

MINUTES OF THE MEETING OF THE CORPORATE COMMITTEE HELD ON THURSDAY, 10 MARCH, 2022, 7PM – 8.15PM

PRESENT: Councillors: Peter Mitchell (Chair), Barbara Blake (Vice-Chair), Kaushika Amin, Mark Blake, Mahir Demir, Joseph Ejiofor and Scott Emery

1. FILMING AT MEETINGS

The Chair referred to the notice of filming at meetings and this information was noted.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Patrick Berryman, Alessandra Rossetti, Dawn Barnes, Emine Ibrahim.

Clerks note: Councillor Rossetti joined the meeting virtually but could not be considered as present for the purposes of the attendance record. In agreement with the Democratic Services team before the meeting Councillor Rossetti was allowed to ask questions and make comment on non-decision-making items.

3. URGENT BUSINESS

There was no urgent business.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

There were no deputations.

6. MINUTES

RESOLVED

That the minutes of the Corporate Committee meeting held on 1 February 2022 be confirmed and signed as a correct record.

7. TREASURY MANAGEMENT UPDATE REPORT Q3 2021-22

The Head of Pensions & Treasury introduced the report which provided an update on the Council's treasury management activities and performance in the first three quarters of the financial year to 31 December 2021 in accordance with the CIPFA Treasury Management Code of Practice.

In response to questions, the following answers were provided:

- The Bank of England inflation rate and CPI had increased since the report for quarter three had been published. Nevertheless, these trends would not prompt a deviation from the current strategy, particularly around borrowing. Short term borrowing tended to be more cost effective and longer-term borrowing provided cost certainty. It was important to note that currently market trends were in flux and volatile. To negate any detrimental affects the Head of Pensions & Treasury was in contact with the Council's financial advisors Arlingclose and continually looked for opportunities to achieve savings on loans where possible;
- The UK Infrastructure Bank, owned and backed by HM Treasury, was offering loans for qualifying projects at gilt yields plus 0.60%, which is 0.20% lower than the PWLB certainty rate. The possibility of accessing a UK Infrastructure Bank loan for infrastructure projects had been discussed with the Council's advisors. There was an issue with timescales when accessing these loans. It was believed that the processing time for an application was around three to six months, this did not factor in the time it took to create the application which was thought to be extensive. PWLB loans in contrast were timelier. The Council's approach to accessing loans from both providers was being reviewed with the Council's advisors. If the Council were to decide to apply for a UK Infrastructure Bank loan, a paper would be put to this committee for approval;
- The borrowing costs underspend was created through the lower interest rate environment, as well as delays in the capital programme's delivery. Going forward there was likely to be a peak as the lower interest rate environment was unlikely to be the same; and
- In response to a question asked by Councillor Rossetti, it was explained that the Prudential Code was currently effective. The new treasury management strategy would be in-line with the new CIPFA code. When presenting the next treasury management strategy to members, an update of how the strategy had been altered to ensure compliance with the new code would be outlined. The Council's current level of borrowing would be compliant with the new code. The prohibited activities in the new code were already in-line with how the Council has been managing its current borrowing.

RESOLVED

1. To note the Treasury Management activity undertaken during the first three quarters of the financial year to 31 December 2021 and the performance achieved which is attached as Appendix 1 to this report.
2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

8. AUDIT & RISK Q3 PROGRESS REPORT

The Head of Audit & Risk Management introduced the report which provided details on the work undertaken by the in-house Audit & Risk team, as well as the Council's outsourced partner Mazars, for the quarter ending 31 December 2021.

In response to questions, the following answers were provided:

- Regarding the suspense accounts, this related to money received that could not be allocated to any account. This money was then held in suspense, with a

- view to finding out what accounts this money should be assigned to. This was a longstanding process, where it was difficult to ascertain if payments had been made in error or were payments that had not been made to the correct account;
- At the previous audit payroll received limited assurance. It was noted that payroll service in general was looking to implement a stronger regime. At present the payroll function needed to make significant changes to ensure improvement;
 - There was a substantial amount of ongoing anti-fraud cases, which were split across departments. This was because the fraud team would raise a recommendation to a service, that service would then act on the recommendation;
 - In response to a question asked by Councillor Rossetti, it was explained that the reports highlighted in the report were given to Councillors for information, so they were aware at how audits were progressing. The acquisition and disposal of assets audit was scheduled to be presented to the committee at the next meeting;
 - The financial value of the recovered properties was based on a CIPFA estimate of £18,000 per unit per annum. CIPFA had estimated the cost of each unit not being available to the local authority. The right to buy figure of £4,000,000 was based on the discount value of property sold by the local authority; and
 - Some schools had received a low level of assurance a few years ago. There were signs of improvement, this was in part due to the efforts of the local authority to inform schools of the sorts of controls that are necessary to effect good governance.

RESOLVED

To note the activities of the team during quarter three of 2021/22.

9. ANNUAL INTERNAL AUDIT PLAN, STRATEGY, AND CHARTER 2022/23

The Head of Audit & Risk Management introduced the report which provided the annual internal audit plan which the Corporate Committee were asked to consider and approve.

In response to questions, the following answers were provided:

- One of the purposes of this audit was to take a holistic view in terms of what the local authority does regarding community engagement on a wide variety of activities. The audit would look at the overarching framework of consultation, paying consideration to levels of engagement to gauge how effective that framework was;
- Missing children service referred to children whose whereabouts were unknown, the audit looked at what steps were taken to identify where the child was;
- The auditing of the acquisitions and disposal of assets would be a piece of work that the Head of Audit & Risk Management proposed to look at in the upcoming municipal year. This was due to the level of interest raised about this area at Corporate Committee, creating the need to assure that good governance practices were being followed;

- Health and safety had been added to the internal audit plan in July 2021. It was being added again in the following municipal year as it would be looking at different aspects of health and safety; and
- Hospitality and gifts were added as an advisory audit. It was not in the current paperwork as it was carried out internally, rather externally.

RESOLVED

To approve the updated Annual Internal Audit Strategy and Plan for 2022/23 (Appendix A) and the Internal Audit Charter (Appendix B).

10. VERBAL UPDATE ON 2020/21 AUDIT PROGRESS

David Eagles, from the Council's external auditors BDO, gave a verbal update from on 2020/21 Audit Progress.

The following points about the 2020/21 Audit Progress were highlighted:

- He had intended to bring completion reports to the meeting. However, this was not possible as there were several outstanding items;
- An issue affecting reporting timelines was a developing national issue that related to the valuation of infrastructure assets. The issue had arisen when new capital expenditure on infrastructure was incurred and should be valued at cost less depreciation, but there was an issue where there was some residual value. This issue had been taken to the National Audit Office and was mutually recognised by the National Audit Office and CIPFA. They were hoping that the issue would be resolved by the next meeting in the new municipal year;
- Auditing firms had ceased conducting valuation on infrastructure assets. This was due to an auditing company having recently received a sanction from the Financial Reporting Council, for a failure to deal accurately with this type of valuation;
- In terms of reporting on the entire Council there were significant volumes of risk that the auditors had to examine, which had led to timescales not being met. There was continued pressure from quality regulators to increase the level of scrutiny, which had also added to workload; and
- There had been good progress with the pension fund, the information required had recently been received and was now being worked on. There had been issues with accessing the system to test pension benefits, to resolve this the auditors would come on site to do this work.

In response to questions, the following answers were provided:

- There was a long history with valuing infrastructure assets in local authorities. In summary infrastructure assets were valued at the cost less depreciation method, for comparison most other assets had a valuation attributed to it. A few years ago, attempts were made to attribute a valuation to infrastructure assets; however, this was abandoned due to the difficulty of doing this. The CIPFA code required depreciation to be written in, this was not common practice among most local authorities. This was mutually accepted practice across local authorities, which had been questioned since the quality regulator had recently pressured local authorities into a change in perspective and workload.

11. PUBLIC RIGHT OF WAY APPLICATION

The Interim Head of Planning Policy, Transport and Infrastructure introduced the report which required the committee to take a decision on an Application for Definitive Map of Public Rights of Way to be modified to include a footpath between Dickenson Road and Mountview Road in Crouch End.

In response to questions, the following answers were provided:

- The Transport Planning Team had not consulted an independent legal expert; however, that had consulted extensively with the Council's own legal team;
- The Chair felt that there were conflicting statements from residents about when a gate had been in place. The Planning Policy Team Manager agreed. He emphasised that for a Public Right of Way to be established it was necessary to demonstrate uninterrupted public use for 20 years. On the balance of probabilities, the evidence from the applicant suggested that this was not the case. There was also strong evidence from the landowners to suggest that there had not been 20 years of uninterrupted use; and
- It was unknown why the landowner had decided to put up a gate in 2021. The Interim Head of Planning Policy, Transport and Infrastructure suggested that the gate may have been erected due to leaseholder complaints about anti-social behaviour along the route. The actual reason for why the gate was put up was immaterial to the decision about whether the route should be designated a Public Right of Way.

RESOLVED

Having considered the documentation as set out at Appendix B to C, the Committee rejected the application (as set out at Appendix A) under section 53(5) of the Wildlife and Countryside Act 1981 to make an Order for the Council's Definitive Map to be modified to include the footpath between Mount View Road and Dickenson Road.

12. NEW ITEMS OF URGENT BUSINESS

There were no items of urgent business.

13. DATES OF FUTURE MEETINGS

To note the dates of future meetings:

Thursday, 21 July 2022
Thursday, 15 September 2022
Tuesday, 15 November 2022
Thursday, 2 February 2023
Tuesday, 28 March 2023

CHAIR: Councillor Peter Mitchell

Signed by Chair

Date.....

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