

**Internal Audit Report – Tavistock Hotel Proposal - Action Plan**

Recommendation	Details	Action	Timescale
1. Commercial Property Strategy	<p>The Council should consider having separate strategies for acquisitions and commercial development on Council owned land. In addition, consideration should be given as to whether the strategy should make a clear differentiation between acquisitions and development opportunities that are “In Borough” and “Out of Borough”.</p> <p>If the current Strategy remains, then a review of its current wording should be carried out to ensure that where reference is made to acquisitions, that the implications on commercial development and the process to be followed are considered and clearly set out where they differ from acquisitions (e.g. consultation with ward Members).</p>	<p>A revised Commercial Investment Strategy will be presented to the Hub Committee in July 2019. This will replace the Commercial Acquisition Strategy adopted by the Council in September 2018, and separate out the decision-making functions;</p> <ul style="list-style-type: none"> <li>• commercial development on Council-owned land must be referred to the Hub Committee (in line with other decisions on Council acquisitions / disposals / leases not otherwise delegated to the Head of Assets Practice)</li> <li>• Commercial acquisitions are now the responsibility of the Invest to Earn Committee – see recommendation 6 below.</li> </ul> <p>The Commercial Investment Strategy will divide the Strategy into Commercial Development on Council land and Commercial Acquisitions.</p>	A revised and updated Commercial Investment Strategy will be presented to the Hub Committee in July 2019.
2. Scheme of Delegation	The Head of Legal or other appropriate officer should identify and maintain a record of those schemes of delegation that are not referred to in the Council’s Constitution and have this “signposted” in the overall Scheme of Delegation within the Constitution so that they are more visible.	The Monitoring Officer has now established a system (effective from May 2019) whereby Democratic Services record decisions from the Hub Committee and Council, which delegates specific matters to officers. The record sets out the date of the decision, the Member body that made the decision, the minute reference, to whom the delegated authority has been given (and any consultees) and whether it is a time bound/project related or ongoing (in which case the Constitution will be amended accordingly). This will be published alongside the Constitution.	Completed

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3. Due Diligence Process	The Council should consider formally documenting the due diligence process that is followed by officers and external advisors and experts when taking forward a proposal to develop an asset on Council owned land. This would have similarities to the due diligence process that is used for an acquisition, but with extra due diligence checks such as consultation with ward Members. The process should outline the steps that need to be taken, the risks and issues that need to be considered, the documentation/evidence that should be completed and held and the approvals that should be sought before an application is submitted to the Local Planning Authority.	The Due Diligence Process will be set out within the revised and updated Commercial Investment Strategy presented to the Hub Committee in July 2019.	A revised and updated Commercial Investment Strategy will be presented to the Hub Committee in July 2019.
4. Access to Information	Consideration should be given to providing hyperlinks to Committee reports as part of the Full Council agenda.	This will be implemented from the July 2019 Council.	From July 2019 Council meeting
5. Unstarred Minutes	The current practice and process of “unstarred” minutes should be examined by the Political Structures Group. A possible solution could be the adoption of a process whereby, once Hub Committee minutes are published, a ‘Panel’ (to include the Chief Executive, S151 Officer and Monitoring Officer), in consultation with the Leader (as Chair of the Hub Committee) and the Mayor (as Chair of Council), decide whether any of the	This recommendation will be considered by the Political Structures Working Group at its first meeting.  Part 3 of the Council Resolution requested that the Political Structures Working Group ‘ <i>consider in particular the use of unstarred minutes and the relationship between the Hub Committee and the Council, with a report being presented back to the Council meeting on 23 July 2019.</i> ’	December 2019

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	<p>Unstarred Minutes are deemed so significant that they then warrant being a standalone agenda item at the next Council meeting.</p>	<p>In light of the number of newly elected Members (almost 50%) and newly appointed Hub Committee Members (again almost 50%), officers are of the view that, to report to the Council meeting on 23 July 2019, is too early and the new Council needs to be given the opportunity to familiarise itself with the relationship between the Hub Committee and the Council before any evidence based recommendations can be made. As a result, the Monitoring Officer considers that the Hub Committee should be given the opportunity to meet on at least three separate occasions (i.e. June, July and September) before the Working Group undertakes a full review, with a report then being presented back to the Council meeting on 10 December 2019.</p>	
<p>6. Role of Invest to Earn Group</p>	<p>The Council should consider the following:</p> <p>a) A review of the Invest to Earn Group's Terms of Reference to ensure that they are fit for purpose when dealing with commercial development proposals, especially those within the Borough, as well as commercial acquisitions.</p> <p>b) Establishing the Group as a formal Committee listed within the Council's Constitution which is open to the public where possible, with formal agendas, papers and minutes taken. It is noted that much of the content of these papers</p>	<p>With regards to recommendations 6(a) to 6(c);</p> <p>A formal Invest to Earn Committee has been established at the May Annual Meeting and Members have been appointed to that Committee and its Terms of Reference agreed. The details can be seen in part 3(b) of the delegation scheme in the Council's Constitution. The Invest to Earn Committee is responsible for commercial acquisitions and the terms of reference include ensuring that Ward Members are briefed on proposals relevant to their ward. As a Committee, it will receive a formal agenda and reports; minutes will record the decisions made along with the supporting reasons.</p>	<p>Completed</p>

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	<p>would be Exempt Part II papers where the public are not able to attend for reasons of commercial confidentiality.</p> <p>c) The introduction of a formal record showing the results of evaluation of either each Member of the Group or the Group as a whole, that provides commentary that outlines the reasoning behind the decision reached.</p> <p>d) The provision of training from commercial acquisition and development experts to Members of the Invest to Earn Group and the wider Council membership, to enable the Group to challenge investment business cases and make informed decisions on future investment proposals brought forward.</p>	<p>The Minutes will include a formal record of the results of evaluation and reasoning.</p> <p>(d) The Head of Assets Practice and the S151 Officer will organise specific training for Members of the Invest to Earn Committee.</p> <p>In addition the S151 Officer will organise treasury management training for all Members.</p>	<p>From July 2019</p> <p>September 2019</p> <p>October 2019</p>
7. Briefing of Local Ward Members	<p>The Council should ensure that it complies with the Commercial Property Strategy where it states that local ward Members will be briefed before a final decision to proceed with a development or acquisition is made.</p> <p>It should be made clear how local ward Members are to be briefed and how they can share their views with the Invest to Earn Group.</p>	<p>The Invest To Earn Committee terms of reference specifically refer of the requirement to brief Members on potential acquisitions. The Constitution also states more broadly that Members will be made aware of issues affecting their ward. There has been an awareness raising with officers following the appointment of the new Council, to emphasise the importance of early dialogue with ward Members. However, a structured approach will be also be set out in the revised Commercial Investment Strategy and due diligence details.</p>	Partly completed, with revised Strategy in July 2019
8. Members' Responsibility to Stay Informed	The Council should consider ways of assisting Members to stay informed where reliance is placed on Committee	Awareness has been raised during many of the Member Induction sessions on how to access	Completed but with ongoing checks

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	<p>agendas and reports as the method of delivery of that information.</p> <p>The Council should consider the provision of “refresher” training to existing Members following the forthcoming elections in May, including the use of the iPads for accessing Committee papers.</p>	<p>information and there has been extensive training with Members on the new SurfaceGo devices.</p> <p>Member Services (Democratic Services) and the Monitoring Officer will make regular checks to ensure that Members continue to have access to all of the information that they require.</p>	
9. Informal Council	As part of the on-going review of the Council’s Constitution, the conclusions of this report should be taken into consideration as part of future review discussions, namely in connection with the running of Informal Council.	<p>The Political Structures Working Group will consider this issue and make any necessary recommendations.</p> <p>Please see the comments in Recommendation 5 above as they apply equally to this recommendation.</p>	December 2019
10. Use of Social Media	The Council should undertake a review of its use of Social Media by both officers and Members, including all relevant policies and procedures that currently exist. This could be carried out in conjunction with the intended review by Internal Audit that is included in the 2019/20 Audit Plan.	<p>The Induction Programme included a thorough session on Communications and Social Media. As part of the Member Development Programme there will be sessions on Standards which will include the use of social media.</p> <p>The Council does have a Policy in place for both employees and Members in the use of social media which was updated in 2017. Given the increase in the use of Social Media, particularly by Members, over the past couple of years, the Head of Communications COP will develop a more in-depth policy with specific examples of good / bad practice to help Members in the use of Social Media. This will be reviewed by September 2019 and circulated to all Members.</p>	September 2019