

Report to: **Hub Committee**

Date: **16 July 2019**

Title: **Internal Audit report – Tavistock Hotel Proposal**

Portfolio Area: **Resources & Performance – Cllr Edmonds**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Recommendation to Council 23rd July 2019

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Recommendation: That the Hub Committee **RECOMMENDS** to Council the contents of the Internal Audit report (Tavistock Hotel) Action Plan attached at Appendix A.

1. Executive summary

- 1.1 Council on 26th March 2019 considered a report that provided Members with the conclusions of the Devon Audit Partnership (DAP) review into the recent Tavistock Hotel Proposal (Council Minute CM66). The report had also previously been considered by the Overview and Scrutiny Committee (Minute O&S 108 refers) and the Hub Committee (Minute HC91).
- 1.2 The Devon Audit Partnership (DAP) was asked by the Chief Executive of West Devon Borough Council, to undertake a review on the basis of what lessons could be learnt following the rejection by Members to approve the funding for a proposal to develop the Abbey Rise Car Park site in Tavistock.

- 1.3 Appendix A of this report sets out the ten recommendations from the Internal Audit report (Tavistock Hotel Proposal) with the action recommended for each Recommendation together with a suggested timescale.

2. Background

- 2.1 Following the rejection by Members to approve the funding for a proposal to develop the Abbey Rise Car Park site in Tavistock, the Devon Audit Partnership (DAP) was asked by the Chief Executive of West Devon Borough Council, to undertake a review on the basis of what lessons could be learnt.
- 2.2 An audit brief was agreed with the following objectives:
- An assessment of the effectiveness of the Commercial Property Strategy, using the information and evidence that was considered as part of the business case for the Tavistock Hotel proposal and its robustness (in relation to the decision to proceed to the Hub Committee to recommend to Council for the funding to be set aside for the project as part of the Capital Programme Proposals for 2019-20) – to include outline consideration of car parking, the economy, the design and the planning considerations;
 - To detail the timetable of events for reports and meetings on the decision, prior to the Hub Committee recommendation on 29th January 2019;
 - To determine the level of consultation which had taken place and with whom, including other local authorities, business organisations, consultants and voluntary/specialist organisations;
 - An assessment of whether due process and the correct governance procedures were followed and adhered to as part of the decision making process;
 - What were the factors that led to a number of recommendations from the Hub Committee on 29th January 2019 being overturned at Full Council on 12th February 2019– not just by a majority of Councillors but by a unanimous vote;
 - A high level review of the information and content on social media.
- 2.3 On 26th March 2019 at a meeting of the Full Council, a report was considered that provided Members with the conclusions of DAP's review into the recent Tavistock Hotel Proposal (Council Minute CM66). The report had also previously been considered by the Overview and Scrutiny Committee (Minute O&S 108 refers) and the Hub Committee (Minute HC91 refers). The link to the report is shown below.

<https://mg.swdevon.gov.uk/ieListDocuments.aspx?CIId=271&MIId=1326&Ver=4>

2.4 A review of relevant documentation was undertaken, including Council and Committee agendas, reports and minutes, the Commercial Property Strategy, acquisition and development proposal papers, meeting notes and a selection of email communication between Members and Members and officers. As well as the documentation above, reference was made to the Scrutiny Proposal Form dated 18th February 2019 (requesting the setting up of a Task & Finish Group to review the procedures for proposing development funded by the Council) and the Council's Constitution.

2.5 The relevant minute of the Council meeting is shown below:

Council Minute CM66

Upon being submitted to the Meeting, it was then declared to be **CARRIED** and **"RESOLVED** that:

1. the conclusions and ten recommendations contained in the Internal Audit Report (March 2019) be accepted;
2. officers of the Council, in consultation with lead Hub Committee Member, be asked to prepare an Action Plan and commence implementation of the recommendations forthwith and to submit the Plan, together with progress made to date at the Council meeting on 23 July 2019; and
3. a meeting be requested (early in the 2019/20 Municipal Year) of the Political Structures Working Group to 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."

3. Outcomes/outputs

3.1 The Action Plan in Appendix A sets out the outcomes and outputs required to address the ten recommendations within the Internal Audit Report together with progress on actions already commenced and appropriate timescales.

4. Options available and consideration of risk

4.1 Appendix A of this report sets out the ten recommendations from the Internal Audit report (Tavistock Hotel Proposal) with the action recommended for each Recommendation and a description of the timescale involved. The Action Plan will be recommended to Council for adoption.

4.2 Council has already accepted the conclusions and ten recommendations contained in the Internal Audit Report (March 2019) – Minute Reference CM66. The Hub Committee can recommend changes to the content of the Action Plan set out in Appendix A.

5. Proposed Way Forward

5.1 It is recommended that the Action Plan set out in Appendix A for the ten recommendations from the Internal Audit report (Tavistock Hotel Proposal) is adopted.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Action Plan in Appendix A sets out legal and governance issues which need to be addressed, with any consequential amendments to the Constitution. There are also items within the Action Plan that need to be referred to and considered by the Political Structures Working Group.
Financial implications to include reference to value for money		There are no direct financial implications of any of the ten recommendations or actions set out in the Action Plan in Appendix A. The recommendations adopted will ensure the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Council's Annual Governance Statement for 2018-19 refers to the ten recommendations from the Internal Audit report on the Tavistock Hotel Proposal.
Risk		There are no direct risk implications from the Council adopting the Action Plan and agreement to the Action Plan in Appendix A will mitigate the risks of similar issues arising with any proposed development on Council owned land in the future.
Supporting Corporate Strategy		The Internal Audit report (Tavistock Hotel) Action Plan supports the Corporate Strategy Themes of Council, Enterprise and Communities.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None

Other implications		None
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Supporting Information

Appendices:

Appendix A – Internal Audit Report – Tavistock Hotel Action Plan

Background Papers:

Hub Committee 19th March 2019 – Internal Audit Review of the Commercial Property process

Overview and Scrutiny Committee 26th March 2019 – Devon Audit Partnership report – Tavistock Hotel Proposal

Council 26th March 2019 – Internal Audit report – Tavistock Hotel proposal

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes
SLT Rep briefed/sign off	Yes
Relevant Heads of Practice sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	Yes