

Ashford Borough Council: Audit Committee

Minutes of a Meeting of the Audit Committee held in Committee Room 2, Civic Centre, Tannery Lane, Ashford on the **5th April 2022**.

Present:

Cllr. Krause (Chairman);
Cllr. Buchanan (Vice-Chairman);

Cllrs. Campkin, Ledger, Shorter, Smith, C. Suddards and Wright.

In accordance with Procedure Rule 1.2 (c) Councillors Ledger and C Suddards attended as Substitute Members for Councillors Hayward and Spain respectively.

Apologies:

Cllrs. Hayward, Spain.

Also in Attendance (virtually):

Cllrs. Bell, Brooks, Harman, Ovenden.

Interim Head of Audit Partnership, Interim Deputy Head of Audit Partnership.

In attendance:

Deputy Chief Executive, Assistant Director Planning and Development, Assistant Director Environment and Land Management, Sports and Leisure, Senior Member Services Officer.

361 Declarations of Interest

Councillor	Interest	Minute No.
Shorter	Made a Voluntary Announcement as he was the Portfolio Holder for Planning and Development for part of the period covered by the audit.	363

362 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 15th March 2022 be approved and confirmed as a correct record.

363 Section 106 Audit – Weak Assurance Report

The Interim Deputy Head of Audit Partnership introduced the report. During 2021, Mid Kent Audit had undertaken an audit on the process for agreeing Section 106 (S106) Agreements. She highlighted the work that was undertaken by the Auditors and the audit findings. It was noted that whilst there were resourcing pressures on

the service, due to vacancies, and the Pandemic, however the audit found that all 14 examined controls were not working effectively. The service had been proactive in their response to the audit findings and she was pleased to report that three of the agreed actions had been implemented already.

The Assistant Director Planning and Development, using screen sharing technology, gave the Committee an overview of the audit recommendations and the work streams underway to meet those recommendations. He had taken holistic approach to the audit findings and the recommendations from the Overview & Scrutiny Task Group that specifically looked at S106 processes. The Council had a long and successful record of securing S106 contributions however the process to getting to a signed S106 could be lengthy and opaque from the outside. It should be noted that a S106 was not a development 'tax' and required justification in each case. He drew attention to the action plan items, as detailed with the audit report, and the recommendations from the Overview & Scrutiny Task Group. There were some common themes arising from both sets of recommendations. The Assistant Director Planning and Development advised that there were four themes emanating from the recommendations and highlighted the work to be taken under those themes:

- Root and Branch Review of S106 Processes from start to finish. This would be used to help improve the remaining three themes.
 - Officer Working Groups were to be established, with the Core Officer Working Group having held its first meeting in February. A Cross-Service Officer Group would be set up, with consideration being given to the inclusion of stakeholders from external partners such as KCC and the CCG for whom the Council collected S106 monies. This group should be established by Easter 2022.
 - Process Mapping of key steps such as; identification of infrastructure needs and potential projects, negotiations with developers at application stage, signing the S106, monitoring of trigger points, authorisation of spend and ensuring the S106 has been spent appropriately and in line with the Agreement.
 - An assessment of what worked well, what could be improved and what should be done differently was underway.
- Transparency
 - Sharing the results of the process mapping exercising and implementing the agreed changes
 - Training for Officers involved with the S106 processes and how the new ARCUS software could be fully utilised, including a reconciliation of Legal and Planning databases. The ARCUS software was due to go live in July 2022. Training was underway for all Officers on how the system worked.
 - Guidance and Training for Borough and Parish Councillors on the new S106 process, which would include a new S106 Handbook.

- Standardised wording for S106 Agreements and greater use of templates.
- Preparation of a new Infrastructure Supplementary Planning Document incorporating these new procedures.
- Communication
 - Preparation of an introductory letter for developers with S106 obligations to set out the Council's expectations – this had been prepared. P
 - The publication of S106 monitoring on the Councils website.
 - Using ARCUS to enable more frequent reporting of S106 income and spend.
- Resilience
 - Additional resources to supplement the current S106 Monitoring Officer. This position would be advertised as a permanent, not fixed term role.
 - Ensuring a wider understanding of the S106 process internally and externally.
 - Written procedure notes of each key stage of the process.

In conclusion, the Assistant Director Planning and Development drew attention to the actions from the audit and the associated deadlines.

The Chairman thanked the Assistant Director Planning and Development for such a detailed presentation. He questioned whether the Portfolio Holder for Planning and Development would be part of the S106 Project Management Team. The Assistant Director Planning and Development advised that at the current time consideration was being given to what roles Officers and Members had in the process. He was keen to establish a process with the appropriate checks and balances, the majority of which he envisaged would be Officer centric. As part of the transparency theme Councillors would be able to access information in respect of S106 Agreements in their Wards from the Council's website. Once the ARCUS software had been introduced it was hoped that this would be in place in due course. The Portfolio Holder for Planning and Development advised that he would have a discussion with the Assistant Director Planning and Development regarding the level of involvement that he would need in the Project Management Team.

It was questioned whether a report back within six months would be too soon given the implementation date of ARCUS. The Assistant Director Planning and Development advised that he did not want to raise expectations too high on day one, the basics should be done and done right. He felt that between nine to twelve months would be the ideal time to report back to the Committee on progress on the

audit recommendations and the other areas highlighted to the Committee. Interim Deputy Head of Audit Partnership advised that the follow up review process would follow up on the recommendations and specifically the timescales agreed with the service. They would speak to the Planning Department about how the actions had been addressed and testing would be undertaken on the higher priority actions to confirm that they were in place. At a suitable time S106 would be placed back onto the audit plan to undertake checks on how it was running under the new ARCUS system.

A Member welcomed the ability for Councillors to be able to access S106 information in the future. He questioned how the recruitment process for the assistant to the S106 Monitoring Officer was progressing and what contingencies were in place should that position not be filled. He also questioned how the transfer from Acolaid to ARCUS would occur and whether there would be any data lost during that process. The Assistant Director Planning and Development drew attention to how the S106 Monitoring Officer role had developed over the past few years and did not just deal with major sites, but also those other sites with a S106 Agreement. The number of S106 Agreements were likely to increase in number over the coming years. The lack of digital systems to assist with the role had been a constraining factor, it was hoped that ARCUS would improve that situation and provide automation and the monitoring of S106 schemes. He hoped that the recruitment process would be successful, it was important to ensure that there was support for the S106 Monitoring Officer and ensure that there was resilience in place. There would be some vary labour intensive processes to be undertaken, but these would be addressed as part of the audit.

A Member questioned whether it would be possible to have the Assistant Director Planning and Development, and if appropriate an Officer from the S106 Monitoring Group, report back to the Committee on the progress made not only on the audit but other connected work streams. The Deputy Chief Executive advised that this had occurred with other 'weak' audits and was within the Committee's remit should it wish to request this. This could be done in tandem with a report back from Mid Kent Audit. The Assistant Director Planning and Development drew attention to his previous comments that the audit and Overview & Scrutiny recommendations only went so far and there was a wider process that Planning wanted to review and change. He felt that this was an ongoing process and would be happy to report back to the Audit Committee. The Interim Deputy Head of Audit Partnership drew attention to the recommendations, a future report was proposed as part of those. Conversations would be had with the necessary Officers to ensure that this report was scheduled into the Audit Tracker.

The Assistant Director Planning and Development noted that S106 Agreements were public documents and it was fair and reasonable that they should be publically accessible. The public should be able to access the information on whether the monies connected to such Agreements had been received and if and where it had been spent. There were some complexities that needed to be addressed but that was what they were aspiring to deliver. It was a goal that was being worked towards.

In response to a question, the Interim Deputy Head of Audit Partnership advised that the training recommendation was focused on the S106 Monitoring Officers role, and

due to its specific nature it was given a low priority rating. The Officer undertaking the role was doing an good job but it was felt that some specific training on S106's, which had not previously been provided would enhance her ability to do her role. The Assistant Director Planning and Development added that the S106 Monitoring Officer had learnt 'on the job' which was not enough. Training was fundamental to provide resilience, transparency and improve communication.

The Assistant Director Planning and Development advised that data from Acolaid would be moved over to ARCUS. There would be a short period where both systems run in tandem, and once ARCUS goes live then Acolaid would be switched off. The data transfer was being prepared and assessed at the current time.

Resolved:

That the Audit Committee:

- (i) Notes the findings raised in Mid Kent Audit's report on Section 106 Income**
- (ii) Requests that a future report from the Assistant Director Planning and Development on progress towards completing the agreed remedial actions be presented at a future meeting of the Committee, the timing of which will be agreed in consultation with the Interim Deputy Head of Audit Partnership and the Senior Member Services Officer.**

Queries concerning these minutes? Please contact Member Services:
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