

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the **Audit and General Purposes Committee** held in
Committee Room One, Council Offices, Woodgreen, Witney, Oxon
at **6:00 pm** on **Thursday 26 September 2019**

PRESENT

Councillors: Jane Doughty (Chairman), Andy Graham (Vice-Chairman), Alaa Al Yousuf, Luci Ashbourne, Andrew Beaney, Julian Cooper, Harry Eaglestone, Duncan Enright, Gill Hill, Ed James, Richard Langridge, Dan Levy, Martin McBride, Alex Postan and Geoff Saul.

Officers in Attendance: Jenny Poole, Bill Oddy, Philip Alway, Lucy Cater, Philip Measures, Kristina Wood and Paul Cracknell

16. MINUTES

RESOLVED: that the Minutes of the meeting of the Committee held on 25 July 2019, copies of which had been circulated, be confirmed as a correct record and signed by the Chairman.

17. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

Apologies for absence were received from Councillor Suzi Coul and the following resignations and temporary appointments were received and noted:-

Councillor Al Yousuf for Councillor St John
Councillor Cooper for Councillor Poskitt
Councillor Levy for Councillor Acock,
Councillor Saul for Councillor Bolger

18. DECLARATIONS OF INTEREST

Whilst not a disclosable interest, Councillor Al Yousuf advised that he served as a district council representative on the Oxfordshire County Council Pension Fund Committee.

There were no other declarations of interest from members relating to items to be considered at the meeting.

19. PARTICIPATION OF THE PUBLIC

There were no submissions from members of the public.

20. CHAIRMAN'S ANNOUNCEMENTS

Councillor Doughty apologised to Members of the Committee for her unavoidable absence at the last meeting. She advised Members that the action points identified at that meeting had been taken forward and that the outcome would be reported to the next meeting.

21. STATEMENT OF ACCOUNTS 2018/2019

The Committee received and considered the report of the Chief Finance Officer which presented the Council's audited Statement of Accounts for the period 1 April 2018 to 31 March 2019.

The Chairman thanked the Chief Finance Officer, Business Manager – Finance and the Finance team for their work in finalising the Council’s accounts within a restricted timeframe.

Philip Alway, the Business Manager – Finance, advised Members that, since publication of the agenda, a small number of minor amendments had been required, details of which were circulated at the meeting. Councillor Al Yousuf also drew attention to a discrepancy between the increase in the Council’s share of the deficit in the pension fund as shown at Paragraph 2.6 of the report (at £507,000) and the £506,000 identified as an audit risk at page 7 of the Audit Findings report. The Business Manager – Finance indicated that this was a rounding issue and undertook to investigate and make the necessary revisions.

(Councillor Enright joined the meeting at this juncture)

The Business Manager – Finance advised that a further discrepancy had been identified the previous day in that the accounts had been under-stated by some £382,000 by way of additional income. This figure was below the materiality level and, as it would be difficult to ensure that any consequent amendments were made at such short notice, it had been agreed with the Council’s auditors that the accounts would not be changed but that reference would be made to the error in the letter of representation and corrected in the 2019/2020 accounts.

Councillor Graham asked how this would appear in the following year’s accounts and Mr Alway advised that the additional income related to Housing Benefit overpayments which the Council would seek to recover. These would be reported as a windfall gain in the management accounts presented to Council during 2019/20.

Councillor Langridge asked whether it had been the Council’s decision or Grant Thornton’s to deal with the matter in this way. Mr Alway advised that, had there been sufficient time to make the necessary alterations, the Council would have done so but there had not been sufficient time. The Council had decided to address the matter in this way with the consent of the Auditors.

Councillor Postan questioned whether the Council could reasonably expect to recover the Housing Benefit overpayments and Mr Alway advised that provision had been made to offset this. Councillor Postan also asked whether a note could be added to the accounts indicating that the pension fund deficit was a result of low interest rates that could increase in future years. The Chief Finance Officer advised that it would be possible to do so in future years.

Juli Masci, the Key audit Partner at Grant Thornton then introduced the Audit Findings Report. She advised that Grant Thornton had issued an unqualified audit opinion and informed Members that the Council and Publica had now agreed to complete a variation to the Publica pension agreement clarifying where risk lay. The wording had been agreed by both parties and completed documentation was expected to be received imminently.

A small number of queries regarding the review of the impact of IFRS 9 remained outstanding but these were of a minor nature and the audit had been concluded. the Management Letter was ready for signature and the recommendations made following the initial value for money risk assessment had been implemented. No further significant risks had been identified.

In response to a question from Councillor Langridge, Ms Masci advised that the Chairman and Vice chairman would be advised when the variation to the Publica pension agreement

had been completed. She confirmed that this was only a minor variation to the legal agreement with textual amendments to clarify responsibilities and that it did not have any financial implications for the Authority.

(Councillor Ashbourne joined the meeting at this juncture)

In response to a further question from Councillor Postan, Ms Masci advised that the Council would retain the risk in relation to those remaining in the Local Government Pension Scheme which would continue to sit on the balance sheet.

The Chief Finance Officer confirmed that this was a good report with a good level of assurance.

The recommendations set out in the report were proposed by Councillor Langridge and seconded by Councillor Postan and on being put to the vote, were carried.

RESOLVED:

- (a) That the Grant Thornton Audit Findings for West Oxfordshire District Council report be noted.
- (b) That the Statement of Accounts 2018/19 be approved.
- (c) That the Chief Finance Officer and the Chair of the Committee be authorised to write a letter of representation on behalf of the Committee and Council to Grant Thornton to enable the opinion to be issued.

22. PRIVATE WATER SUPPLIES REGULATIONS

The Committee received a presentation from members of the Environmental Services Team outlining the Council's role under the Private Water Supplies (England) Regulations. A copy of the presentation is attached as Appendix A to the original copy of these minutes.

Councillor McBride noted that there was a 37% failure rate in water supplies tested and asked whether this was an increasing trend or whether figures were static. In response, Kristina Wood, the Environmental and Regulatory Services Senior Officer, advised that she anticipated that failure rates would decrease as recommendations were implemented.

In response to a question from Councillor Hill, Ms Wood advised that, whilst the Council had no statutory duty with regard to private water supplies to single domestic dwellings, Officers would provide advice and undertake risk assessments.

Councillor Enright questioned whether the number of private water sources was increasing or static and whether it was a requirement to disclose that a property was served by a private supply at the time of sale. Mr Wood replied that the number of private supplies remained broadly static and that it was a case of 'buyer beware' as to their quality. In response to a question from Councillor Saul she advised that the fee charged for testing private supplies was £43 per hour.

Councillor Postan noted that there was a 32% failure rate in relation to large commercial and shared supplies and asked how this broke down between bacteriological and chemical contamination. Ms Wood advised that 80% of failures were due to bacteriological contamination.

Councillor Langridge questioned whether some private supplies were drawn directly from rivers and Ms Wood confirmed this to be the case. Councillor Langridge also noted that, at the time of the audit, a number of inspections had been overdue. Ms Wood advised that a full programme of inspections would be carried out by July 2020 and Lucy Cater, Assistant Director, SWAP Internal Audit Services, confirmed that all audit recommendations would be followed up to ensure compliance.

In response to a question from Councillor Beaney, Ms Wood advised that 28 enforcement notices had been served in the current year, 15 of which remained active. The time taken to resolve enforcement issues was dependent upon the complexity of the remedial measures required. The more difficult the issue, the greater the time and cost involved in achieving a solution. Whilst many failures were relatively simple to address, some cases could take months to resolve.

In response to a question from Councillor Doughty, Ms Wood advised that only one inspection fee remained outstanding. Councillor Graham sought information regarding the annual income and cost of operating the service. Philip Measures, Environmental and Regulatory Services Service Leader undertook to supply this information but stressed that fees were set by Regulation and the Council could not operate the service at a profit.

Councillor Langridge questioned whether supplies could be tested privately and it was explained that the statutory responsibility rested with the Local Authority.

RESOLVED: That the information provided be noted.

23. PREPARATIONS FOR THE UK'S EXIT FROM THE EUROPEAN UNION

The Committee received and considered the report of the Executive Director – Commissioning which provided an overview of the Council's preparedness for the UK's exit from the European Union.

Bill Oddy, the Group Manager, Commercial Development, introduced the report and explained that the Council had a legal responsibility under the Civil Contingencies Act to respond to and plan for major incidents as a Category 1 Responder.

Some impending incidents such as Brexit were known and it fell to the Council to plan for the potential changes and impact upon West Oxfordshire. The Council formed part of the Thames Valley Local Resilience Forum, a Police led agency comprised of public sector organisations - local authorities, the emergency services, the NHS and health bodies and environment-related government agencies, charged with planning and testing for potential emergencies.

In addition, the Council had its own responsibilities in terms of business continuity planning in areas such as staffing and ICT as well as providing information to local businesses. A number of seminars had been held and information for businesses was available on the Council's website. Will Barton, the Business Development Officer, had also been extensively involved in visiting local businesses. An internal Officer Working Group had been established to consider relevant issues and the website provided a link to the Government site which offered advice to businesses and EU citizens.

Some Government Funding had been made available to local authorities, some of which had been earmarked for treasury management advice whilst the remainder would be used to respond to issues as they arose.

Good communication with local businesses and residents would be key. The Head of Communications was working with the Local Resilience Forum and a warning and informing group was working with the Cabinet Office to ensure consistency of approach.

Councillor Ashbourne advised that there had been predictions that food costs could increase by as much as 30%. This would have the greatest impact upon the most vulnerable and could have a knock on effect on housing and homelessness. Mr Oddy advised that, whilst the potential for increased food prices had been identified, it was not thought to be a high risk as this had been based upon assumptions. Certain other aspects were thought to be more likely and Mr Oddy offered to share the risk assessment with Members. Most of the risks identified were thought likely to have an impact in the longer term.

Councillor Enright asked whether any information resulting from the recent leaks regarding 'Operation Yellowhammer' had come as a surprise to the Forum and Mr Oddy advised that he was not aware of any specific concerns.

Councillor Beaney asked whether the Emergency Pack issued by Thames Valley Police in September had formed part of the Brexit preparations and suggested that the greatest issue at present was the uncertainty.

Councillor Saul asked whether the supply chain would be disrupted as a result of issues around the supply of fuel. Mr Oddy advised that there were national and regional fuel plans in place to ensure supplies were available to critical workers. The Council was reasonably well placed in that it had made provision for many staff to work remotely.

Councillor Doughty questioned whether front line services such as refuse collection were likely to be affected by fuel shortages. Mr Oddy advised that the contractor, Ubico, had undertaken the necessary due diligence work.

Councillor McBride asked if the notes of the Brexit Planning Group Could be made available to Members. Mr Oddy explained that these were working documents identifying actions going forward and that the risk assessment would be of far greater value to Members.

In response to a question from Councillor Graham, Mr Oddy advised that the deadline for the submission of applications under the EU Settlement Scheme was 30 June 2021. Councillor Ashbourne indicated that the Home Office had suggested that applications should be made sooner rather than later.

Councillor Graham also enquired as to the rationale underlying the level of Central Government funding provided to the Council. In response, the Chief Finance Officer advised that similar amounts had been made available to other neighbouring authorities whilst more had been allocated to those in key areas most likely to be affected. The thought behind the actual level of funding was not known.

Councillor Ashbourne noted that the Council directed EU citizens to the Government website and asked how it endeavoured to reach the most vulnerable. Mr Oddy advised that, as well as references on the Council's website, Officers had targeted major employers such as the NHS and other healthcare providers. Councillor Ashbourne suggested that voluntary organisations such as Citizens Advice and MIND could be able to assist.

Councillor Doughty requested that Members be provided with a quick reference guide as part of the contingency planning and it was **AGREED** that such a document would be provided.

Councillor McBride suggested that local councils could also assist at town and parish level and Mr Oddy undertook to provide the necessary information.

Councillor Postan asked whether there were any concerns over the possibility of civil disobedience and Mr Oddy advised that the possibility of violence directed towards EU citizens had been identified as a potential issue by the Local Resilience Forum.

Councillor Graham asked whether the Council had also been in contact with smaller businesses in the District. Mr Oddy confirmed that, in addition to the information available through the website, the Council's Customer Service Advisors were able to respond to enquiries from the business community and regular talks had taken place with local business owners. Efforts had been made to disseminate information as widely as possible. In response to further suggestions from Members, Mr Oddy agreed to explore the possible use of social media as a further channel of communication.

Councillor Enright indicated that the information he had received as a business owner had been good but that the main problem was the ongoing uncertainty.

Councillor Langridge reminded Members that this was also a Central Government responsibility.

In conclusion, Councillor Doughty requested that Members be kept informed of future developments.

RESOLVED: That the information provided be noted.

24. MISCELLANEOUS LICENSING SUB-COMMITTEE – RECEIPT OF REPORTS

The report of the meeting of the Miscellaneous Licensing Sub-Committee held on 23 July 2019, copies of which had been circulated, was received and noted.

The meeting closed at 7:25 pm

CHAIRMAN