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MEETING: AUDIT AND GOVERNANCE COMMITTEE

DATE: Wednesday 25th May, 2022

TIME: 2.00 pm

VENUE: Town Hall, Bootle

Member

Councillor Robinson (Chair)
Councillor Roche (Vice-Chair)
Councillor Burns
Councillor Cluskey
Councillor Dowd
Councillor John Joseph Kelly
Councillor McGinnity
Councillor Shaw
Councillor Sir Ron Watson

Substitute

Councillor Bradshaw
Councillor Murphy
Councillor Lunn-Bates
Councillor Howard
Councillor Spencer
Councillor Hansen
Councillor Halsall
Councillor Pugh
Councillor Prendergast

COMMITTEE OFFICER: Ruth Appleby
Democratic Services Officer
Telephone: 0151 934 2181
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See overleaf for COVID Guidance and the requirements in relation to Public Attendance.

If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

We endeavour to provide a reasonable number of full agendas, including reports at the meeting. If you wish to ensure that you have a copy to refer to at the meeting, please can you print off your own copy of the agenda pack prior to the meeting.

COVID GUIDANCE IN RELATION TO PUBLIC ATTENDANCE

In light of ongoing Covid-19 social distancing restrictions, there is limited capacity for members of the press and public to be present in the meeting room indicated on the front page of the agenda at any one time. We would ask parties remain in the meeting room solely for the duration of consideration of the Committee report(s) to which their interests relate.

We therefore request that if you wish to attend the Committee to please register in advance of the meeting via email to ruth.appleby@sefton.gov.uk by no later than **12:00 (noon) on the day of the meeting.**

Please include in your email –

- Your name;
- Your email address; and
- Your Contact telephone number.

In light of current social distancing requirements, access to the meeting room is limited.

AGENDA

1. Apologies for absence

2. Declarations of Interest

Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda.

Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation.

Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.

3. Minutes

(Pages 5 - 10)

Minutes of the meeting held on 16 March 2022.

4. Southport Theatre & Convention Centre – Disposal of fixtures and fittings

(Pages 11 - 16)

Report of the Executive Director - Place

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THIS SET OF MINUTES IS NOT SUBJECT TO "CALL-IN"

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE ASSEMBLY HALL - BOOTLE TOWN HALL,
TRINITY ROAD, BOOTLE, L20 7AE
ON 16 MARCH 2022**

PRESENT: Councillor Robinson (in the Chair)
Councillor Roche (Vice-Chair)

Councillors McGinnity, John Joseph Kelly, Pugh and Shaw

40. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Sinclair D 'Albuquerque, Joe Riley, Liz Dowd, Paula Murphy, John Sayers, Sonya Kelly, Sir Ron Watson and Mike Prendergast.

41. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interests or personal interests were received.

42. MINUTES

RESOLVED:

That the Minutes of the meeting held on 15 December 2021 be confirmed as a correct record.

43. ICT ACCEPTABLE USAGE POLICY

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services, seeking approval for revised security policy documentation relating to the authority's ICT estate. The policy document provided a yearly review of the ICT Acceptable Use Policy, last reviewed on 16 December 2020.

RESOLVED: That

- (1) the revised security policy documentation relating to the authority's ICT estate be approved; and
- (2) the internal publication of the Acceptable Use Policy be approved.

44. CORPORATE RISK MANAGEMENT

Agenda Item 3

AUDIT AND GOVERNANCE COMMITTEE- WEDNESDAY 16TH MARCH, 2022

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the updated Corporate Risk Register, indicating that since the last meeting the Corporate Risk Register had been reviewed and updated.

The Chief Internal Auditor presented the report indicating that no new risks had been added or escalated from the Service Risk Registers to the Corporate Risk Register in the current quarter, but some risk scores had been reassessed

No risks had been de-escalated from the Corporate Risk Register to the Service Risk Registers or deleted from the Corporate Risk Register.

The risks had been re-scored in accordance with the revised assessment guidance included in the Corporate Risk Management handbook which was approved by the Committee in December 2020 and that a revised Corporate Risk Management Handbook would be reviewed following the outcome of definition of the Council's Risk Appetite in April 2022.

The Chief Internal Auditor indicated that as highlighted in December 2021, although there had been substantial work undertaken over the past six years to embed risk management across the Council, there was a gap in delivering key aspects of the Corporate Risk Management Handbook such as the regular updating of the Corporate Risk Register as well as the Service Risk Registers and the embedding position remained similar to the previous quarter.

The Chief Internal Auditor reminded the Committee that at the Audit and Governance Committee held on 15 December 2021, the Executive Director of Corporate Resources and Customer Services had been requested to provide a presentation to this meeting on the risk relating to Financial Sustainability beyond 2022/23 (Housing Development Company) on the information and assurances provided to Cabinet in respect of the company and how Audit and Governance Committee could discharge its duty of risk assessing the Housing Development Company whilst respecting commercial confidentiality.

Accordingly, the Executive Director of Corporate Resources and Customer Services briefed the Committee on the risk associated with Financial Sustainability relating to the Housing Development Company and the measures in place to mitigate those risks.

The Committee noted that during the last quarter only 50% of Service Area Risk Registers had been submitted on time. The Committee stressed the importance of Service Area Risk Registers being completed in a timely manner as part of the Council's Risk Management Framework in order for them to fulfil their responsibilities.

RESOLVED: That

- (1) the contents of the Corporate Risk Register, particularly the nature of the major risks facing the Council and the controls and planned action in place to mitigate these risks be noted;
- (2) the Executive Director of Corporate Resources and Customer Service be thanked for his informative presentation on the risk associated with Financial Stability in respect of the housing development company and the measures in place to mitigate those risks; and
- (3) Heads of Service be requested to update Service Risk Registers on a quarterly basis and to return them in a timely manner in order that the committee can fulfil its role in reviewing risk across the council.

45. SEFTON COUNCIL ANTI-MONEY LAUNDERING POLICY UPDATE

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided an update on the Council's Anti-Money Laundering Policy, indicating that no contraventions had occurred since approval of the Policy by this Committee on 16 December 2020.

RESOLVED:

That it be noted that no contraventions to the Anti-Money Laundering Policy had occurred since approval of the Policy by the Audit and Governance Committee on 16 December 2020.

46. INTERNAL AUDIT CHARTER AND ANNUAL AUDIT PLAN

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the revised Internal Audit Charter and the proposed Internal Audit Plan 2022-2023 set out in the Appendix to the report.

The report indicated that the Audit Charter had been amended to reflect the proposed changes in the way that the areas of responsibility of the Chief Internal Auditor were audited where this was identified as required. The key changes were detailed in section 2 of the report.

It was noted that at 2.1.8 the final sentence should include at the end "following a recruitment exercise."

Agenda Item 3

AUDIT AND GOVERNANCE COMMITTEE- WEDNESDAY 16TH MARCH, 2022

RESOLVED: That

- (1) the Internal Audit Charter be approved; and
- (2) the Internal Audit Plan 2022-2023 be approved.

47. TREASURY MANAGEMENT POSITION TO JANUARY 2022

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided a review of the Treasury Management activities undertaken to 31 January 2022.

This was the third report of the ongoing quarterly monitoring provided to Audit and Governance Committee whose role it was to carry out scrutiny of treasury management policies and practices.

RESOLVED: That

- (1) the Treasury Management update to 31 January 2022 be noted; and
- (2) the effects of the decisions taken in pursuit of the Treasury Management Strategy and the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities be noted.

48. RISK AND AUDIT SERVICE PERFORMANCE

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services providing details of the performance and key activities of the Risk and Audit Service for the period 8 December 2021 to 7 March 2022.

It was noted that the sentence "We are seeking to fill this with one of the existing temporary Principal Auditors" should include at the end "following a recruitment exercise."

RESOLVED: That

- (1) the progress in the delivery of the 2021 to 2022 Internal Audit Plans and the activity undertaken for the period 8 December 2021 to 7 March 2022 be noted; and
- (2) the contributions made by the Health and Safety, Insurance, Assurance and Risk and Resilience teams in managing the Council's key risks be noted.

AUDIT AND GOVERNANCE COMMITTEE- WEDNESDAY 16TH MARCH, 2022

49. AUDIT AND GOVERNANCE COMMITTEE MEMBER TRAINING AND DEVELOPMENT

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on proposals for a programme of Audit and Governance Committee briefing sessions based on the key competencies outlined by the Chartered Institute of Public Finance and Accounting (CIPFA), which would be held for one hour prior to scheduled meetings of the Audit and Governance Committee.

The report indicated that the Audit and Governance function cross-cut all Council business and it was also proposed that all Councillors would benefit from attending a course providing an introduction to and overview of the Audit and Governance function. Also, in line with CIPFA Guidance it was proposed to offer a Treasury Management training session to all Members. Both courses would be incorporated in the Council's Member Induction and Development Programme Handbook provided to Members at the start of each municipal year.

RESOLVED: That

- (1) the recommended key competencies required of Audit and Governance Committee members set out by CIPFA as detailed in Appendix 1 to the report be noted;
- (2) the Audit and Governance Committee schedule of member development topics and dates set out in Appendix 1 be approved;
- (3) the importance of Audit and Governance Committee members 'buying into' and showing commitment to training and development be endorsed; and
- (4) the inclusion of an 'Introduction to Audit and Governance' and 'Treasury Management' training sessions for all Councillors as part of the Council's Member Induction and Development Programme be endorsed.

50. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME 2022-2023

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Audit and Governance Committee Work Programme, which had been developed to ensure that all of the responsibilities of the Committee set out in the Audit and Governance Committee's Terms of reference (Appendix 1 to the report) were discharged during the 2022-2023 municipal year.

The Audit and Governance Committee Work Plan 2022-2023 providing details of reports required at each scheduled meeting were set out at Appendix 2 to the report.

Agenda Item 3

AUDIT AND GOVERNANCE COMMITTEE- WEDNESDAY 16TH MARCH,
2022

RESOLVED:

That the Audit and Governance Committee Work Programme for 2022-2023 set out in Appendix 2, be approved.

Agenda Item 4

Report to:	Audit and Governance Committee	Date of Meeting:	25 th May 2022
Subject:	Southport Theatre and Convention Centre – Disposal of fixtures and fittings		
Report of:	Executive Director Place	Wards Affected:	Cambridge and Dukes
Cabinet Portfolio:	Regeneration and Skills		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

The purpose of the report is to obtain approval to dispose of fixtures and fittings currently in the Southport Theatre and Convention Centre that are no longer needed due to the plans to demolish the existing venue and to build the new Marine Lake Events Centre.

Recommendation(s):

It is recommended that:

Audit and Governance Committee agree to the disposal, in accordance with Council procedures, of all redundant fixtures and fittings in the Southport Theatre and Convention Centre (STCC) as part of the Marine Lake Events Centre project.

Reason for the Recommendation:

To ensure redundant equipment and fittings in the STCC are disposed of in a sustainable manner and the full value is secured.

Alternative Options Considered and Rejected: (including any Risk Implications)

Not to dispose of the fixtures and fittings and leave in situ as part of any future demolition works – Rejected. This would not be a sustainable process, nor would the Council secure any value from the fixture and fittings.

Agenda Item 4

What will it cost and how will it be financed?

(A) Revenue Costs

Costs associated with the auction will be deducted from the final sales value of the assets. There will be no additional costs associated with the sale.

Any other support required for the overall process will be met from existing internal resources within the Tourism Service.

(B) Capital Costs

Not applicable.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):	
Existing internal resources will be utilised to support the overall process	
Legal Implications:	
There are no legal implications	
Equality Implications:	
There are no equality implications.	
Climate Emergency Implications:	
The recommendations within this report will:	
Have a positive impact	Y
Have a neutral impact	N
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N
The disposal of fixtures and fittings will allow items to be reused rather than included in a demolition work. A local weighting will also be attached to several items resulting in the potential of these items remaining within Sefton.	

Contribution to the Council’s Core Purpose:

Protect the most vulnerable: N/A
Facilitate confident and resilient communities: N/A
Commission, broker and provide core services: N/A
Place – leadership and influencer: The proposed new Events Centre will be an enabler for change and lead to further private sector investment in Southport.
Drivers of change and reform: This process will be part of a long-term sustainable future for a new multi functioning event space that will include conference facilities and auditorium along with new uses such as E-sports.
Facilitate sustainable economic prosperity: The new Events Centre will act as a major catalyst for the visitor economy contributing millions to the local economy by supporting local businesses and supply chains. It will also enable future private sector investment.
Greater income for social investment: The new Events Centre is projected not to require any large subsidies that have been required in the past, any revenue raised from the disposal of the fixtures and fittings will be reinvested back into the project
Cleaner Greener: The future operation will contribute to Sefton’s aims to becoming net zero Carbon Neutral.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6795/22) and the Chief Legal and Democratic Officer (LD.4995/22) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The new Events Centre formed part of the Southport Town Deal consultation. This overall consultation resulted in over 7,000 responses with regards to the overall Town Deal. Feedback from the “Save Southport Theatre and Floral Hall” group has also been reviewed and informs what is to be retained and what is to be disposed of.

Implementation Date for the Decision

Immediately following the meeting of the Audit and Governance Committee.

Agenda Item 4

Contact Officer:	Mark Catherall
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Email Address:	Mark.catherall@sefton.gov.uk

Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1. Background

- 1.1 Cabinet on the 24th June 2021 agreed not to pursue the short term re-opening of The Southport Theatre and Convention Centre (STCC) after its closure due to the operator Bliss Space going into liquidation due to the effects of Covid-19.
- 1.2 Subsequently Cabinet have agreed to pursue a comprehensive new Events Centre on the site of the existing STCC that will see a new major build project take place. As part of the new build a new operator will be secured and as part of the wider project the Events Centre will be fitted out with new up to date equipment.
- 1.3 Before the demolition of the existing facility, it would be good practice to dispose of the fixtures and fittings within the building such as catering equipment, redundant lights etc. rather than retain as part of the demolition process.
- 1.4 No historical elements will be disposed of it is anticipated that where possible these will be incorporated into the new events centre such as lighting, dance floor and projectors.

2. Process

- 2.1 Due to the number of fixtures and fittings along with its specialist nature a specialist auction house is required to oversee the process from start to finish on behalf of the Council.
- 2.2 A specialist catering supplier has been engaged to value some of the higher value equipment to get a firm understanding on values before engaging with auction companies.
- 2.3 The project aims for the disposal are:
 - Achieve maximum value for money for sale of assets

- Deal with the project in a cost effective, orderly manner and within the required timescale
 - Managing every facet of delivery and completion through to final sales reconciliation
 - To dispose of assets in a way which compliments Sefton Council's sustainability objectives
 - Undertake a strategic sales and marketing plan to run parallel to the project plan to maximise the return on every single asset
 - Evidence the social, environmental, and economic impacts
 - Dispose of saleable assets while feeding a range of downstream supply chains
- 2.4 A social value element has also been included on some of the higher value items, this means Sefton as the Client will be able to make a final decision on the sale of these items considering location of the bidder.

3. Proposal

- 3.1 It is proposed to commission NCM Auctions to manage the process of disposal. NCM Auctions have project managed many large-scale site clearances and specialise in the disposal of assets from leisure venues, colleges, universities, hotels, plants, factories etc. NCM provide a fully managed service, with a dedicated account manager as a single point of contact. They will lead on cataloguing, valuing, and promoting assets, and running the auctions across an advanced online platform – extending the reach and maximising sales.
- 3.2 NCM are entirely reliant upon the sales generated to profit from the auction. The initial, fixed setup fees are at cost for NCM and, as such, are highly incentivised to maximise the sales volumes to achieve the highest realised value they can.
- 3.3 NCM will provide Sefton Council with a 78% rebate of the auction hammer value achieved from all sales. This is consistent with market rates for such a service.
- 3.4 The auction and event fees cover the following:
- Auction catalogues build to be completed by our experienced Auction team
 - Asset photography and descriptions
 - Asset valuations, research, and reserve pricing
 - Sales and marketing campaigns to drive traffic to each client auction
 - Sales teams also conduct Private Treaty Sales after auction
 - Operational management of Buyer's Collections
 - Health and Safety management including a health and safety on-site manager
 - Health and Safety management to include risk assessments and method statements
 - Payment reconciliation and legal and admin charges

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