

GOVERNANCE & AUDIT COMMITTEE

Minutes of the meeting held on 28 September 2022 at 7.00 pm in Council Chamber,
Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Kerry Boyd (Chair); Councillors Dexter, Duckworth,
Garner, Hopkinson, Shrubbs, Towning and Wright and Yates

In Attendance:

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Braidwood, Kup, Leys and Whitehead. Councillor Yates was present as a substitute for Councillor Whitehead.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETING

Councillor Duckworth proposed, Councillor Towning seconded and members AGREED to approve the minutes of the meeting held on 27 July 2022.

Chris Blundell, Deputy Executive Officer and Section 151 Officer offered an update of the matters arising from those minutes.

There was a request for the Director of Property to update the committee on service issues regarding commercial letting and the portfolio. The approach for it is still currently being developed and for the correct amount of resources made available. He is to be invited to the November meeting in order to give update.

The head of IT has also been invited to the next panel in November in order to discuss the risks of home working and recycling of older IT equipment.

4. QUARTER 1 REVIEW 2022-23: TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY

Chris Blundell, Deputy Executive Officer and Section 151 Officer, introduced the update report making the following key points:

- It comes from a request from the committee to review the investment strategy and is a holding report to give committee members an idea of how TDC performed in the first quarter of the financial year
- The November meeting will have a much more in depth review
- The council is currently in a good position because the investments pursued have been short, dated and liquid
- All borrowing is fixed and interest rates will not vary, the investments themselves are variable in nature
- We're expecting to see bank rates to get to around 5-6% over the next 6 months
- The Bank of England are predicting interest rates go to 4% by December, but it could be sooner
- We stand to generate more interests from the investments we hold
- We have £50,000,000 in the investment balance with an interest of 5% the council stands to make £2,500,000 across the year for 2023

- Inflation needs to be considered going forward
- Diesel costs are expected to go up with fuel costs peaking around £50,000 per month. They're expected to come down but they will increase again
- We would like to continue internal borrowing using the £50,000,000 to fund investment in the capital program

Discussion raised the following points:

- The external borrowing rate were 2.2%, raising to 2.7% in May and 3.4% in June
- £500,000 is the average return we're looking to get from the investment income
- The biggest inflation hurdle will be staff pay, with staffing costs being around £16,000,000
- We have around a £6,000,000 limit with the amount of money we place in one counter party in order to spread risk
- There's no political involvement in placement of funds as it comes down to staff, however committee involvement does come in when deciding the type of institution used
- Things that are also considered before investment are credit status and they won't be considered if they're longer than one year. Also investing money in state authorities with negative track records (such as human rights) will not be considered or companies with association with firms that are not seen in a favourable light
- Brokers are not used, instead a portal is used called The ICD. Engagement with brokers have been considered, but before that can be done, committee will need to approve of it

Councillor Yates proposed, Councillor Hopkinson seconded and Members AGREED to approve the review of Quarter 1 2022-2023: Treasury Management and Annual Investment Strategy.

5. QUARTERLY INTERNAL UPDATE REPORT

Christine Parker, from East Kent Audit Partnership, introduced the report and made the following points:

- A progress report will be brought back for a future committee meeting
- Equality and Diversity remains limited assurance, a more timely review will be required
- The playground review have four outstanding, high risk recommendations, that haven't been actioned but no revised dates have been suggested
- Street Cleansing remains as previously reported
- A lot of the recommendations hang off the service standards being approved
- Planned completion is to the 30th June, at the end of August, planned completion was at 35% against the target of 42%

During discussion it was noted that:

- Matt Sanham is now involved in street cleansing
- A draft set of service standards are going to CMT for discussion, once these have been agreed by CMT, they will then come back for cabinet
- The zone style of street cleansing has been successful with positive feedback from the public
- In the upcoming process of street cleansing, there are plans for vans to take snapshots of areas as a way to keep track of how clean the district is. These images will be reviewed by 20 different officers in TDC

- In Birchington, two recycling depots were overflowing causing fly tipping. Once the signage was removed, this has died down especially with word that they were being photographed
- Requests was made for flowcharts to be posted on the Thanet District Council website in order to make for an easier visual aid for the public, in regards to the complaint procedure
- Thanet Lotto is operational, but it did have to close for a period of time, due to there not being an active license holder in place. Chris Blundell currently is the license holder and he's seeking for other senior officers to also be holders
- The Thanet Lotto has also raised £50,000 in funds that have not been distributed yet
- A £2,000 contribution was matched from the union to go towards Ukrainian refugees
- Currently Sameera Khan is the officer in charge of Equality and Diversity, but before anything permanent is decided, we are currently waiting for a restructure at the Corporate Management Team

Councillor Wright proposed, Councillor Duckworth seconded and Members APPROVED the update report.

6. **ANNUAL GOVERNANCE REPORT**

Sameera Khan, Interim Head of Legal and Monitoring Officer, introduced the report and made the following key points:

- The report is presented for 2021-22, from April to March
- The Internal Audit Report was presented in July of this year to the committee
- The report also details the corporate rates for the council, which includes the limited resources the council has
- For the year of 2021-22, there was a total of 30 complaints received by the local ombudsman, only one was upheld and a different one with the same status but had a satisfactory response

Discussion raised the following points:

- The council is inundated with complaints, some can be malicious and unreasonable

Councillor Towing proposed, Councillor Hopkinson seconded and Members APPROVED the report.

7. **RISK MANAGEMENT**

Chris Blundell, Deputy Executive Officer and Section 151 Officer passed over to Aimee Munden-Jackson, Insurance Officer who introduced the update report making the following key points:

- Good progress has been made in the risk registers
- None of the corporate risks have changed in their scoring
- The market has hardened in relation to cyber safety, so getting insurance is going to be difficult. As a result, looking at solutions is the course being taken with brokers and risk management partners
- Prevention of cyber attacks are also being prioritised
- The budget bills is commencing in relation to 2023-24, that's with the background of high inflation being considered
- The birth insulation work commended in June, due for completion at the end of September, the delays have resulted in a financial risk to the council

- Burial space is a risk that is coming up as well as the local crematorium currently having management issues, with the manager passing away
- Jackey Bakers roof had fallen down, however the building itself has been fenced off to prevent access
- HAVS has been monitored before, but it wasn't very effective. This is something we're looking to mitigate
- A Beach and Coastal Manager has been employed
- We have had some substantial claims regarding algae slips and trips, all of which have been successfully defended due to stringent inspections
- Posting signage in regards to algae does invite the admission of liability, so decisions on that haven't been made just yet

Discussion raised the following points:

- It's possible that in the future a PSPO or some will be hired in order to not only look at watercrafts such as jet skis, but also anything else happening on the coast
- The project for a conveyor belt system on pontoons is nearing completion and are scheduled to be finished by the end of the month
- A suggestion was made by councillor Towning, to possibly have the beaches be sponsored commercially in order to bring some money in to cover costs for enforcement
- There is a group in the organisation who will be looking at Jackey Bakers in the future for further schemes

Councillor Shrubbs proposed, Councillor Garner seconded and Members AGREED to approve the review of corporate risks.

Councillor Shrubbs proposed, Councillor Garnerr seconded and Members AGREED to refer to cabinet for the PSPO and homelessness.

Meeting concluded: 8:26pm