

Public

***Neath Port Talbot County Borough Council
Cyngor Bwrdeistref Sirol Castell-nedd***

***Democratic Services
Gwasanaethau Democrataidd***

Chief Executive: K.Jones

Date: 11 March 2021

Dear Member,

AUDIT COMMITTEE - MONDAY, 15TH MARCH, 2021

Please find attached the following report item for consideration at the next meeting of the **Audit Committee - Monday, 15th March, 2021.**

Item

- a) **External Independent Governance Review** (Pages 1 - 6)

Yours sincerely

p.p Chief Executive

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Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Audit Committee

15th March 2021

Report of the Chief Executive

Matter for Information

Wards Affected:

All

Report Title

External Independent Governance Review

Purpose of the Report:

To present the terms of reference of the external, independent review of governance arrangements initiated week commencing 8th March 2021.

Background:

On Friday, March 8th 2021, I was advised by the former Leader of Council that an audio tape had been released on social media featuring an edited account of him speaking at a private Labour Party meeting.

I was able to access the audio recording that evening. Having listened to it and having consulted with the Council's Monitoring Officer, it was clear that action was needed.

On March 9th 2021, the former Leader of Council advised me and the Monitoring Officer that he had made a self-referral to the Public Services Ombudsman. We have both received a copy of that self-referral and are satisfied that all relevant matters have been included. We were also advised that the former Leader would be standing back from that role whilst the Ombudsman carries out his enquiries into the matters.

On 9th and 10th of March I referred the matter to South Wales Police and the Auditor General respectively. Late evening, 10th March 2021 I briefed the two Opposition Group leaders, the Deputy Leader of Council and the Chair of the Audit Committee on information to date, the actions I had taken and was proposing to take.

Investigation of the matter is now for the Public Services Ombudsman to deal with and it will be for him to liaise with other agencies as may be necessary.

Given the nature of the comments on the tape and the public reaction to this incident, I decided to commission an external, independent review into systems and processes of governance. The terms of reference for that review are attached for the information of the Committee. The review will be led by Mr Rod Alcott, a former senior manager of the Wales Audit Office and he will be supported by Mr Jack Straw, former Chief Executive of the City and County of Swansea.

The terms of reference set are attached at Appendix 1. The report detailing the findings of this review and any recommendations will be presented to the Audit Committee in due course.

Financial Impacts:

Fees will be payable in respect of this review. The costs will be met from the contingency in this year's budget.

Integrated Impact Assessment:

There is no requirement for an IIA as this is an information item.

Valleys Communities Impacts:

There are no specific impacts for valley communities as this will be a review of corporate arrangements.

Workforce Impacts:

There are no specific workforce impacts. The Council's Audit Manager will help facilitate access to documents, information and people.

Legal Impacts:

There is no specific legal requirement to undertake this review.

Risk Management Impacts:

The Council has a clear framework in place to support its decision making. The Annual Governance Statement describes those arrangements and identifies, from assurance work undertaken each year, where governance arrangements might benefit from some strengthening. The Audit Committee has a role in overseeing that work. Given the nature of this incident, it is considered prudent to take an additional assurance about the current systems and processes that support decisions taken on school reorganisation; capital investment planning more broadly; and the protocol that governs member-officer relationships.

This incident has attracted considerable public interest. This reflects on the reputation of the council. It is important that this review is carried out by credible people external to the council so that there is public confidence in the review, its findings and any recommendations.

As mentioned earlier in the paper, the Public Services Ombudsman will consider the tape at the centre of this incident. I have liaised with

the Public Services Ombudsman, the Auditor General and South Wales Police to ensure the terms of reference I have set for this review does not hinder their considerations of the matter.

Consultation:

There is no requirement for external consultation on this item, however, I have consulted with the agencies listed in the body of this report in setting the terms of reference. I have also consulted with the two opposition group leaders, the Deputy Leader of Council and the Chair of the Audit Committee.

Recommendations:

That the Audit Committee receives the terms of reference for the external, independent review and notes that the report setting out the findings of the review will be presented to the Audit Committee in due course.

Appendices:

Appendix 1 – Terms of Reference – External Independent Governance Review

List of Background Papers:

None

Officer Contact:

Mrs Karen Jones, Chief Executive [Tel:01639 763284](tel:01639763284) or e-mail: chief.executive@npt.gov.uk

Terms of Reference External Independent Governance Review

Objective:

To provide the Chief Executive and the Council's Governance and Audit Committee with an independent, external assurance in relation to:

- The Council's current systems and processes surrounding the development of school reorganisation proposals;
- The Council's current systems and processes in relation to the programming of highways works and capital investment projects; and
- The appropriateness of the current Member-Officer Protocol contained within the Council's Constitution.

A written report, setting out your findings and any recommendations you feel need to be considered, is required. You may feel it appropriate to issue an interim report.

The report will be shared with the Council's Governance and Audit Committee and the Council's external auditors.

The Council will make available any documentation, e mails or other information that is necessary for sufficient assurance to be taken and will also expect officers and councillors to co-operate with any reasonable request for interviews that will enable the commission to be carried out.

Timescale: This review will commence week commencing 8th March 2021

Rod Alcott is a former senior manager at the Wales Audit Office with extensive experience of undertaking governance audits. He is

currently supporting a number of authorities across Wales with their preparations to meet new legislative self-assessment requirements.

Jack Straw is the former Chief executive of the City and County of Swansea, he has held senior positions in Welsh Local Government and NHS Wales for over 25 years. Jack has recently chaired an Oversight Panel relating to the NHS in North Wales and the Powys County Council improvement board