strategy period.

The Committee was advised that, at a meeting with Ernst and Young on 14th January 2021, it had been 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 the Committee on 29th March 2021. Members were reassured that the additional time take was not due to errors, omissions or matters concerning the quality of the final accounts.

RESOLVED: That the Executive Head of Finance's Report No. FIN2102 be noted.

25. TREASURY MANAGEMENT AND NON-TREASURY INVESTMENT OPERATIONS 2020/21

The Committee received the Executive Head of Finance's Report No. FIN2033, which set out the main activities of the Treasury Management and non-Treasury Investment Operations during the first half of 2020/21. The report was a statutory requirement under the CIPFA Code of Practice on Treasury Management.

It was noted that the Council's treasury team continued to concentrate on the security of investments with due regard for the returns available. Increased levels of borrowing meant that the treasury team continually reviewed the borrowing strategy, weighing up interest rate levels and risk of refinancing. During the 2020/21 financial year, short-term interest rate levels had decreased and were forecast to remain low. However, borrowing levels had increased, which raised the refinancing risk. All treasury management decisions were taken with due regard to refinancing risk.

The Committee was advised that total borrowing at 30th September 2020 was £87.0 million, which represented a decrease of £3.0 million from the 2019/20 year-end position. Year-end borrowing was forecast to be £116.7 million below estimated levels due to the timing of investment property purchases. The lower level of borrowing and lower interest rates had resulted in forecast interest cost of borrowing reducing by £0.5 million. The Council was forecast to have non-treasury investments risk exposure of £1.32 million, of which £91.6 million was funded via external loans. The return of non-treasury investments was forecast to be below estimated return for 2020/21 due to the deferral of interest on the Farnborough International Loan until 2026.

During discussion, questions were raised regarding: where the Council stood in relation to other authorities within the Arlingclose portfolio in respect of capital appreciation; the forecast proportion of gross service expenditure funded by investment activity; and, the market commentary provided by the Council's treasury management advisors (Arlingclose). The Executive Head of Finance undertook to contact Members of the Committee by email on the issues raised.

RESOLVED: That the Executive Head of Finance's Report No. FIN2033 be noted.

26. TREASURY MANAGEMENT STRATEGY 2021/22 - UPDATE

The Committee received the Executive Head of Finance's Report No. FIN2103, which advised Members of the anticipated changes to be made to the Council's Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy for 2021/22 taking into account the current economic outlook, the impact from Covid-19 and the Council's budget and medium term financial forecasts.

The Committee was advised that the significant changes to the Treasury Management Strategy would be due to the revised Public Works Loan Board Lending Terms. The new lending terms had taken effect for all Public Works Loan Board loans from 26th November 2020. The lending terms were more restrictive and would require the Council to review its capital expenditure and financing plans. However, the Government would, as a result of the reforms, lower the interest rate of Public Works Loan Board lending by 100bps (1.00%) for all new loans arranged from 26th November 2020 that had been announced by the Government in the Spending Review on 25th November 2020. The new lending terms reflected the Government's view that local authorities should not undertake capital expenditure on investments assets that would be held primarily for yield. The lending terms set out four broad areas of activity that would be supported: service spending; housing; regeneration projects; and, preventative action.

It was noted that, as a result of these changes, the Capital Strategy, Capital Programme and the Treasury Management Strategy and Annual Non-Treasury Investment Strategy would be amended to explicitly remove any capital expenditure activity that was not compliant with the new lending terms.

The Committee was also advised that the Strategy would also be amended to reflect updated forecasts for investment income (from Pooled Funds in particular), borrowing requirement and other prudential indicators. The Strategy would also need to revise the Borrowing Strategy in the light of interest rate forecasts and the changes to the Public Works Loan Board Lending Terms.

The Treasury Management Strategy would be considered by the Cabinet and Council in February 2021. However, it was likely that the Strategy would require significant updates during the 2021/22 financial year given the decisions that were likely to come forward on the Union Street and Civic Quarter regeneration schemes. Given the scale and complexity of these regeneration schemes, they would not be included in the Capital Programme and would be brought forward to the Cabinet and Council in due course upon completion of the due diligence work.

RESOLVED: That the Executive Head of Finance's Report No. FIN2103 be noted.

27. APPOINTMENTS TO OUTSIDE BODIES

RESOLVED: That the appointment of Cllr Marina Munro (Portfolio Holder for Planning and Economy) to a vacancy on the Police and Crime Commissioner Panel Hampshire Gypsy and Traveller Community Support Panel for the remainder of the 2020/21 Municipal Year be noted.

The meeting closed at 8.32 pm.

CLLR S.J. MASTERSOON (CHAIRMAN)
