



GOVERNANCE COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

28 SEPTEMBER 2015

PRESENT

Councillors P M Chandler (Chairman)
T S Bains, P Faulkner, E Holmes, J Illingworth,
J T Orson, J Simpson

AS SUBSTITUTE

Councillor T Greenow for Councillor Glancy
Councillor J B Rhodes for Councillor Manderson

AS OBSERVER

Councillor L Higgins

Chief Executive
Solicitor to the Council in role as Deputy Monitoring Officer
Head of Central Services
Head of Regulatory Services
External Auditor – PricewaterhouseCoopers (PWC)
Internal Auditor – Local Government Shared Services (LGSS)
Admin Assistant

G.17. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Glancy and Manderson. An apology was also received from Councillor Hurrell with regard to Minute G22 for which all Councillors had been invited to attend.

G.18. MINUTES

The Minutes of the Governance Committee held on the 29 June 2015 were confirmed and authorised to be signed by the Chair.

The Exempt Minutes of the Governance Committee held on the 29 June 2015 were confirmed and authorised to be signed by the Chair.

G.19. DECLARATIONS OF INTEREST

Councillor Orson declared a personal interest in any items related to Leicestershire County Council due to his position as County Councillor. He also declared a personal interest in any items relating to the Police and Crime Panel due to his role as Chair of the Panel.

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

G.20. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations or reports submitted from other Committees.

G.21. 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 this Committee

It was decided the following items were now complete and could be removed:

- Item 1. Programme of Committee Member Training
- Item 3. Annual Governance Statement
- Item 4. Performance on Raising Orders
- Item 6. Planning Committee role of Committee Member and Ward Member
- Item 8. Award of Merit Scheme
- Item 9. Reconstitution of Task Groups – Award of Merit
- Item 10. Town Area Committee for Melton Mowbray
- Item 11. Members Code of Conduct in relation to Planning Matters
- Item 12. Constitution Update

RESOLVED that the report be noted.

G.22. MEMBERS` CODE OF CONDUCT IN RELATION TO PLANNING MATTERS

The Head of Regulatory Services submitted a report (copies of which had previously been circulated to Members) addressing issues raised regarding Ward Member involvement in planning decisions. The Governance Committee on 29 June 2015 resolved to defer this item for further discussion at a future meeting of the Committee, to which all Members would be invited to contribute. It was confirmed that all Members had been invited to attend this meeting to be able to contribute to this item. It was confirmed that this had been raised not due to any mistrust or evidence of the Members on the Planning Committee not undertaking their role correctly but taking into account how there could be the perception of inequality with regards to the ability of a Ward Councillor not on the Planning Committee to have an input to the Committee considerations when compared to a Ward Member sitting on the Committee. The present system although allows a Ward Member to raise questions and to comment from the Public area for 3 minutes. If that time is used they cannot comment again if there is something else they wish to address, however, a Ward Member on the Committee can

speak for 3 minutes and during the discussion still have input and comments as required.

During the discussion Members were reminded by the Chief Executive that the role of a Member whilst sitting on the Planning Committee is a Policy role to represent the whole Council first and foremost, although it is understood Ward issues will have some weight but Members are there to fulfil a regulatory quasi-judicial role and it is in this context Members are being asked to consider this item.

Members on the Planning Committee can decide if they are in a position to be objective on any application brought to them and have the option if they feel the interests of their Ward and the people they represent would mean they are unable to fulfil their role in this way they can stand down from being part of the decision process on that item. On this Committee they are there to act in the interest of the Borough.

It should be noted that the public perception may be that some Councillors may be seen to be more eloquent with greater advocacy skills and be able to sway other Members and therefore, we must have confidence and trust in fellow Members to have integrity and not be swayed by this but act by policy and facts.

It was confirmed that during the decision making process the Officers/Solicitor to the Council will always bring the Committee or individual Members back to the policy if and when required.

It was confirmed that all Councillors would have chance to debate this at Full Council if this meeting agree with the recommendation for this to be taken forward.

The Solicitor to the Council confirmed there is no Constitutional barrier to Ward Members taking part in matters relating to their Wards on panels or Committee dealing with Licensing matters.

The Head of Regulatory Services confirmed that there was no uniformity on how Councils operate in respect to allowing Ward Members to speak on Planning issues that effect their own Wards and how this was operated.

During this discussion it was stressed that there was no suggestion that the Planning Committee had acted inappropriately, both as a Committee or as individuals. This item had been brought forward for discussion to ensure there is complete transparency and clarity in the Council procedures after listening to the general public and the perception that is held by some of them.

It was proposed by Councillor Greenow and seconded by Councillor Bains that the following recommendation be accepted as a motion and voted upon:

RECOMMENDATION

- 2.1 That the following updates to the Constitution be approved for onward referral to the Full Council for adoption :-
 - (a) To consider and agree the changes to the Code of Conduct for Members dealing with Planning matters in respect of the Planning Committee as set

out at Appendix A (the suggested amendments are all contained within para 4.7 of the Appendix

On being put to the vote the motion was defeated.

The votes of Councillors Bains, Greenow and Orson to be recorded, as being in favour of the motion.

RESOLVED that no further action be taken on this matter.

(The Head of Regulatory Services here left the meeting.)

G.23. STATEMENT OF ACCOUNTS 2014/15

The Head of Central Services submitted a report (copies of which had previously been circulated to Members) of the Statement of Accounts for 2014-15 for approval which have been prepared in accordance with the Audit Commission Act 1998 and the Accounts and Audit (England) Regulations 2011 and inform the Committee of the key issues within the accounts.

The draft accounts were previously approved by Policy Finance and Administration Committee on the 7 July 2015. They have since been audited with no significant changes and so the figures reported are the final version containing only minor amendments to those as previously reported to PFA on 7 July 2015.

The recommendation was moved by Councillor Orson and seconded by Councillor Illingworth. All Members were unanimously in favour.

RESOLVED that the Statement of Accounts for 2014/15 be approved and signed by the Chairman.

(The meeting was adjourned at 7.40 pm to allow for the accounts to be signed.)

(Councillors Higgins and Simpson here left the meeting.)

(The meeting recommenced at 7.50 pm.)

G.24. EXTERNAL AUDIT ANNUAL GOVERNANCE REPORT 2014/15

The External Auditors, submitted a report (copies of which had been previously been circulated to Members) summarising the results of the 2014/15 audit of the financial statements. An additional document containing the Manager's responses to the `Summary of internal control deficiencies` relating to the table on pages 20 and 21 of the report had also been previously circulated to Members

They confirmed this would be their last report to the Council in their role of External Auditors and thanked the Council for the opportunity they have had working together over the last few years.

The following areas of the report were brought to the Members attention.

Since the Audit plan had been presented in February 2015 a further significant risk on the Authority's valuation of its property, plant and equipment had been identified. This had been included because it is the largest balance on the balance sheet which makes the risk of material error more likely and because it is an estimated balance based on judgement, the review of key assumptions used in the valuation requires increased scrutiny and challenge.

The Audit identified no significant issues with respect to the quality of the draft accounts presented for audit. Working papers were available for audit on time and were of a good standard

There were two audit adjustments totalling £629,402, which management agreed to correct. These were as detailed on Page 10 and 11 of the report. These adjustments were required for accountancy purposes. The impact on the general fund and net assets of the Council of these adjustments has been an increase of the net assets of the Authority of £629,402. There has been no impact on the Authority's General Fund.

Two entities were identified as related parties that had not been disclosed by Councillors on their declaration forms. See page 13 of the report for full details. These related parties have been updated by management and are now appropriately disclosed in the accounts

An unqualified opinion will be issued with regards to Value for Money.

The Members were reminded of their responsibilities as the Governance Committee with regards to risk to:

- To evaluate management's identification of fraud risk, implementation of anti-fraud measures and creation of appropriate "tone at the top"
- To Investigate any alleged or suspected instances of fraud brought to your attention

It was confirmed that the actual fees for the Statement of Accounts including whole government accounts and Value for Money conclusion were in line with the proposed fees. The fee for the certification of grants and claims is still to be finalised for 2014/15 and will be reported to those charged with governance within the Certification Report to Management in relation to 2014/15 grants.

The Head of Central Services confirmed that the financial risk was included in the risk register which was to be discussed at G28 below.

All agreed unanimously that the report be noted

RESOLVED that the report be noted.

(The External Auditors here left the meeting.)

G.25. INTERNAL AUDIT UPDATE REPORT

The Head of Central Services and the Head of Welland Internal Audit Consortium submitted a report (copies of which had been previously circulated to Members) to update Members on progress made in delivering the 2015/16

Annual Audit Plan and key findings arising from audit assignments completed since the last Committee meeting.

This is the regular report on progress made by the Internal Audit Team in the delivery of the current year audit plan.

At the time of reporting there were 3 Audit reports which had been finalised and since the time of writing a further two draft reports have been issued and work had been completed on a further assignment.

An overview of the status of the audit plan delivery at the time of reporting was provided in Appendix 1 pages 5 and 6.

The two Audit reports finalised since the last committee meeting were in relation to Health and Safety and the IT helpdesk.

The Internal Audit review of Health and Safety has resulted in a Limited Assurance opinion. The scope of the audit including compliance with Health and Safety legislation and Council policies, risk assessments and management information in relation to Health and Safety. Based upon the audit testing, it was concluded that the Council had a well designed control framework including appropriate policies and procedures in relation to Health and Safety in the workplace. However, only an opinion of Limited Assurance over compliance could be given due to these controls in practice. During visits to a sample of council properties, up to date evidence of key controls such as fire alarm testing, fire warden training records, risk assessments, Control of Substances Hazardous to Health (COSHH) and first aider records could not be consistently provided. There was also lack of evidence to confirm that all staff had completed the Council's training and assessments. 15 recommendations were made within the report and all have been agreed with management. 2 of these actions were implemented with immediate effect and all high priority actions are due to completion by the end of September 2015.

The Internal Audit review of the IT Helpdesk Service resulted in a Sufficient Assurance opinion. This is a delegated service. The processes for logging, resolving and closing helpdesk calls together with compliance with the service level agreement and the performance reporting were reviewed. Testing confirmed that processes for categorising, prioritising and managing calls were in accordance with the service level agreement and there was a clear, automated escalation route in place for any calls not resolved satisfactorily. Some recommendations have been made to further improve the efficiency of the service and to identify possibilities to proactively prevent calls by identifying recurring issues. There is a service level agreement in place which forms the basis for performance monitoring and key performance indicators are included.

Copies of all audit reports are available to members of the Committee at any time from the Head of Central Services or the Head of Internal Audit and copies of all Limited Assurance reports are held in the Members' room.

Since the last committee meeting 9 actions from the audit reports have been completed. There are, however, 12 actions which are currently overdue for implementation and a breakdown is provided in Appendix 3 on page 9 of the progress report. 3 of these overdue actions are classed as High Priority and

have been overdue for more than 3 months, and full details of these are provided in Appendix 4 on page 10.

The Internal Audit Team is currently achieving 91% productivity, against a target of 90% and is on track to deliver the Audit Plan by the end of March 2016.

All feedback received on assignments delivered during the year to date has rated the Internal Audit service as either good or outstanding and this is summarised in Appendix 2 on page 8.

Concerns were expressed by Members about the Health and Safety Audit result especially with regard to COSHH.

It was confirmed that any actions are formally followed up as they become due as part of the Audit process and those high priority actions listed would be included as part of this process.

The recommendation was moved and all Members were unanimously in favour.

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

G.26. INTERNAL AUDIT REVISED PROGRAMME OF COMMITTEE MEMBERS TRAINING SESSIONS

The Head of Welland Internal Audit Consortium submitted a report (copies of which had been previously circulated to Members) to provide Members with updated training options, and to obtain approval for a programme of training.

A discussion was held as to the best time for training to be held, as it had been noted by the chair that only 4 Members including the Mayor had attended the Risk Management Training which had been held at 5.00 pm before this meeting.

Councillor Holmes proposed that the Member training programme for delivery by the Welland Internal Audit Consortium be scheduled before meetings at 6.00 pm and the Governance Committee on those occasions to commence at 7.00 pm. This was seconded by Councillor Rhodes and on being put to the vote there were 8 in favour and 1 abstention therefore the motion was carried.

RESOLVED that the Member training programme for delivery by the Welland Internal Audit Consortium, be scheduled before meetings at 6.00 pm and the Governance Committee on those occasions to commence at 7.00 pm.

G.27. PERFORMANCE OF RAISING ORDERS

The Head of Central Services submitted an update report (copies of which had been previously circulated to Members) on the performance of raising orders across the Council as requested by Members of the Committee at their meeting on the 18 November 2014.

Members found it disturbing that 103 invoices found in March did not have a Purchase Order and therefore procedures need to be questioned.

Councillor Rhodes stated that no one should be pledging the credit of this organisation without authorisation and this should be a matter of discipline to ensure correct procedures are followed. This should be the principle for every order.

It was confirmed that no purchase orders should be being raised after an invoice is received, however, in some emergency situations where a verbal instruction has been given to a creditor the invoice can be drawn up and submitted before the purchase order has been processed.

Councillor Rhodes, as Leader of the Council, gave authority for the Chief Executive to circulate to all Head of Service and T3 Officers his statement of “no one should be pledging the credit of this organisation without authorisation and this should be a matter of discipline to ensure correct procedures are followed. This should be the principle for every order.”

All recommendations were moved by Councillor Rhodes and Councillor Holmes seconded and on being put to the vote, carried.

RESOLVED that

- (1) the report be noted;
- (2) Officers continue to monitor the performance and any required scrutiny be undertaken by the Internal Corporate Governance Group.

G.28. ANNUAL REPORT ON RISK MANAGEMENT

The Head of Central Services submitted a report (copies of which had been previously circulated to Members) to update Members on the management of risk within the Council during 2014/15.

It was noted that the Council has a long established risk management approach which has worked well so far. Every Committee report has a risk analysis included.

The question was asked as to why on the Committee reports received by members the risk tables were in black and white, whilst on the risk register these are in colour. The Head of Central services would look into this.

All recommendations were moved by Councillor Rhodes and Councillor Bains seconded. All Members were unanimously in favour.

RESOLVED that

- (1) the Council’s Risk Management Policy and Strategy for the period 2015 to 2018, as attached at Appendix A, be approved;
- (2) the latest risk management action plan, as attached at Appendix B(ii), be approved.

G.29. ELECTION AND ELECTORAL REGISTRATION UPDATE

To allow Members to consider a report by the Head of Communications and note the Elections performance and performance standards (copies of which had been previously circulated to Members).

It was confirmed that Councillor Rhodes and Councillor Orson were able to stay for this item, however, if the Committee were to agree with the recommendation to set up a Sub Committee regarding the Boundary Review it would be inappropriate for them to sit on such Sub Committee due to their roles as County Councillors.

The Individual Electoral Registration (IER) had been implemented well. Nationally there had been issues with the public understanding the new system. All personal identification has to be data matched nationally with that held by the DWP and therefore, using the digital channel does not automatically place an elector on the electoral roll until such data is match correctly. As a Council all resources possible were used to enable people to be added on to enable them to vote. Once this system is embedded into the annual checking procedure it is considered it should not have the impact it had on the last election.

It must be recognised that the elections on the 7 May 2015 was the largest combination of elections since 1979 and consequently used more of the Council resources to run the process. This necessitated significant teamwork and back up across the Council and particularly in the core team. Following the learning from this period of pressure a review of necessary resources will be carried out.

Melton Borough Council was included in the sample of authorities for monitoring Performance Standards for the polls on 7 May 2015 and received the assessment as `meeting the standards`. There is no higher standard that can be achieved for these Returning Officer Standards.

The County Council boundaries are to be reviewed and will come into force for the Leicestershire County Council Elections 2017. To ensure the Committee if it wishes to can put forward any comments or proposals within the timescales required it is suggested that a small sub-committee is formed, such Sub Committee if required to be advised by the Electoral Registration Officer and others with the necessary skills and knowledge.

Members expressed concerns over the resources required especially in view of point 3.3 of the report to deal with the IER and the increased amount of elections which are due over the coming years, as it would seem that there will be an election of one type or another including any referendums which may be agreed.

Members stated they found this report useful as it is not something they would normally look into, as it is perhaps is seen as something done for them and they do not necessarily wish to get too involved in how it works in depth. We are a fairly stable Borough regarding electors and it would be interesting to know the

impact of the new IER. However, it was confirmed that our level of registration is approximately similar in amount to that on the old system.

The Chief Executive reassured the Members that based on the elections in May 2015 the issue of resources and the pressure experienced are being looked at and how going forward in the future this can be managed. There is a team which come alongside the core election staff as the election calendar unfolds to deal with the communications/postal vote and some support is drafted in from outside. The Finance team also provide a high level of support within this Council which is not always the case across other Councils. The risks are high in this area and there is a residual risk which rests on one or two people and we need to try and spread some of the skills. We are still very reliant on good will of other people to help the election team. This is being reviewed and it may be that in the future we need to come to Members for additional resources.

A question was raised as to if Members could still have electoral information as they had done in the past, in December each year, so they could spot any unregistered addresses or was this now not available due to legislation.

The Chief Executive would check on this and send confirmation to the committee including if available the dates involved.

The recommendation was moved by Councillor Rhodes and seconded by Councillor Holmes. All Members were unanimously in favour.

It was agreed that said Sub Committee should have 5 members including Councillor Chandler and Councillor Holmes (Independent) - nominations should be put forward to the Chief Executive. Councillor Illingworth and Councillor Faulkner volunteered.

RESOLVED that

- (1) the Committee consider and note the contents of the report;
- (2) the Committee agree to the setting up of a Sub Committee as required to consider the establishment of a 5 Councillor Sub Committee to consider and make decisions regarding the Boundary Review as required. The Chief Executive Officer to exercise her delegated authority to confirm the Membership of the Sub Committee.

G.30. CODE OF CONDUCT UPDATE

The Deputy Monitoring Officer submitted a report on behalf of the Monitoring Officer (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 dealt with under the Council's process.

Members asked the Deputy Monitoring Office to check on the current position in respect of the 3 outstanding Parish Councillor DPI forms listed noted in the report to see if they had now been received.

The recommendation was moved and all Members were unanimously in favour.

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

G.31. **CONSTITUTION UPDATE**

The Deputy Monitoring Officer submitted a report on behalf of the Monitoring Officer (copies of which had previously been circulated to Members) which requested Members to consider a new format of the Committee Structure diagram which was set out at Appendix A and if approved it would replace the current version that was included within Part 3 the Council's Constitution. The new format included the previously approved Town Area Committee as well as the Sports, Culture & Leisure Working Group and had been designed for ease of reference. If approved the Committee Structure diagram would be referred to the Council for adoption and incorporation into the Council's Constitution.

The recommendation to approve the new format of the Committee Structure diagram was moved by Councillor Holmes and Councillor Bains seconded and on being put to the vote, all Members were unanimously in favour.

RESOLVED that the new design of the Committee Structure diagram as set out at Appendix A be approved and referred to the Full Council for adoption in the Constitution.

G.32. **URGENT BUSINESS**

There was no urgent business.

The meeting which commenced at 6.30 pm, closed at 8.30 pm

Chairman