

BRECKLAND COUNCIL

At a Meeting of the

GOVERNANCE AND AUDIT COMMITTEE

Held on Thursday, 11 February 2021 at 10.00 am

This meeting is in line with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

PRESENT

Cllr Bill Borrett (Chairman)	Cllr Kay Grey
Cllr Robert Kybird (Vice-Chairman)	Cllr Jane James
Cllr Harry Clarke	Cllr Linda Monument

Also Present

Cllr Timothy Birt	Cllr Vera Dale
Cllr Sarah Suggitt	Cllr Ian Martin
	Cllr Philip Morton

In Attendance

Alison Chubbock	- Chief Accountant (Deputy Section 151 Officer) (BDC)
Jason Cole	- Executive Manager People & Innovation
Faye Haywood	- Internal Audit Manager
Mark Hodgson	- Lead Audit Partner
Ryan Pack	- Innovation and Change Business Partner
Mark Stinson	- Executive Manager Governance (Deputy Monitoring Officer)
Teresa Smith	- Democratic Services Team Leader
Julie Britton	- Democratic Services Officer

Chairman's Opening Remarks

The Chairman welcomed everyone to the meeting and apologised for the late start due to technical issues.

1/21 MINUTES (AGENDA ITEM 1)

The Minutes of the meeting held on 17 December 2020 were confirmed as a correct record subject to the word 'to' being removed from Minute No. 55/20 (page 12 of the agenda pack, paragraph 4), to read: 'Members were informed that this table linked ~~to~~ back to...'

2/21 ACTIONS ARISING FROM THE MINUTES (IF ANY) (STANDING ITEM) (AGENDA ITEM 2)

None.

3/21 APOLOGIES (AGENDA ITEM 3)

None.

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At this point, the Chairman welcomed Members of the Overview & Scrutiny Commission (O&SC) to the meeting. All would be allowed to speak but not vote. He was aware that O&SC Members had been invited to consider agenda item 13 and with this in mind, and following a proposal, it was agreed that the order of the agenda would be changed and agenda item 13 would be discussed earlier in the meeting following agenda item 6.

4/21 URGENT BUSINESS (AGENDA ITEM 4)

None.

5/21 DECLARATION OF INTERESTS (AGENDA ITEM 5)

None declared.

6/21 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA ITEM 6)

Councillor Suggitt was in attendance in her capacity as the Executive Member for Governance.

Also in attendance were Councillors Birt, Dale, I Martin and Morton, Members of the Overview & Scrutiny Commission.

7/21 TRAINING (STANDING ITEM) (AGENDA ITEM 7)

Councillor Birt asked about the Agile Working training session originally planned to take place on 29 January 2020 but had been cancelled.

The Chairman pointed out that this item was in respect of training for the Governance & Audit Committee and not general training for all Members.

8/21 BRECKLAND COUNCIL ANNUAL AUDIT LETTER FOR THE YEAR ENDING 31 MARCH 2020 (AGENDA ITEM 8)

Mark Hodgson, Associate Partner for Ernst & Young presented a detailed summary of the audit work carried out throughout the year ending 31 March 2020.

The purpose of this Annual Audit Letter was to communicate to the Council and external stakeholders, including members of the public, the key issues that had arisen from the External Auditors work.

It was noted that detailed findings had already been reported in the 2019/20 Audit Results Report and were not repeated in this letter.

The Vice-Chairman, Councillor Kybird referred to the Note in respect of IFRS 16 leases, and the comment stating that a substantial amount of work needed to be done. He asked if such work needed to be included on the G&A Work Programme.

Alison Chubbock, the Chief Accountant & Deputy S151 Officer advised that IFRS 16 would mean a big change for some councils but not for Breckland as it had very few leases and would not have an influence on the commercial property it leased out and a specific work programme

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would not be required.

Mr Plaskett, the Independent Lay Advisor also mentioned IFRS 16 and the fact that this was the second time that it had been delayed and asked for it to be confirmed that the Council did have appropriate measures in place to fully document all the leases that Breckland Council had.

He also asked a question of the External Auditor. He had noticed that the arrangements were being changed for securing economy, efficiency and effectiveness and asked how these changes were going to be made.

In response to the first question, the Chief Accountant & Deputy S151 Officer advised that the leases had now been documented three times due to the standard being delayed and would be documented again in preparation for 2022.

In terms of value for money and in response to the second question, the External Auditor explained that the three key areas as set out on page 26 of the agenda pack had always been covered but not necessarily reported if the findings had been positive. The new requirement was to be more public facing and to have a summary of findings against each of the three areas under the value for money criteria irrespective of the overall outcome.

Councillor Birt referred to page 31 of the agenda pack in respect of governance and how the Council ensured that it made informed decisions and properly managed its risks. He asked the External Auditor how these assessments were made and mentioned the Waste Management contract decision as an example where certain documentation was not provided to Members in a timely manner and how this applied to the 'informed decisions' and 'managing risks' criteria.

Members were informed that the example provided would have been one that had been considered by External Audit and if there happened to be a matter that demonstrated an inappropriate arrangement, a review would take place to underpin any conclusion.

The Annual Audit Letter for the year ending 31 March 2020 was otherwise noted.

9/21 SELF-ASSESSMENT REPORT (AGENDA ITEM 9)

Faye Haywood, the Internal Audit Manager for Breckland Council presented the Self-Assessment report.

Members were reminded that prior to the pandemic an off-line discussion had taken place in respect of the Committee's performance.

The Committee had considered that it was able to demonstrate best practice in all key areas against CIPFA best practice and as a result no further actions had been added to the Work Programme. It was also agreed that the self-assessment exercise would be undertaken annually going forward.

It had been brought back to this meeting to consider whether any additional comments should be added to the commentary section and if

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any of the scoring needed to be amended and, due to the fact that meetings were now being held on-line.

Suggestions from Members were welcomed.

Members' attention was drawn to Appendix 1 of the report and comments/suggestions were invited.

Mr Plaskett mentioned the Committee's Terms of Reference and asked if they had been seen recently and whether it was worth sending them to Members to confirm whether they remained relevant and accurate.

The Internal Audit Manager was not aware of any changes to the Terms of Reference but would be happy to circulate to Members as requested.

Councillor Monument had been through the answers and was happy with all of them but had been surprised at the answer between nos. 6 and 7 and asked if 'Functions of the Committee' was just a heading. If it was a heading, she felt that the 'tick' should be removed.

Councillor Kybird referred to item 9 of the appendix and said that he would be hard pressed to tick the 'yes' box on this matter and suggested that this should be carried out as a formal piece of work.

The Internal Audit Manager informed the Committee that this matter had been discussed at the last off-line session, the CIPFA's position statement was not a huge document and contained little detail in terms of additional responsibility but would be circulated along with the Terms of Reference for comment.

It was confirmed that the document had not changed since it was last reviewed by Members.

The Executive Manager for Governance referred to the earlier comment in respect of the Terms of Reference and reminded Members that they were set out in Part 3 of the Council's Constitution.

On page 40 of the agenda pack, Councillor Monument pointed out a small detail under no. 12 where it stated that 'has an effective audit committee structure and composition of the board had been selected'. She was aware that the word 'Board' was rarely used and asked if this should be changed to 'Committee'. The Internal Audit Manager explained that the wording had been taken directly from the CIPFA self-assessment questionnaire so would cover both.

Mr Plaskett referred to page 42 of the agenda pack. He had always been reluctant to suggest increasing the scores from a 4 to a 5 but having reread it and looking at the work that the Committee had carried out in the last 12 months in respect of risks he suggested and that the score should be increased to a 5.

The Chairman endorsed Mr Plaskett's comments and agreed that the Committee had carried out a great deal of work on risk management and it was agreed that the score should be amended accordingly.

RESOLVED that the attached checklist at Appendix 1 of the report be

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noted and updated as appropriate.

10/21 ACCOUNTING POLICIES 2020-21 (AGENDA ITEM 10)

The Chief Accountant & Deputy S151 Officer presented the report.

This report was presented to the G&A Committee on an annual basis for Members to consider the accounting policies that the Council would be using for the year. It was good practice to consider and agree the accounting policies in advance of the production and approval of the draft accounts.

There were no major areas of accounting change within the Code in 2021 due to the deferral of IFRS 16 as mentioned earlier in the agenda.

The only changes were updates to dates and years. Further areas would be updated such as the 'useful lives' shown in the policies and would be updated as required when the capital accounts closed in April.

Attention was drawn to page 47 of the agenda pack. The collection fund was an area that could potentially change in respect of how the Council calculated the provision for bad debts and appeals. As this year had been so different to others, changes to the provisions set would not be established until the end of March. Any such change would be communicated to Members with the Statement of Accounts.

In response to a question as to who would make that decision to change those provisions, Members were informed that it would be the Finance Team using the evidence available from the Rating Advisors at year end.

Councillor Monument asked if that was a matter of maths rather than policy. Members were informed that it was matter of maths, but the maths had to be stated within the policies.

Mr Plaskett asked if the Council should have a policy should the Bank of England move to a negative interest rate. He also asked a question about interest in companies and other entities as described on page 50 of the agenda pack as he had noticed that there was no mention of South Holland District Council.

The Chief Accountant & Deputy S151 Officer explained that in respect of the negative interest rates, the policies only reflected the current year up until the end of March 2021 and therefore no policy was required. She agreed, however, that if interest rates did change in the future this would need to be mentioned and would be kept under review.

In response to the latter question, the Council only had to have an accounting policy for material items and South Holland District Council was treated as a working partnership and such information would be reflected in the notes of the accounts but not in policy.

The Vice-Chairman referred to section 1.4 of the report where it stated that changes may be made to these policies if necessary and reported to the Governance & Audit Committee at the June meeting. He asked how Members were supposed to know what was necessary or would total reliance be put on the Finance Team to determine that.

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The Chief Accountant & Deputy S151 Officer agreed that Members were reliant on the Finance Team's professional judgement but anything that was changed would have to be in line with the CIPFA Code of Practice in line with accounting rules.

The Vice-Chairman asked if such changes would automatically be reported to the G&A Committee. Members were informed that if the recommendation within the report was agreed, any subsequent changes made to the policies would be brought to Committee within the draft Statement of Accounts.

RESOLVED that the accounting policies for 2020-21 as set out in Appendix A of the report be agreed.

11/21 RISK MANAGEMENT POLICY (AGENDA ITEM 11)

Ryan Pack, the Innovation & Change Business Partner presented the report.

Jason Cole, the Executive Manager for People & Innovation was also in attendance.

Members were provided with a brief overview of the report.

The Risk Management Policy was seen as a best practice example by the External Auditors for the rest of the audit consortium but was in need of renewal.

The Council was currently in the process of recruiting a temporary Performance Framework Manager to identify, enhance and implement a new framework across the Council.

The Innovation & Change Business Partner was content with the Policy as it stood but if a decision was made to formally review the Policy for a further 18 months, this would limit the scope of the Performance Framework Manager's role and could result in them either being unable to make alterations to the Risk Policy or having to provide an entirely new Policy for approval. It was therefore proposed that a shorter extension be given to the current risk management framework of six months instead of 18 months.

The Chairman asked what the new Manager's timeframe would be to complete this work. The Innovation & Change Business Partner informed Members that a six-month extension was being proposed but both he and the Executive Manager for People & Innovation were committed to looking at the framework themselves if the post was not filled.

The Vice-Chairman felt that the recommendation was rather open ended and suggested that it should also include a further recommendation to be brought back to the Governance & Audit Committee in September for review.

Mr Plaskett had read on page 57 of the agenda pack that the Council's Policy was seen as best practice by the External Audit Team which, in his opinion, meant that the current Policy was in good shape and was

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acceptable but felt that six months was not long enough due to the fact that the Council was finding it difficult to recruit to this temporary post.

Mr Plaskett also pointed out a couple of minor typing errors on page 57 at section 1.5 and on page 60 of the agenda pack where it stated that "Where an operational risk retains a high-risk score despite mitigation for three quarterly reporting periods it will be escalated to become a strategic risk", he was not aware that this had ever happened and asked if the Internal Auditors looked through this as part of their process to ensure that this transpired.

The Internal Audit Manager confirmed that this did happen and asked Members to cast their minds back to a previous risk management audit review where a number of recommendations had been raised in that regard and thus ensuring the process was followed in accordance with the Policy.

Councillor Morton asked for clarification on section 1.2 of the report where it stated that the Policy had been recognised as best practice, yet the Council was now seeking to set up a whole new structure. He felt that if everyone was happy with the current Policy and that it could be modified was that not sufficient.

The Innovation & Change Business Partner stated that he would not want to extend this Policy for 18 months and then following recruitment further suggestions would then have to be brought back to Committee.

The Executive Manager for People & Innovation advised that there were a number of operational opportunities that sat under this framework, along with software and felt that this was a fitting time and opportunity to look at this again and continue best practice. This had to be looked at every year to consider the operational elements that sat underneath the framework as well as the framework itself. He explained the current system used called Pentana and the opportunities to get more out of this system as currently used. He also explained the role and remit of the temporary post.

The Vice-Chairman felt that section 1.2 should be reworded to read: "the policy is recognised as current best practice".

Councillor Monument had been searching the Policy to see where 18 months was mentioned and had found it at the top of page 71 under Section 19 where it stated that: "The Framework will be reviewed by the Governance & Audit Committee on an 18- month basis.". She asked if an amendment should be made to this section to read: "on an 18-month basis or sooner if appropriate".

The Chairman felt that given this was a general policy he believed that a specific review was being requested and was content to leave the wording as it was.

Councillor James asked if a simpler recommendation could be added and suggested that the review be deferred until September 2021.

The Chairman disagreed with the aforementioned suggestion as this would mean that the Council would not have a Risk Management Policy

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in place.

Councillor Monument felt that if the current recommendation was agreed additional wording should be added, such as: “.....in this year and an additional review to take place at the Governance & Audit Committee meeting in September 2021”.

This suggestion was proposed and seconded, and it was:

RESOLVED to **RECOMMEND** to Full Council that the draft Risk Management Policy be adopted in this year and an additional review take place at the Governance & Audit Committee meeting in September 2021.

12/21 Q3 STRATEGIC RISK UPDATE (AGENDA ITEM 12)

Councillor Suggitt, the Executive Member for Governance introduced the report.

Since the G&A Committee meeting in December a number of minor changes had been made to the report that related to the strategic risks that the Council currently faced.

Covid-19 remained as the Council’s highest risk; however, there were robust mitigations in place. These ensured that the Council could continue to operate and deliver its services throughout the pandemic. This risk would remain in place for the foreseeable future.

It was also worth noting that since the Committee last met the Council had outlined its financial plans for the upcoming year and this had resulted in two of the financial risks being downgraded in terms of their immediate risk impact. The reasons for this could be found in Appendix A of the report.

The Innovation & Change Business Partner explained that the only other risk that he wanted to highlight was in respect of the ICT security risk. Conversations had been had with the Head of IT, the Legal Department and the Finance Department in respect of this particular risk and had been outlined in the comment why it remained and why he had been content with the current assessment.

The reasons behind certain risk scores and the Strategic Risk Matrix at Appendix B were then explained in detail.

In terms of the current risk score of 25 for the pandemic, which was having a huge impact on the Council, the Internal Audit Manager felt that the current score was a little high and most probably warranted further discussion between Officers as to where this score originally stemmed from

The Innovation & Change Business Partner was more than happy to have a conversation with Executive Management Team about this risk and whether such a score was still appropriate.

Referring to page 88 of the agenda pack, critical breach of ICT security, under the 3rd paragraph of the latest note, Councillor Monument had noticed a word missing and asked for this to be clarified. Members were

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informed that the Council was in the process of rolling out the Doja cyber security training.

The Executive Member for Governance pointed out that the training was all on-line for Members to complete on the Members' page.

Mr Plaskett felt that there were some very good notes attached to all the strategic risks of which he was grateful and felt that a number of big improvements had been made. However, he was concerned about the time drift on when the targets were expected to be met. Many had been delayed by many months and he felt that this should be made clearer as to what was meant by target dates - were these dates ever refreshed or had some of these risks not been met which, over a 24-month period, in his opinion, was not particularly acceptable.

The Innovation & Change Business Partner explained that the Council did consider this at the last meeting. There were risks that had had their target dates refreshed including the finance risks and the Local Plan risk that had been changed to 2022. In terms of the old targets dates some of the risks had met their target date such as GDPR which had subsequently increased in response to the pandemic and homeworking. He was in the process of trying to get all target dates refreshed but he was finding it quite difficult during this pandemic but would hopefully bring some new/refreshed target dates to the next meeting.

The Chairman referred to the Local Plan and mentioned the new Government legislation which had interfered with this and had changed the goal posts. That was a good enough reason why that target had not been met. However, he agreed with Mr Plaskett's comments in respect of the timeframe.

Mr Plaskett felt that it would be helpful, going forward, if the original target date of when it became a strategic risk were included and if dates were ever amended, to include information about how many times the target date had been missed and what the new target date was.

The Chairman endorsed these suggestions.

The Innovation & Change Business Partner said that he would be happy to take these suggestions away and amend accordingly.

Councillor Birt queried the way in which these assessments had been carried out and the subsequent scoring particularly in respect of ICT.

The Innovation & Change Business said he would have a further discussion with the Head of IT about the target and provide an update at the next meeting.

Subject to the aforementioned actions, the report was otherwise noted.

13/21 CONSTITUTION - CALL-IN OF OFFICER NON-KEY DECISIONS/DEFINITION OF KEY DECISION (AGENDA ITEM 13)

Cllr Suggitt, the Executive Member for Governance presented the report.

The report had already been considered by the Governance & Audit

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Committee and the Overview & Scrutiny Commission in October 2020. The report was then included on the agenda for the Full Council meeting on 10 December 2020 but was deferred and subsequently referred back to the Governance & Audit Committee for further consideration.

The Executive Member for Governance stated that, although there were not any problems with the current process, further discussions should take place to establish whether the Council had the right balance between efficiency and Member oversight when it came to lower level and lower value Officer decisions.

There had not been any call-ins in respect of any lower-level Officer decisions made but the system that the Council currently had meant that such decisions had to wait 5 clear working days before the decision could be implemented. This was felt to be an unnecessary delay in the process and was worthy of further discussion.

The current position that the Council found itself in, in respect of the call-in procedure for these lower-level decisions, had not been adopted deliberately. This had come about by the terminology used in the Council's Constitution and a change in the law. The Constitution referred to Executive decisions, without separately identifying Officer decisions and the law change intended to require publication of Officer decisions for reasons of transparency; however, the change in law did not require the call-in of lower-level Officer decisions.

At the Governance & Audit Committee meeting in October 2020, a valid point had been raised about the importance of clarifying the definition of a key decision. The Council's current definition referred to it being 25% of the relevant budget; however, there was no clear indication as to which budget was relevant for use in that calculation. In some cases, it could be argued that the current value of a key decision could be higher than the figure proposed in the report.

A fixed value financial threshold had therefore been proposed. Officers had looked at a range of values from neighbouring authorities and a figure roughly in the middle of these had been selected as there was a balance to be found between efficiency and oversight.

The implications of a decision being defined as a key decision, also had an impact on the speed of decision making. The Council had to provide advanced public notice that a key decision was going to be made, a total of 28 days before the decision could be taken. Added to this would be the usual 5-day call-in period with the additional 7 to 14 days should the decision be called in. The lower the figure that was set for a key decision would be subject to more decisions falling into this category and would be delayed by the 28-day period. This would be for Officer, Portfolio Holder, Leader or Cabinet decisions.

The Executive Member for Governance fully supported the recommendations as she believed they would help to improve the Council's efficiency and provide clarity to the functions.

Mark Stinson, the Executive Manager for Governance was in attendance to respond to any technical questions.

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Members were made aware of a few minor additions, firstly there were decisions that were classed as non-executive decisions; these were Officer decisions with delegations approved by Full Council or from a Committee of the Council. For example, there were planning applications that Officers were authorised to approve but due to them not being non-executive in nature, those decisions, whilst having to be published, were not subject to call-in. Also, the power of the Overview & Scrutiny Commission (O&SC) to consider and review any matter including a matter determined by an Officer, as the Councillor Call for Action still remained in the Constitution. This report was about the matter of 'call-in', not around the issues of the O&SC.

Additionally, in terms of the figures set out in the table within the report, in respect of the value of a key decision, the lower end of those stemmed from two neighbouring authorities where a £100,000 had been quoted, however, one was £100,000 or 10% of the relevant Portfolio Holder budget and the other referred to expenditure or savings of £100,000 or more except where such expenditure or savings was specifically identified in the Council's budget.

Councillor Clarke thanked Councillor Suggitt and Mark Stinson for their report. There were a number of issues that he felt needed further clarification, particularly in respect of the points raised by Members of the O&SC. Firstly, the ability of the O&SC to scrutinise any decision. If the call-in process was changed, would this be done retrospectively and scrutinised accordingly and halted for a period of 28 days. Secondly, the criteria to decide what was a key decision or not. For example, there could be an impact on two or more Wards without it necessarily achieving the financial value. Councillor Clarke then referred to the recommendations and asked the Executive Manager for Governance if the key decision threshold was just simply above £250k.

Members were informed that this was a complex issue but the Council Call to Action continued to be an extensive power of the O&SC to review anything including decisions. The difference currently with the call-in process, was whilst the O&SC could not change a decision it could cause a decision to be paused for a period of time to allow further debate. The comments made from O&SC would then be passed back to whoever had made the original decision and the decision maker must then take into account those views when making the final decision. Therefore, the ability to review, scrutinise and indeed to suggest a further change to the Constitution, if Members were unhappy, would still exist.

In respect of the definition of key decisions, the Executive Manager explained that it was more than just financial. A key decision was classed as a decision that had a significant impact on two or more communities; therefore, a decision could be a key decision regardless of the financial value. The law specified that a key decision could either be due to the fact that it had a significant impact or simply due to the value and was at the discretion of each individual Council to identify the cut off point.

Councillor Kybird, the Vice Chairman of Governance & Audit Committee asked for Members to be refreshed on the decision process that had been arrived at in respect of the £250,000 figure. He also asked if key decisions did not include decisions made by Full Council but if those decisions affected individual Wards would the O&SC still have the power

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to call those in.

The Executive Manager for Governance advised that the £250,000 figure had not been determined as yet but had been suggested by Officers having looked at other figures that had been applied in other neighbouring authorities. In terms of non-executive decisions, including decisions of the Council or the Council's Committees, there was no power of call-in. Call-in only applied to Executive decisions, decisions made by the Portfolio Holder or Cabinet or an Officer exercising a delegated authority that had been derived from one of those decision makers. O&SC did have a very wide power to scrutinise so a decision made by the Council or one of its Committees could be scrutinised and could submit its views and suggestions to the relevant body.

Councillor Ian Martin thanked the Chairman for inviting O&SC Members to the meeting. He referred to the Minutes of the O&SC meeting in October that had expressed their concerns but had not been explicit and therefore he appreciated the opportunity to speak to explain why the O&SC had come to a different view from the preceding G&A Committee.

He felt it was worth noting that it did seem a good idea to propose constitutional amendments that affected another Committee and for that Committee to have the opportunity to review and comment in advance of it going to G&A so that those Members had all the information before them before considering the proposal. Whilst procedurally this had happened the wrong way round it was quite understandable why G&A came to one view and O&SC came to another.

The proposal before Members was, in essence, the same as previously tabled and when this was presented to O&SC the two reasons given for change were that the current arrangements slowed down the decision-making process and secondly, with so many decisions being made Members, particularly new Members, might not be able to determine which were important and which were not. O&SC Members were not hugely impressed that they were not able to distinguish between more important and less important decisions.

Additionally, as was previously demonstrated in 2020, a decision that would normally be subject to call-in, was taken as urgent and therefore the call-in process did not apply as any delay would have caused an issue. An email to the Chairman of O&SC setting out the reasons for its urgency was provided, this giving the Chairman the opportunity to waive that call-in requirement. At that O&SC meeting it was certainly felt that no examples had been given as to how matters were being delayed and where decision making was actually being slowed up and as a consequence, the proposals did not stand. The proposals were then put to a vote and with 8 votes in favour of rejection, 3 against and one abstention, there had been a clear cross-party decision and hopefully explained the context for further deliberation by G&A Members. For clarity, Councillor Martin stated that O&SC did not express any views to the key decision definition.

Following on from the aforementioned comments, Councillor Birt felt that the fact this was being presented as if there were not any problems to the current system, it did seem rather perverse to be making these changes. It could be perceived as trying to hide these decisions, rather than being

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more open and transparent. He felt that the difference between the Councillor call for Action and call-in was somewhat more significant than he felt was being indicated. The Councillor Call for Action was very wide ranging but was retrospective. The call-in, which was very rarely used, was being used responsibly and had happened recently where the three Leaders of the Opposition parties requested a call-in. This process could not be classed as trivial as it was not a regular occurrence and it was important under certain circumstances to delay decisions and therefore felt that the proposed changes could damage public perception.

Referring to the value that had been set for the key decision threshold, Councillor Birt felt that there must be a robust reason for going above the £100,000 figure as just picking a mid-point was not, in his opinion, a good rationale.

The Executive Manager for Governance explained that it was fair to state that no particular problems had been identified in respect of the 5 working day call-in period, nevertheless, there was a 5 working day delay to the lower level and lower value decisions. On that basis, it was worth Members considering the balance between efficiency and Member oversight. He completely understood Members concerns but it seemed to be an appropriate matter to address. In terms of the value of the key decision, it was not simply the case of choosing a middle figure, it had seemed an appropriate point bearing in mind that every decision that was classed as a key decision had attached to it an inbuilt 28-day delay and therefore classing too many decisions as a key decision would add significant delay to a number of those decisions. The £100,000 was not necessarily a straightforward amount as mentioned earlier as there were other areas that had to be considered. Another authority that adjoined Breckland had a £500,000 figure and another pegged its decisions to the values that were set within the procurement rules which, for supplies and services, were in the upper £100,000s and of course work contracts were in the millions. There was a broad range of values and definitions across the country and as such it appeared to be an appropriate figure given the impact that it would likely have on a number of decisions. This was entirely for Members to determine what they felt was appropriate in the current circumstances.

The Chairman agreed with Councillor Martin's comments and apologised for this report going to G&A before O&SC and hoped that even though it had not been ideal, a solution would now be found, and lessons would be learnt from this experience and would not happen again. Additionally, he believed that Breckland Council had always been a Member led authority very different from other authorities and was one of the reasons that it had a much higher level of income not derived completely from taxation. He felt that being 'fleet of foot' was important for a dynamic and commercial authority that was perhaps less important for others. Competing with its commercial asset portfolio with private companies and making decisions at whatever speed they chose he did not want to put Breckland Council at a disadvantage. He also mentioned that these decisions were made in conjunction with a Cabinet Member, an elected Member of this authority and directly accountable to the electorate, as indeed all Members were. He had found the debate very interesting and it was quite right and proper that this matter had come back to G&A with comments from the O&SC but he was minded to state that as a Member he had not seen any compelling changes made since it was first considered back in October.

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He acknowledged however, that it should have come back as the process had been incorrect the first time round.

Councillor Monument had been looking back at the agenda papers to establish how this had been exactly presented and the suggestion that there had been no problems in the past was perhaps an exaggeration as according to page 97 of the agenda pack paragraph 2.11 that provided the current definition of a key decision - *"a decision which, in relation to an Executive Function, has a significant effect on communities in two or more wards of the Council and/or is likely to result in the Authority incurring expenditure, generating income or making savings in any single financial year above the capital expenditure threshold or the revenue expenditure threshold currently laid down by the Council"*.

Members attention was then drawn to paragraph 2.12 where the 25% threshold of the relevant budget was causing problems due to many potential decisions being referred to the Finance Team for assessment. She felt that this made it quite clear that there were practical problems involving more work than it would if there was a definitive figure. Paragraph 2.13 was then highlighted where it stated that the Key decision threshold should be readily understood by Officers, Members and members of the public and should be specifically detailed in the Constitution to avoid confusion. She agreed that fixing a figure was not easy but compared to neighbouring authorities, somewhere in the middle and a fixed figure would be easily understood. She agreed with the proposals as it also provided the opportunity for Members to re-assess the figure in 12 months.

The Executive Manager for Governance made it clear that although the Council had not experienced any problems, he was referring to the 5-day call-in period. Councillor Monument was quite right there were some issues around the definition of a key decision, but he certainly felt that whatever Members views were on the operation of call-in, in respect of lower value Officer decisions, the Council did need some certainty around the value of a key decision. Not only to reduce the administrative difficulties in assessing what that figure might be but also so that Members and the public had some clarity and transparency.

Councillor Clarke was aware that all decisions were going to be published but proposed to G&A Members that if they were minded to approve the recommendations, to have a review after 6 months rather than 12. The proposal was not seconded.

Each recommendation was voted in turn, and it was:

RECOMMENDED to FULL COUNCIL, that:

- a) **Call-in for Non-Key Officer Decisions** – the Call-in from Non-Key Decisions made by Officers under delegated authority be excluded, and the Constitution be amended in accordance with Appendix A of the report;
- b) **Definition of Key Decision** - that the existing definition in the glossary to the Constitution be amended to read as follows: *"Key Decision" means a decision which, in relation to an Executive Function, has a significant effect on communities in two or more*

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wards of the Council and/or is likely to result in the Authority incurring expenditure, or making savings, in any single financial year above £250,000."

- c) That the Key Decision figure be re-assessed at the end of a 12-month period to enable Members to consider whether the expenditure/savings figure was still appropriate.

The Chairman thanked the Members of the O&SC for attending the meeting and for their relevant and valuable contributions to the debate and invited them to remain for the rest of the meeting if they so wished.

14/21 WORK PROGRAMME (AGENDA ITEM 14)

The Vice-Chairman asked that the quarterly risk updates be added to the work programme accordingly.

The Chief Accountant & Deputy S151 Officer advised that since the agenda was issued, a recent consultation was in progress with MHCLG in respect of the timing of the accounts for this year. It had been proposed that the accounts no longer had to be completed by 31 May 2021, therefore, the date would be changed to July 2021 and the audit did not have to be completed until the end of September 2021.

The Chairman asked if there was any reason why the original timetable could not remain. Members were informed that in terms of the audit this was ultimately led by Ernst & Young (E&Y), but it was possible to complete the accounts by the end of June and bring them to the July Committee meeting as a draft.

The Vice-Chairman felt the Chief Accountant should have the authority to state what meetings she felt was appropriate for any rescheduling.

Mr Plaskett agreed with the Chief Accountant's comments and felt that it would allow the Committee plenty of time to look at the draft accounts prior to E&Y getting involved with their audit.

In response to the Chairman, the Chief Accountant said that she would be content to work to that timetable. E&Y had already indicated that they would not be starting any audits until July.

The Work Programme would be amended accordingly.

It was agreed that the Risk Management Policy be added to the September meeting.

A copy of the updated Work Programme would be emailed to Members after the meeting.

15/21 NEXT MEETING (AGENDA ITEM 15)

To note the arrangements for the next meeting on Thursday, 10 June 2021 at 10am via Zoom.