

FULL COUNCIL**14 DECEMBER 2011****REPORT OF CHIEF EXECUTIVE****CONSIDERATION OF THE INTRODUCTION INTO THE COUNCILS ARRANGEMENTS OF A GOVERNANCE COMMITTEE****1.0 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to consider whether Members wish to introduce a Governance Committee and to settle how it functions and Terms of Reference would be determined.

2.0 RECOMMENDATIONS

- 2.1 **Members consider whether they wish to introduce arrangements for a Governance Committee and if so that a further paper detailing the Terms of Reference and Functions of the Committee be made to the meeting of Full Council prior to the Annual General Meeting in 2012.**

3.0 KEY ISSUES

- 3.1 At its meeting on 20 July 2011 the Full Council determined that it wished to consider the introduction of a Governance Committee into its arrangements. The Full Council determined *“The Council believes the time has come to set up a Governance Committee to deal with matters affecting the work of the Council other than those concerning policy, regulation and overview and scrutiny but including the Constitution and Audit. Accordingly the Council asks the Chief Executive to draw up any necessary changes to the Constitution for consideration at the next meeting of the Council.”*
- 3.2 Good governance including Corporate Governance is a key requirement of a healthy organisation. By making explicit their high standards of self governance, a Council can give a lead to potential Partners, to the Public, Private or Voluntary Sectors and to their citizens. As a result of this, Corporate Governance can be seen as the key stone for Community Governance. The introduction of a Governance Committee would allow the Authority to clearly demonstrate that it is complying with the underlying principles of Governance which are openness and inclusivity, integrity and accountability. The Governance Committee would facilitate these principles being translated into a Framework which would seek to ensure this is fully integrated into the conduct of the Authority's Business and would establish a means of demonstrating compliance.
- 3.3 The areas that could be covered by a Governance Committee could include the following:
- Relationship with the Community;
 - Oversight of the publication of an Annual Report in the most appropriate format;
 - Ensuring that the Councils financial and operating reporting processes are adequate and continue to be “fit for purpose”;
 - Oversight and potentially management of the Councils consultation and engagement approach with its Community and monitoring those processes to ensure that they contribute to the work of the Council;
 - Monitoring the openness of the Council in its dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and

appropriate to do so;

- Establishing clear channels of communication with the public and dealing with their concerns. This would include oversight of the Councils Corporate Complaints Policy and relationships with other regulatory bodies such as the Ombudsman.

3.4 Service Delivery Arrangements

- The Committee could have oversight of the Councils Performance Management System and would also monitor the Councils Improvement Plan;
- This could include ensuring the Authority fosters effective relationships and partnerships with other Public Sector agencies and the Private and Voluntary Sectors to ensure the most efficient and effective discharge of the Councils functions.

3.5 Roles and Responsibilities

- The Committee would have oversight of the Councils Constitutional arrangements including delegation, procedural matters, roles and responsibilities and associated codes and procedures;
- The Committee may then have formal oversight of Members Training to ensure they have the necessary support to fulfil their role.

3.6 Risk Management and Internal Control

- The Committee would be responsible for developing and maintaining robust systems for identifying and evaluating significant risks and putting in place effective Risk Management Systems, including those relating to internal control and an internal audit function;
- This would include oversight of provisions which reflect the transparency of the Authority including Whistleblowing Policy and Procedures, Fraud and Corruption Policy and Procedures, and other related matters;
- Oversight of the Councils Audit arrangements to ensure the Council has in place sufficient processes to respond positively to the findings and recommendations of both internal and external audit and any other relevant statutory inspectors;
- The Committee would also deal with new regulatory legislation such as the introduction of the Anti-Bribery Act 2010.

3.7 Ethics and Probity

- The Committee could take responsibility of the new provisions relating to standards of conduct within the Authority and in particular arrangements concerning the adoption of a Code of Conduct for Members and any related changes that would be required for the Officers Code of Conduct;
- This responsibility would also include oversight of any new arrangement introduced concerning investigations of breaches of the code, dispensations and/or advice and guidance to Members;
- This area of activity could also include advice on attendance, and oversight of Members Allowances in accordance with established and regulatory procedures.

3.8 The breadth of functions of the suggested Committee would bring together several functions which rest in a variety of areas of the Councils activities. Some of these activities impact adversely upon the smooth running of the Meeting or Committee which presently holds that function. One such area is audit which has recently been transferred from the Overview, Scrutiny and Audit Committee to a separate Audit Committee arrangement. At

the time of agreeing this Members indicated that they felt this step may be a move towards the creation of a wider Governance Framework and Committee. If this Committee proposal is accepted it would assimilate Audit issues.

- 3.9 Should Members be minded to consider these arrangements further it is suggested that detailed Terms of Reference and Functions of the Committee be prepared to allow the Council to examine in detail the proposal. It is suggested that these arrangements be considered by the Constitutional Task Group and/or by the Policy, Finance and Administration Committee prior to presentation at Full Council at its Meeting before the Annual General Meeting of 2012 or such later date as Members may determine.

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The proposed Committee would bring together the Council's Policies and Procedures concerning Governance, particularly those which relate to the underlying principles of good governance as set out in the report of openness and inclusivity, integrity and accountability. A suite of Policies and Procedures which would be the responsibility of the Committee would be brought together for coordinated oversight.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 There would be no significant impact on the Council's finances on the introduction of this approach; particularly the Council has already indicated that it is minded to set up a separate Audit Committee.

6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 The establishment of this Committee would cover several regulatory and legal requirements placed upon the Council and may enable the Council to respond in a more coordinated and proactive way to the Governance requirement of relevant legislation.

7.0 COMMUNITY SAFETY

- 7.1 There are no particular requirements arising from this report.

8.0 EQUALITIES

- 8.1 It is suggested that oversight of the Equalities and Diversity Policies and Procedures of the Council rest with the Governance Committee should it be established.

9.0 RISKS

- 9.1 There are no specific risks associated with the creation of this Committee, indeed in the coordinated way it deals with Governance issues it may reduce risk.

10.0 CLIMATE CHANGE

- 10.1 There are no particular implications arising from this report.

11.0 CONSULTATION

11.1 As Members will see from this report it is suggested that oversight of the Councils consultation and engagement approach rest with this Committee. This should enable a better use of resources and a more coordinated approach to this activity.

11.2 There have been no formal consultation arising from the preparation of this report.

12.0 WARDS AFFECTED

12.1 All

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Date: 9 December 2011

Appendices : None

Background Papers: Audit Task Group – 13 July 2011 – Relevant Minutes: Audit Function
CIPFA/SOLACE “Corporate Governance in Local Government”
Communities and Local Government – a plain English guide to the Localism Act

Reference : X:\Cttee, Council & Sub Cttees\Council Meetings\2011 12\141211