



GOVERNANCE COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

1 FEBRUARY 2016

PRESENT

Councillors P.M. Chandler (Chairman)
E. Holmes, J. Illingworth, V.J. Manderson
J.T. Orson, J. Simpson

Mr. S. Clarke & Ms. H. Henshaw, Ernst Young (Current External Auditor)
Mr. T. Hann, PriceWaterhouseCoopers (Outgoing External Auditor)

Head of Central Services, Head of Communications & Monitoring Officer
Head of Welland Internal Audit Consortium
Senior Democracy Officer

G46. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Sheldon. Councillors Bains and Glancy were also not present.

G47. MINUTES

- (a) The Minutes of the last meeting held on 23 November 2015 were confirmed and authorised to be signed by the Chairman.
- (b) The minutes of the Governance Sub Committee 1 held on 1 December 2015 were noted.
- (c) The minutes of the Governance (Boundary Review) Sub Committee held on 22 December 2015 were noted.

With regard to the minutes of the Governance (Boundary Review) Sub Committee held on 22 December 2015, Councillor Orson stated that although he agreed with the Sub Committee's recommendation for a new name for the Asfordby Division, he advised that there was already a Leicestershire County Council division that included the word 'Wolds' in its name and pointed out that it would be up to the Boundary Commission to decide whether this duplication was acceptable.

G48. DECLARATIONS OF INTEREST

Councillor Orson declared a personal interest in any items related to Leicestershire County Council due to his position as a County Councillor.

G49. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other Committees.

G50. UPDATE ON DECISIONS

The Update on Decisions was submitted by the Monitoring Officer on behalf of the Chief Executive (copies of which had previously been circulated to Members) and was updated as follows :-

- Item 1 Fraud Log – report at this meeting - completed
- Item 2 Protective Marking – update noted
- Item 3 Housing Benefit Processing etc – update noted
- Item 4 Elections & Electoral Registration – completed
- Item 5 Set up Member Complaints Review Task Group – completed
- Item 6 Internal Audit Update – Business Continuity Plan - the Monitoring Officer reported that significant progress had been made
- Item 7 Annual Report on Equality & Diversity - completed

RESOLVED that the Update on Decisions document be updated and those items that were completed as listed above, be removed.

G51. ANNUAL GRANTS CERTIFICATION REPORT 2014/15

Mr. Hann of PriceWaterhouse Coopers, the External Auditor, submitted the Annual Grants Certification Report 2014/15 (copies of which had previously been circulated to Members) which summarised the results of grant certification work undertaken for the financial year 2014/15.

With regard to the Housing Benefit Subsidy Claim on page 9, a Member drew attention to the errors that were listed and concern at figures not being correct. Mr. Hann responded that the errors were of small value and were more a case of carelessness than management procedures.

The Head of Central Services explained that this concern had been raised previously and had led to an internal audit review of Housing Benefits processing. She advised that the Committee was already following up on this and was due to receive a performance report from the service area at its next meeting and this action had been raised as a result of previous reports of errors in processing benefits claims.

RESOLVED that the Annual Grants Certification Report 2014/15 be noted.

(Mr. Hann here left the meeting.)

G52. EXTERNAL AUDIT - ANNUAL AUDIT PLAN

Mr. Steve Clarke and Ms. Helen Henshaw of Ernst Young, the External Auditor, presented the 2015/16 Audit Plan (copies of which had previously been circulated to Members) which included an analysis of key risks, the audit strategy, reporting and timescale.

Members were advised that the presentation of an Audit Plan was a statutory function and included an assessment of the Council's potential risks taking into account external, operational, financial and other Council influences. The key risks were listed on page 4 and related to public sector austerity and funding volatility, particularly on revenue and expenditure, setting and delivering a financially sustainable package of savings and methods of income generation, risk of management override of controls and valuation of property, plant and equipment. The plan explained the Auditor's approach in determining the Council's position in the key risk areas listed above and coming to a conclusion on value for money. It was advised that there had been an update on how value for money was determined which was not a big difference to previously and this was set out on page 5 of the Audit Plan.

RESOLVED that the Annual Audit Plan 2015/16 be noted.

G53. INTERNAL AUDIT UPDATE

The Head of the Welland Internal Audit Consortium

- (a) submitted a report (copies of which had previously been circulated to Members) which updated the Committee on progress made in delivery of the 2015/16 Annual Audit Plan and other matters relating to the delivery of an effective internal audit service;
- (b) stated that the team was on track to deliver the Internal Audit Plan by the end of the financial year with all assignments now underway. The report detailed the current position on assignments and since the report was drafted a further draft audit report had been issued. Since the last Committee meeting, 4 reports had been finalised and key findings were included in the report and a summarised update on these was given as follows :-

(i) Industrial Estates

An opinion of limited assurance was given over the controls in place at the time of testing. Since the service had been transferred in-house, there had been no new tenancy applications but it was highlighted that there was a lack of procedures in place to ensure that suitable pre-tenancy checks would be undertaken when tenancy applications were received. In sample testing, 50% of the units currently let did not have lease arrangements signed by the Council and/or the tenant and audit trails for the review and approval of leases were not available for review.

It was also highlighted that the repairs and maintenance programme needed further review to ensure repair work and inspections were carried out. Areas of good practice included invoicing and recovery of debts from

tenants. There were 8 recommendations, the majority to be completed by end of February 2016 and it had been advised that these were in progress already and were due to be completed ahead of schedule.

There was concern expressed at the lack of lease agreements and the Head of the Welland Internal Audit Consortium advised that action was being taken by officers and these matters were being followed up by Internal Audit.

(ii) Statutory Inspection Regimes – Council properties and grounds

The Council had well designed inspection regimes in place and the inspections during the recent period had been conducted in accordance with the schedule and were suitably evidenced. However it was noted that Disability Access Assessments had not been completed at any of the locations in the review.

An opinion of sufficient assurance was given and five recommendations were made, four of which had been completed ahead of the agreed timescales and the one remaining action had an implementation date of June 2016.

Members were concerned that there had been no Disability Access Assessments completed on these commercial properties. The Head of Central Services advised that an external organisation had been commissioned to carry out this work and it was a general fund expense. The Head of the Welland Internal Audit Consortium advised that this would be followed up.

(iii) Financial Transparency

The review highlighted that Melton demonstrated full compliance with the mandatory elements of the Transparency code and also published 67% of the voluntary information, which was more than other Councils in the benchmarking review.

The review also concluded that Melton had a high level of transparency around its budget setting and monitoring.

(iv) Planning Applications

This was a consultancy style review requested by Management to review the new electronic document management system used for planning applications and confirm whether efficiencies were being achieved and whether there were any further areas for improvement. Some areas were highlighted for potential further efficiencies and some advisory recommendations were made such as encouraging shift to electronic tools to make better use of officer time, scanning more documents etc and these had been presented as an Action Plan to assist management. Further process reviews were recommended and it was understood that the Planning Team, with the support of the Transformation Programme, would be pursuing this to ensure the service was making the best possible use of resources.

- (c) Since the last meeting, 83% of actions which were due for implementation had been completed and there were currently three overdue recommendations including Business Continuity Plan which had been discussed at the last meeting. The Head of Regulatory Services had advised that the work on the plan was progressing and it had been reported to the Management Team that day. The other two recommendations were subject to on-going review and progress was being made.

There was sympathy for the planning process and there had been a high level of staff turnover and this had meant that the public was not always happy with the timeframes involved.

RESOLVED that the report and progress made by the Internal Audit team in delivery of the Audit Plan be noted.

G54. LEICESTER CITY COUNCIL FRAUD PARTNERSHIP

The Head of Central Services

- (a) submitted a report on behalf of the Head of Communities and Neighbourhoods (copies of which had previously been circulated to Members) which provided the Committee with an update on the Leicester City Council led fraud bid for Leicester & Leicestershire;
- (b) stated that the Council was hoping to sign the agreement later that week and could then press ahead to input data to the new database and use the fraud software and app. She advised that Leicester City Council would lead on any investigation and prosecution stages on Melton's behalf. The funding would be drawn down as soon as the project started. There would be a review of its success and based on this the Council would either continue with the shared arrangement or look at alternatives in the future.

Members were in favour of the shared arrangements on fraud and asked if it would mean there would be any reduction in posts at Melton.

The Head of Central Services advised that the Council had a single Benefits Fraud Officer and that individual would transfer to the Department for Work and Pensions from 1 April 2016 as the Council would not be responsible for Housing Benefit fraud after that date. She further advised that it was in the Council's interest to be proactive around fraud relating to business rates and the local Council Tax Support Scheme and whilst as a Member stated that so far it had a 100% success rate in fraud this was partly due to being selective about which cases were pursued. There was an opportunity to pursue further cases for example arising from data matching exercises and challenging the date of the change. This was considered good practice and a preventative measure that could be shared with Leicester City Council. She explained that the project had been delayed due to an under-estimation of the work involved in bringing the project together but the funding would still be available for the two years from implementation.

Councillor Orson proposed the recommendations in the report with an amendment that there be a report back in six months following implementation.

Councillor Chandler seconded and on being put to the vote all Members were in favour.

The External Auditors were asked for any comments and Mr. Clarke explained that in his role as the external auditor he had less concern about this type of fraud as it was relatively small amounts and related to individuals whereas his role was more involved in the statement of accounts.

RESOLVED that

- (1) the current role of the Council regarding the fraud work with Leicester City Council be noted;
- (2) the briefing paper (Appendix A) from Leicester City Council regarding the role they have in leading the City/County Fraud Hub be noted;
- (3) there be a report back to this Committee on progress six months after implementation.

(Mr. Clarke and Ms. Henshaw here left the meeting.)

G55. REVIEW OF MEMBER COMPLAINTS PROCESS

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) which enabled the Committee to consider a review of the Member Complaints Process taking into account the current arrangements and the requirements of the Localism Act.

It was proposed by Councillor Holmes and seconded by Councillor Illingworth that a Task Group be set up to review the Member Complaints process.

Members discussed the Member Complaints Process and felt that it was a long process to get to a stage when a complaint was determined one way or another. It was felt that there could be an option for the Monitoring Officer to filter out complaints where there was no case to answer.

The Monitoring Officer explained that she did not have the delegated authority to filter out complaints once they were submitted under the Code of Conduct. She advised that once a complaint was received that was a complaint under the code then it had to follow the process and could only be closed by informal resolution (the complainant agreeing to close the complaint on receipt of the Subject Member's response) or by the Sub Committee. She advised that the process complied with the requirements of the Localism Act although there were areas that could be amended within the process that would still meet the legislation. The Monitoring Officer stated that the timespan of the complaint was influenced by the Subject Member and the Complainant in responding to each stage.

Members were of the view that they would like a less complicated process that was quicker and asked how the process worked in other authorities as it appeared to be a waste of time and money. They also asked if there were any time limits.

The Monitoring Officer responded that she met with other Monitoring Officers and attended conferences and all had to comply with the same legislation. She advised that she could check if it was legally possible to add time limits to the process.

It was requested that the Monitoring Officer be in a position to advise what could be changed within the process so that Members knew what had to be accepted and what was within their control to influence at the Task Group meeting.

One Member considered it not necessary to form a Task Group and a short report by the Monitoring Officer to the Committee would suffice.

The majority were in agreement to form the Task Group and it was felt that one Task Group meeting may be enough and the following Members volunteered to be on the Task Group : Councillors Chandler, Holmes, Illingworth, Manderson and Simpson.

RESOLVED that

- (1) a Task Group consisting of 5 Members be set up with the remit to review the Member Complaints Process and report back to the Committee on its findings;
- (2) the Task Group Members be Councillors Chandler, Holmes, Illingworth, Manderson and Simpson.

G56. CODE OF CONDUCT UPDATE

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members) which updated the Committee on the latest position with regard to standards matters including the Code of Conduct, the registration of Disclosable Pecuniary Interests and Other Interests and any complaints against Councillors under the Council's process;
- (b) explained that with regard to the Parishes, although all the known outstanding Disclosable Pecuniary Interests forms had been received, changes in membership were frequent due to co-option arrangements and therefore keeping up with the registration of Disclosable Pecuniary Interests was an ongoing challenge;
- (c) was seeking closure of one complaint through the informal resolution stage and a meeting of Sub Committee 2 would be arranged shortly to determine the other outstanding complaint;
- (d) advised that she met with the Independent Persons regularly and they also met up with colleagues at conferences. There was a Leicestershire pool of Independent Persons and they were currently recruiting however at Melton the term of office ended in July 2017.

Councillor Holmes advised that the Parish Representative, Peter Holbrook, was no longer a Parish Councillor at Waltham and Thorpe Arnold Parish Council.

RESOLVED that the update on the position of standards matters including Parishes' Registration of Disclosable Pecuniary Interests and Other Interests and complaints against Councillors under the provisions of the Localism Act be noted.

G57. CONSTITUTION UPDATE 2015 16

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) which requested the Committee to consider constitutional items and those approved be referred to the Council for adoption and incorporation into the Council's Constitution.

The Committee

- (a) considered changes to two existing Officer Delegations which related to increasing the income threshold of the existing Officer Delegations to the Head of Central Services and the Corporate Property Officer from £10,000 per annum to £20,000 per annum and the amended delegation to each read as follows :-

'To effect the taking or the grant, renewal, rent assignment, transfer, surrender review and termination of any leases, licences, easements, wayleaves, consents and rights in land or buildings, the income from which does not exceed £20,000 per annum or a premium payable does not exceed £20,000 per annum.'

- (b) considered a new Officer Delegation to the Head of Communities and Neighbourhoods in relation to the Wheels to Work scheme to allow the insurance excess charge to be waived in exceptional circumstances.

The new delegation to read as follows :-

'In respect of the Wheels to Work scheme, to determine whether to waive the insurance excess charge in exceptional circumstances.'

- (c) noted that the Head of Central Services had exercised her delegation for an amendment to the Contract Procedure Rules of the following revised OJEU thresholds which came into effect from 1 January 2016 and will apply for two years :-

Goods and Services

New threshold: £164,176 (was £172,514)

Works

New threshold: £4,104,394 (was £4,322,012)

Light Touch (mainly care contracts)

New threshold : £589,148

RESOLVED that the following items be approved and noted as indicated and referred to Full Council for adoption in the Constitution :-

(a) Head of Central Services – Change to existing Officer Delegation - 65

To increase the income threshold of this existing Officer Delegation from £10,000 per annum to £20,000 per annum and the amended delegation read as follows :-

‘To effect the taking or the grant, renewal, rent assignment, transfer, surrender review and termination of any leases, licences, easements, wayleaves, consents and rights in land or buildings, the income from which does not exceed £20,000 per annum or a premium payable does not exceed £20,000 per annum.’

(b) Corporate Property Officer – Change to existing Officer Delegation - 1

To increase the income threshold of this existing Officer Delegation from £10,000 per annum to £20,000 per annum and the amended delegation read as follows :-

‘To effect the taking or the grant, renewal, rent assignment, transfer, surrender review and termination of any leases, licences, easements, wayleaves, consents and rights in land or buildings, the income from which does not exceed £20,000 per annum or a premium payable does not exceed £20,000 per annum.’

(c) Head of Communities and Neighbourhoods – New Officer Delegation

A new Officer Delegation for the Head of Communities and Neighbourhoods is needed in relation to the Wheels to Work scheme to allow the insurance excess charge to be waived in exceptional circumstances.

The new delegation to read as follows :-

‘In respect of the Wheels to Work scheme, to determine whether to waive the insurance excess charge in exceptional circumstances.’

(d) Contract Procedure Rules : OJEU Thresholds

It be noted that the Head of Central Services had exercised her delegation for an amendment to the Contract Procedure Rules of the following revised OJEU thresholds which came into effect from 1 January 2016 and will apply for two years :-

Goods and Services

New threshold: £164,176 (was £172,514)

Works

New threshold: £4,104,394 (was £4,322,012)

Light Touch (mainly care contracts)

New threshold : £589,148

G58. URGENT BUSINESS

There was no urgent business.

The meeting which commenced at 7.00 p.m., closed at 8.07 p.m.

Chairman