



GOVERNANCE COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

27 JUNE 2012

PRESENT

Councillors M.C.R. Graham MBE (Chairman)
J. Douglas, S. Dungworth, S. Lumley, V. Manderson
J.T. Orson, M.R. Sheldon, J. Simpson, N. Slater

Head of Central Services
Strategic Director (CM)
Strategic Director (KA)
David Patterson – PWC External Audit
Alison Breadon – PWC External Audit
Richard Gaughran – Head of Consortium
Admin Assistant

G.8. APOLOGIES FOR ABSENCE

There were no apologies for absence.

G.9. MINUTES

The Minutes of the meeting held on 22 May 2012 were confirmed and authorised to be signed by the Chairman.

A request was made to include a decision actions list for future meetings.

G.10. DECLARATIONS OF INTEREST

There were no declarations of interest.

G.11. RECOMMENDATION FROM OTHER COMMITTEES

Minute OS.51(2)(c) – 3 May 2012:

The Governance Committee be asked to consider the introduction of formal notes at private meetings involving the Chairmen of Committees, Officers, and Third Parties.

AGENDA ITEM 2

Following a debate it was considered that this should not be the case but outcomes could be noted without showing the detail of the meeting. A Member commented that this would not be a good use of Officer time.

Councillor Orson proposed the motion to decline the recommendation and this was seconded by Councillor Sheldon; the motion was carried.

RESOLVED that the recommendation of the Overview, Scrutiny and Audit Committee not be taken forward.

[Councillor Lumley here entered the meeting]

G.12. AWARD OF MERIT TASK GROUP

Clarification was sought that it is the Robert Hyslop Citizen of the Year Award, this will be reflected in the ToR.

RESOLVED that the establishment of the Task Group including a refresh and review of the Awards procedure.

G.13. REGULATION OF INVESTIGATORY POWERS ACT (RIPA) – ANNUAL REVIEW

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) which

- (1) allowed Members to review the internal policy relating to the Regulation of Investigatory Powers Act 2000 (RIPA);
- (2) informed Members of the Council's use of RIPA for the period 1 April 2011 to 31 March 2012

RESOLVED that the report be noted.

G.14. INTERNAL AUDIT ANNUAL REPORT

The Head of Consortium submitted a report (copies of which had previously been circulated to Members) which satisfies the Accounts and Audit Regulations, by providing Members with the opportunity to consider a report from the Head of the Council's Internal Audit function, on the performance of Internal Audit during the year and the "Internal Audit Opinion" on the Council's system of internal control and its arrangements for risk management and governance.

The summary of internal audits carried out over the year was explained. A Councillor asked for clarification on absence management issues within the Council and it was explained that this is in terms of the management processes relating to staff coming back from being off sickness. It was requested by the Chairman that the executive summary reports be circulated to Members.

AGENDA ITEM 2

Another Councillor queried that as Benefits is marginal currently, how much would this need improving to meet the higher standards. It was confirmed that there will be controls in place to ensure that outstanding recommendations are resolved and measures carried out to keep Benefits processes and procedures at the correct level.

It was explained that the fundamental areas to the Council have been looked at and it is considered that all of these are soundly managed.

With regards to vacancies, the Head of Central Services reported that this has been delayed as the Internal Audit Board are meeting to look at the service and recruitment will then be able to take place to ensure these positions are filled. It was noted that there are 42 outstanding recommendations for which the Head of Consortium will send these to Members along with the status of each.

RESOLVED that

- (1) The report be noted;
- (2) the Level of Assurance contained within the Internal Audit Opinion and the acknowledgement of partial non-compliance with the CIPFA Code of Practice be inserted in the draft of the Annual Governance Statement.

G.15. **ANNUAL GOVERNANCE STATEMENT**

The Monitoring Officer and S151 Officer submitted a report (copies of which had previously been circulated to Members) which explained

- (1) the requirements for the Council to produce an Annual Governance Statement (AGS) and requests the Committee to approve it;
- (2) the Annual Governance Statement is a key component of the Council's governance arrangements. As such, those who are responsible for those arrangements much approve it.

A Councillor queried whether there should be a list of all policies that MBC should have to ensure that these are all in place. It was commented that only relevant policies are quoted.

RESOLVED that

- (1) the Council's Annual Governance Statement (AGS), as set out in Appendix A be approved;
- (2) the progress made with the actions from last year as set out in the action plan at Appendix B be noted.

[Councillor Manderson and the Strategic Director (KA) here entered the meeting]

G.16. ANNUAL REVIEW OF RISK MANAGEMENT

The Head of Central Services submitted a report (copies of which had previously been circulated to Members) which updated Members on the management of risk within the Council during 2011/12.

A Councillor queried how many risks are in the Risk Register and it was noted that there are 7 and these are the high level risks and these are overseen by Management Team.

RESOLVED that

- (1) The report be noted;
- (2) The revised risk management policy and strategy at Appendix A be approved.

G.17. LOCALISM ACT – CHANGES TO STANDARDS LEGISLATION UPDATE ON PROGRESS

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) which informed members of the progress made since the Governance Committee on 22nd May 2012 in respect of the changes to the system of regulation for standards of conduct for elected and co-opted members of Councils, as a result of the Localism Act 2011.

Code of Conduct

The Strategic Director (CM) explained that the County Council have issued their code which should MBC take the route to adopt this code then it will be more efficient for Dual-Hatted Members and should Parishes take this up, again it will be more efficient for Parish and District Councillors.

A question was raised regarding the value quoted of £25,000 of shares within a Company and it was suggested that should this be listed as a percentage. The Strategic Director (CM) confirms that in the legislation it states 1/100th or £25,000 and it was agreed that this should be included.

The Strategic Director (CM) was asked if it is an offence not to declare a pecuniary interest in relation to a friend owning shares and it was explained that this depends whether the Member knew of the interest.

Another Member further queried Dual-Hatted Members as to whether the restrictions are still in place and it was confirmed they are under this code.

Members indicated their preference to adopt the County Council code.

Ethical Governance Panel

The Strategic Director (CM) reported that it is felt that the Governance Committee deal with complaints and proposed that monthly meetings will be scheduled in and cancelled at a weeks' notice as appropriate if no complaints come forward as undertaken previously for the old system.

AGENDA ITEM 2

A Member requested that the political parties that have not filled all the seats on the committee, nominate Members to ensure Committee is up to strength and it was agreed to put this to Full Council to recommend for parties to take up all of their allocated seats.

Independent Persons

The Strategic Director (CM) reported that consideration of the allowance is with the Welland Remuneration Panel and Members agreed to use the current Independent Person allowance in the meantime.

RESOLVED that

- (1) the commencement order and pecuniary interests regulations attached at Appendix A and B respectively be noted;
- (2) Members requested the Monitoring Officer refer the slightly amended County Council Code of Conduct to Full Council for approval;
- (3) Members recommend to Full Council that the Governance Committee take responsibility for dealing with complaints;
- (4) That members note the progress being made in respect of the recruitment process for these persons;
- (5) Members note the additional support being provided to parishes and training proposed for Members;
- (6) A recommendation be put forward for the Governance Committee to deal with Complaints.

G.18. CONSTITUTION – PART 8 – PERFORMANCE MANAGEMENT

The Strategic Director (CM), on behalf of the Head of Communications, submitted a report (copies of which had previously been circulated to Members) which allowed Members to consider changes to the Council's Performance Management Framework and System, and to replace the 2007 version with a 2012 version.

RESOLVED that the 2012 version of the Performance Management Framework and System be approved for inclusion within the Council's Constitution.

[the Strategic Director (CM) here left the meeting]

G.19. ROLE OF THE MONITORING OFFICER

The Strategic Director (KA), on behalf of the Chief Executive, submitted a report (copies of which had previously been circulated to Members) which review the allocation of the role of the Monitoring Officer.

The Strategic Director (KA) outlined the four options in the report. A Member suggested whether more concrete systems can be in place to provide relief for the current Monitoring Officer and to have a formalised in house Deputy.

AGENDA ITEM 2

This option was proposed by Councillor Graham and seconded by Councillor Orson.

RESOLVED that option 1, as set out in Section 3 of the report should be pursued.

G.20. URGENT BUSINESS – MELTON BOROUGH COUNCIL CERTIFICATION REPORT 2010/11

The Chairman agreed to take this item as it was relevant to other matters on the agenda and omitted in error.

Alison Breadon reported that these are areas for attention to be drawn to on two claims. A Member queried whether £3k in terms of empty property relief warrants the extra work that is proposed to be included i.e. bailiffs. Richard Gaughran explained that there were wider implications than just the financial impact of the rates foregone in terms of the grant the council could lose if central government sought to claw back any grant also the overall control environment.

The impact of the new finance bill and the retention of business rates locally was discussed and Alison Breadon was asked how robust the Council is to tackle these new challenges. It was replied that this is about compliance with guidance and not in relation to the new arrangements coming into force for Benefits and NNDR. DG explained that it will be in the interest of MBC to ensure that these systems are robust and to challenge as appropriate.

A further question was queried as to how the audit fees can be reduced; Alison Breadon responded that it is set in Audit guidance of what tests need to be carried out and the samples taken are based on errors found in the previous years. It was also noted that the Audit Commission fees are being reduced which will help to reduce these.

RESOLVED that the report be noted.

The meeting which commenced at 6.30 p.m., closed at 8:08 p.m.

Chairman