



GOVERNANCE COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

24 JUNE 2013

PRESENT

Councillors M.C.R. Graham MBE (Chairman)
P. Cumbers, J. Douglas, A. Freer-Jones, M. Gordon, V. Manderson, J. Moulding,
J.T. Orson, M.R. Sheldon, N. Slater

Chief Executive
Head of Central Services
Head of Communications & Monitoring Officer
Head of Welland Internal Audit Consortium
Senior Democracy Officer
Admin Assistant

G.1. APOLOGIES FOR ABSENCE

There were no apologies received for absence.

G.2. MINUTES

- (a) The Minutes of the Ad Hoc Meeting held on 21 February 2013 be amended as noted in the Exempt Minute G.21.
- (b) The Minutes of the Meeting held on 28 March 2013 were confirmed and authorised to be signed by the Chairman.
- (c) The Minutes of the Ad hoc Meeting held on 21 May 2013 were confirmed and authorised to be signed by the Chairman.

G.3. DECLARATIONS OF INTEREST

Cllr J.T. Orson declared a personal interest in any item involving the Leicestershire County Council due to his role as a County Councillor.

G.4. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations or reports submitted from other Committees.

G.5. UPDATE ON DECISIONS

The Chief Executive submitted a report (copies of which had previously been circulated to Members) which provided an update on decisions from previous Meetings of the Committee.

Item 1 – Review of the Council’s Constitution 2012/13

A report has been compiled for this meeting and will be covered in detail at Agenda Item 11.

Item 2 – Public Sector Internal Audit Standards

A one hour training session on the Public Sector Internal Audit Standards was delivered by the Head of the Welland Consortium prior to this Committee Meeting. The training provided Members with a clear understanding of responsibilities that the Standards place upon the Committee and on the Chair.

RESOLVED that the report be noted.

G.6. INTERNAL AUDIT ANNUAL REPORT

The Head of Consortium submitted a report to satisfy the Accounts and Audit Regulations (copies of which had previously been circulated to Members) on the performance of Internal Audit during the year and the “Internal Audit Opinion” on the Council’s system of internal control and its arrangement for risk management and governance.

The Head of Consortium reported that the Council’s internal control arrangements continue to provide a Sound Level of Assurance and represent the second highest of five levels of assurance within the model adopted by the Consortium, illustrating a satisfactory management of risk. Members were referred to Appendix A - The Annual Report of Internal Audit which clearly sets out the basis for that opinion. Members were then referred to Appendix 3 - The Internal Audit Self-Assessment where the CIPFA Code of Practice prescribed the Standards of Organisation and operation for Internal Audit in Local Government during 2012/2013 and represents the appropriate basis for evaluating the Consortium’s organisational and operational arrangements. Staffing issues have impacted and consequently made it impossible for the Consortium to comply fully with five of the 11 relevant criteria set out.

It was also identified that there is a requirement to develop the capacity of the Governance Committee itself and to improve the way in which systems evaluation is carried out in order to achieve full compliance.

A proposed training schedule was circulated to Members of the Committee. The dates are to be confirmed but it was agreed Wednesdays at 5.00 pm would be a convenient time:-

Understanding Risk and Control – 1 hour
The Internal Audit Process – 1 hour
Understanding Assurance – 1 hour

The Head of the Consortium is also proposing to run three training workshops, dates and times to be confirmed:-

Evaluating Statements of Assurance – half-day
Reviewing the Annual Audit Plan – half day
Evaluation of the Performance of the Head of Internal Audit – half day

RESOLVED that the report be noted.

G.7. INTERNAL AUDIT REPORT

The Head of Consortium submitted a report (copies of which had previously been circulated to Members) to update Members on the work being undertaken by the Consortium to deliver the Council's Internal Audit Service and to move towards a position of full conformity with the Public Sector Internal Audit Standards.

The Standards require this Committee to undertake the gate keeper role approving changes to audit plans and reports.

In relation to paragraph 4.6 of the report:-

“There is an assumption that the Committee will develop the capacity to provide its own assurance to the Council. In 2013/14 the Committee will receive executive summaries for any audit resulting in an assurance rating falling below Marginal: it will be for the Committee to determine whether it seeks additional assurance about such aspects of the overall control framework”.

Members felt it would be beneficial to obtain a full executive summary for any audit not just the audit resulting in an assurance rating falling below Marginal.

Members were referred to Appendix A – Commitment of Planned Audit Resources. This is a first attempt and provides Members with a clear representation of the extent to which available audit days have been committed. It illustrates that the budget for IT audit work is fully committed. It was felt that over time this table will grow with importance and significance and the number of days allocated may need to be rebalanced.

Members were then referred to Appendix B - Proposed Performance Indicators. A brief explanation of what Performance Indicators are was provided by the Head of the Consortium. Table 2 illustrates the Performance Targets for 2013/14. The Chair of the Committee requested that the Target Percentage for IA1, IA2, IA3 and IA5 be increased from 90% to 95%.

With reference to IA4 Customer Satisfaction - Target 3.6, clarification was sought to determine the response range. One is poor and 4 equates to very good.

RESOLVED that

(1) The report be noted;

- (2) The Performance Targets Percentages be increased to 95;
- (3) A short Internal Audit Update Report is to be provided at each Governance Committee Meeting.

G.8. ANNUAL GOVERNANCE STATEMENT

The Monitoring Officer and S151 Officer submitted a report (copies of which had previously been circulated to Members) explaining the requirements for the Council to produce an Annual Governance Statement (AGS). The Annual Governance Statement is a key component of the Council's Governance arrangements. As such, those who are responsible for these arrangements must approve it.

Members expressed their disappointment that this report was late being circulated and it was felt that inadequate time was not permitted to digest the report fully. Members were invited to contact the Monitoring Officer or S151 Officers should they require any clarification on the report following the Meeting. The Chief Executive agreed to pursue the reasoning behind the report being issued late and remind officers of this requirement.

It was pointed out that the AGS should be approved by the end of June on an annual basis. The AGS is a dynamic document, reflecting improvements to the Council's governance arrangements and can be utilised to give assurance to stakeholders that the Council is properly and effectively managed.

There was a discussion around data protection and a recent case involving a Licensing matter that was reported on the East Midlands news. The Chief Executive advised that procedures were in place to avoid such a recurrence and a Redaction Policy was currently being drafted. It was noted that wherever possible Members were given notice of any Council matters that were scheduled to be broadcast in a local news programme.

RESOLVED that

- (1) The Committee approved the Council's Annual Governance Statement;
- (2) Members noted the progress made with the actions from last year;
- (3) The Chief Executive to remind officers of the need to provide timely information for reports to ensure they meet the statutory distribution dates.

G.9. CODE OF CONDUCT – UPDATE OF PROGRESS

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) to update the Committee on the latest position with regard to standards matters including the Code of Conduct, the Registration of Disclosable Interests and other interests and any complaints dealt with under the new system.

The Monitoring Officer informed the Committee that the new complaints process had been applied to 9 complaints to date. Three have been completed at an informal resolution stage, four have been considered by the Governance Committee and the other two complaints are currently in progress.

The Monitoring Officer reported that there had been a training session held on 16 May 2013 on the Code of Conduct and Complaints Process for the Committee and a second opportunity for those who had not been able to attend that session had been arranged for 4 July 2013. An overview training session was to be arranged on the Code of Conduct and Complaints Process for all Councillors and Parish Councils.

RESOLVED that the report be noted.

G.10. CONSTITUTION REVIEW 2012/13 – FOLLOW UP

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) and explained that at the Meeting of the Council held on 24 April 2013, it was resolved that four items be referred back to the Committee for reconsideration. The Committee was requested to reconsider the deferred items for amendment to the Council's Constitution as well as some other changes listed in paragraphs 3.4, 3.5 and 3.6 of the report and refer the same to the Council for approval.

Of the first three items deferred from the Council, Members considered the original option that was presented as well as an option 2 which was the suggestion that was referred from the Council meeting.

- (a) New Officer Delegation to Head of Communities and Neighbourhoods in respect of Neighbourhood Plans

The Chair proposed an Option 3 which was that the delegation remain with the Head of Service in consultation with the relevant Chair and the Ward Councillor, however he withdrew this proposal when Option 2 was proposed by Councillor Moulding and seconded by Councillor Gordon as he felt that it was for the Committee to decide and the strength of opinion was with Option 2, which read as follows :- .

To add the following delegation to the Rural and Economic Affairs Committee :

'To consider and make all decisions relating to Neighbourhood Plans.'

- (b) Procedure Rule 13.4 – Timing for Speeches

The Committee were all in favour of Option 2 as follows:

Content and length of speech

13.4 Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech may exceed five minutes without the consent of the Mayor **apart from the Leader and Leader of the Opposition who may speak for up to 10 minutes as well as those proposing a motion or an amendment.**

(c) Role of the Leader of the Opposition

*The Committee were all in favour of Option 2 as follows :-
Article 2(e) of the Constitution be amended as follows :-*

(e) Leader of the Opposition and Other Group Leaders

'The Council recognises other Group Leaders and will appoint a Leader of the Opposition, being the Leader of the largest opposition group.'

To agree that the Leader of the Opposition and other Group Leader(s) role be defined in the Roles and Responsibilities document as set out in Part 5 of the Constitution and be amended as shown at Appendix A12.

Also that the Leader of the Opposition role include involvement in Corporate Management Team's individual appraisals and these matters be reflected in the Member Roles and Responsibilities document set out in Part 5 of the Constitution.

All Members were in favour of the additional paragraph within the Contract Procedure Rules at paragraph 1.4.8.

Appendices A and B to the report outlined the proposed amendments to Part 5 of the Constitution and it was noted that these were mainly consequential job role changes, committee name changes as well as reflected current working practice and best practice arrangements

It was requested that all references to the Development Committee be replaced with Planning Committee throughout Part 5 of the Constitution.

Within the Code of Conduct for Members and Officers dealing with Planning Matters at paragraph 6.12, there was a discussion on lobbying in planning matters. It was explained that if Members considered that they had been exposed to undue or excessive lobbying or approaches, these should be reported to the Monitoring Officer. The Chief Executive stated that best way to address this was to reiterate and reinforce good practice and respect for colleagues through training and this would be followed up at the next planning training session.

There was concern expressed regarding the receiving of gifts referenced in the Officers' Code of Conduct at item 13 relating to 'Sponsorship – Giving and Receiving'. This centred around local businesses encouraging staff and Members to take advantage of financial promotions and it was felt that this type of promotion would be better targeted at those more in need such as those receiving benefits. The Chief Executive explained that this was an accepted practice, however, the Chief Executive would write to the Councillor to clarify the position. It was noted that such benefits were accumulative and Members and Officers would need to ensure they registered such benefits if they reached the designated threshold.

In the Task Group Protocol within Part 5 of the Constitution, Members requested that the word 'Co-ordinator' be replaced with Lead Officer and that

there be an amendment at Item 7, paragraph C that the word ‘they’ on line 2, be replaced by the words ‘the Member’.

Also whilst reviewing the Task Group Protocol at 7(b) regarding Agenda send out for Task Groups being sent to Members who were not on the Task Group by request, it was requested that this be amended to reflect that all Members receive Task Group papers by email so that all Members had the opportunity to be kept informed of Task Group activities and if some felt this was not necessary, they could choose whether to read the papers or not or delete the email.

It was noted that the updated Constitution would be available on the Council’s website following approval at Full Council and hard copies of the updated sections would be available for Members on request.

RESOLVED that

(1) the following changes to the Constitution be referred to the Council for adoption :-

(a) New Delegation relating to approval of Neighbourhood Plans :-

To add the following delegation to the Rural and Economic Affairs Committee:

‘To consider and make all decisions relating to Neighbourhood Plans.’

(b) Procedure Rule 13.4 – Timing for Speeches

Content and length of speech

13.4 Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech may exceed five minutes without the consent of the Mayor apart from the Leader and Leader of the Opposition who may speak for up to 10 minutes as well as those proposing a motion or an amendment.

(c) Role of the Leader of the Opposition

Article 2(e) of the Constitution be amended as follows :-

(e) Leader of the Opposition and Other Group Leaders

‘The Council recognises other Group Leaders and will appoint a Leader of the Opposition, being the Leader of the largest opposition group.’

The Leader of the Opposition and other Group Leader(s) role be defined in the Roles and Responsibilities document as set out in Part 5 of the Constitution and be amended as shown at Appendix A12.

The Leader of the Opposition role include involvement in Corporate Management Team’s individual appraisals and these matters be

reflected in the Member Roles and Responsibilities document set out in Part 5 of the Constitution.

- (d) the changes proposed to Part 5 of the Constitution as set out at Appendices A and B with the following additional amendments :-
 - (i) All references to the Development Committee be replaced with Planning Committee throughout Part 5 of the Constitution;
 - (ii) The word 'Co-ordinator' be replaced with Lead Officer and that there be an amendment at Item 7, paragraph C that the word 'they' on line 2, be replaced by the words 'the Member';
 - (iii) The Task Group Protocol be amended at 7(b) regarding Agenda send out for Task Groups to reflect that all Members receive Task Group papers by email so that all Members have the opportunity to be kept informed of Task Group activities;
- (e) a consequential change be made at Part 2 of the Constitution within Article 2 under the heading 'Officers' on page 16 being a job role change of the Monitoring Officer;
- (f) an additional paragraph be inserted within the Contract Procedure Rules at paragraph 1.4.8 which states :-

'That where procurement is being undertaken on the Council's behalf by another public sector body, through working in partnership or through a shared service, that the lead organisation's contract procedure rules are able to be followed in preference to this Councils subject to approval by the relevant Head of Service.'

- (2) The next Planning Committee training session include reiterating and reinforcing good practice and respect for colleagues when dealing with excessive lobbying and similar approaches;
- (3) The Chief Executive to write to the Councillor who had expressed concern relating to the receiving of business offers for staff and Councillors to explain the legitimacy of such practice.

G.11. TASK GROUPS

Award of Merit Task Group

The Committee reconstituted the Task Group and appointed the following Members to the Award of Merit Task Group for 2013/14 :-

Councillors:-

M. Barnes

P. Cumbers

A. Freer-Jones

M. Gordon

E. Holmes
T. Moncrieff
N. Slater
J. Wyatt

It was agreed that Members of this Task Group should be more actively involved in considering and organising how best to run the Award of Merit Reception to give it the prominence and profile expected.

Performance Management Task Group

The Committee reconstituted and appointed the following Members to the Performance Management Task Group for 2013/14 :-

Councillors:-

J. Douglas
M. Gordon
M. Graham
V. Manderson
J. Moulding
N. Slater

Cllr A. Freer-Jones agreed to advise a nomination from the Independent Group following the meeting.

RESOLVED that:-

- (1) The Award of Merit Task Group be reconstituted with the Terms of Reference set out in the Appendix and the membership as listed above;
- (2) The Award of Merit Task Group take more part in the organisation of the Awards Reception to help give it the prominence and profile expected;
- (3) The Performance Management Task Group be reconstituted with the Terms of Reference set out below and the membership as listed above :-
 - To have oversight of the Councils Performance Management System and monitor the Councils Improvement Plan, as required.
 - To monitor 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.
 - To ensure that the Council has satisfactory measures in place to promote economy, efficiency and effectiveness.
 - To consider reports of inspection agencies and seek assurance that action is taken on any issues raised in these reports.

G.12. REGULATION OF INVESTIGATORY POWERS ACT (RIPA) – ANNUAL REVIEW

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) to allow Members to review the internal policy relating to the Regulation of Investigatory Power Act 2000 (RIPA) in light of the recent

legislative changes. The Monitoring Officer also requested that should Members approve the policy, the Constitution be amended to specifically afford the Solicitor to the Council the authority to designate such persons to make the application (under s222 LGA 1972).

The Committee was asked to note that Melton Borough Council has not had a requirement to utilise the RIPA procedure for the period 1 April 2012 to 31 March 2013. It was reported that the last use of RIPA took place in 2009.

The Committee were required by legislation to review the RIPA Policy and Guidance on an annual basis.

Members requested that on each occasion that RIPA is utilised, this be fed back to Committee.

Members agreed that the policy be approved, as set out in Appendix A to the report.

RESOLVED that:-

- (1) There be an amendment to the Constitution to specifically afford the Solicitor to the Council the authority to designate such persons to make the application under s222 LGA 1972;
- (2) The RIPA Policy be presented to Full Council and once agreed incorporated into the Constitution;

G.13. URGENT BUSINESS

There was no urgent business.

EXCLUSION OF THE PUBLIC

RESOLVED that the Public be excluded during the consideration of the following item of business in accordance with Part 1 of Schedule 12A of the Local Government Act 1972 (Access to Information: Exempt Information) under Paragraphs 1, 2, and 7.

G.14. MINUTES OF THE MEETING HELD ON 21 FEBRUARY 2013

MINUTE G.3: CONSIDERATION OF COMPLAINT GOV 02

There was a discussion on Minute G3 from the Ad Hoc Governance Committee of 21 February 2013.

RESOLVED that:

- (1) the sentence at paragraph 2 of the Exempt Minute G3 be amended as set out in the exempt minute;

(2) a report on a review of the Member Complaints Process be presented to the next meeting of the Committee.

(Cllr A. Freer-Jones left the meeting at 7.45 p.m. during the discussion on the preceding item.)

The meeting which commenced at 6.30 p.m., closed at 7.55 p.m.

Chairman