



## GOVERNANCE COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

2 APRIL 2014

PRESENT

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

Observer: Councillor P.M. Chandler

Head of Communications and Monitoring Officer  
Head of Central Services  
Head of Communities and Neighbourhoods  
Ali Breadon the External Auditor from PricewaterhouseCoopers LLP  
Head of Welland Internal Audit Consortium  
Senior Democracy Officer  
Admin Assistant

### **G.72. APOLOGIES FOR ABSENCE**

There were no apologies of absence received.

### **G.73. MINUTES**

The Minutes of the meeting held on 28 January 2014 were confirmed and authorised to be signed by the Chairman.

### **G.74. DECLARATIONS OF INTEREST**

Cllr J.T. Orson declared a person interest in any item involving the Leicestershire County Council.

Cllr. T. Moncrieff declared a personal interest in any item involving the Parish Councils due to his role as a Parish Councillor.

Cllr. M.M. Gordon declared a personal interest as a Council House Tenant and recipient of Housing and Council Tax Benefits.

### **G.75. RECOMMENDATIONS FROM OTHER COMMITTEES**

There were no recommendations or reports submitted from other Committees.

**G.76. UPDATE ON DECISIONS**

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

Item 2(3) - Constitution Review 2012/13 - Follow Up

Confirmation was received that Item 2(3) of this report has been completed.

**RESOLVED** that

- (1) The report be noted;
- (2) The report be updated to erase item 2(3).

**G.77. EXTERNAL ANNUAL CERTIFICATION REPORT 2012/13**

The External Auditor submitted the 2012/13 Annual Certification Report (copies of which had previously been circulated to Members) which summarised the results of the grant certification work undertaken for the financial year 2012/13.

Members were referred to page 6 of this report which summaries the three claims and returns certified for 2012/13. Two (BEN01 and LA01) of which were amended following the certification work being undertaken. All deadlines for submission of certified claims and returns were met.

Members were then referred to page 7 of the report entitled Matters Arising which identified that the Housing and Council Tax Benefits Scheme was the most important matters arising through the PWC Certification work and resulted in the claim being qualified. A number of errors in relation to the Council's compliances with Housing and Council Tax Benefits regulations were identified, which resulted in an amendment to the original claim form led to a decrease in the total subsidy claimed of £22.

A number of matters were reported to the DWP in a Qualification Letter where no amendment could be agreed, which would be representative of the entire population. In summary, these related to:-

- Incorrect application of income disregard
- Incorrect application of tax credits
- Incorrect application of assessed income
- Misclassification of over payments

As Item 7 is closely linked with this item, the Chair decided to take the two items together.

**RESOLVED** that the report be noted.

## **G.78. HOUSING BENEFIT SERVICE - PERFORMANCE REPORT**

The Head of the Communities and Neighbourhoods submitted a report (copies of which had previously been circulated) to update the Committee on the current performance of the Council's Housing Benefit and Council Tax Benefit.

Members expressed their concern in relation to the Benefits Assessment errors which resulted in the Council having to return £27,930 to the Department of Work and Pensions, which raised a number of questions.

The External Auditor confirmed that the issues are similar within other Local Authorities. A Councillor asked the question as to why these issues were re-occurring?

The Head of Communities and Neighbourhoods confirmed that training is a common issue and that they are currently working closing with the Internal Auditors to see where the common errors lie. An open and transparent report of these findings will be presented at the September Meeting.

Appendix A of the report 2013/14 Housing & Council Tax Performance which clearly illustrates the number of days it takes to process all new claims and changes of circumstances. A Member wanted to identify where the figures were so high of late.

The Head of Communities and Neighbourhoods confirmed that the figures are high due to the time of year.

One further question was raised in connection to Risk Chart being significant. The External Auditor confirmed that it is classed as significant due to the changes surrounding Council Tax changes.

**RESOLVED** that

- (1) The report be noted in conjunction with Appendix A.
- (2) Members agreed recommendations and Action Plan contained within the PWC Report (Agenda Item 6).
- (3) The Committee noted the additional grant allocation of £17,000 towards discretionary housing payment.
- (4) A transparent report on the progress be brought back to the September 2014 Meeting of the Committee.

[The Head of Communities and Neighbourhoods left the Meeting at this point]

## **G.79. INTERNAL AUDIT PLAN - 2014.15**

The Head of Consortium to submit a report (copies of which had previously been circulated) to allow Members to approve the Annual Audit Plan for 2014/15 and to explain the basis of the planning process and the various elements making up the plan.

The Internal Audit Plan has been compiled utilising the new Public Sector Internal Audit Standards the 'zero based' approach to capture the key risks identified by Melton Borough Council. The Council has commissioned 235 audit days from the Consortium to resource the 2014/15 Audit Plan. A summary of the Allocation of Days is featured at Appendix A of the report. A contingency allowance of 20 days has been assigned to accommodate any requests for unplanned work.

One of the Councillors expressed their gratitude to see the inclusion of the 'Civil Emergencies and Standby' on the Internal Audit Plan' following the last Meeting.

**RESOLVED** that

- (1) The report be noted.
- (2) That Members give delegated authority to the Section 151 Officer, in consultation with the Chair, Councillors Moncrieff and Freer-Jones being the political groups' nominated consultees for the Governance Committee, to make changes to the plan when there is an urgent need for extra audit work.
- (3) Members approved the Internal Audit Plan 2014/15 and the Committee reserved the right to amend the plan in the year, in light of changed information or changed circumstances.

#### **G.80. INTERNAL AUDIT UPDATE**

The Head of Consortium submitted a report (copies of which had previously been circulated) to update Members of the Performance of the Consortium and on the delivery of the 2013/14 Audit Plan. In addition, to updating Members on the delivery of the Improvement Plan.

Members were drawn to paragraph 4.2 and informed the Assistant Director (Finance) refers to a post holder at Rutland.

It is envisaged that the Audit Plan 2013/14 will now be completed by the end of April. This is partially due to sickness, work, training and coaching carried out for the Improvement Plan. Member's attention were drawn to Appendix 2 and informed that all assignments listed to Fraud Risks had been duly completed. A Contractor had now been assigned to look at Managing Contracts, Transformation which fall into the Governance and Performance Risks category and it is envisaged they will be delivered this month.

**RESOLVED** that the report be noted.

#### **G.81. REVIEW OF THE CORPORATE COUNTER-FRAUD STRATEGY**

The Head of Consortium submitted a report (copies of which had been previously circulated) to seek Member approval of revisions to the Corporate

Counter-Fraud Strategy designed to promote continuous improvement in the Council's arrangements to reduce exposure to the risk of fraud.

Members were drawn to Paragraph 3.3 of the report which identifies some recommendation following the internal audit review to enhance and make the current arrangements more robust . These are summarised as:-

- Making clearer and more explicit the responsibilities of individual Members and Officers to report any suspicions about fraud or corruption to an appropriate Officer.
- Making it clear that the Council adopts a 'zero tolerance' approach to fraud.
- Making clear to local people the cost to them of fraud against the Council and the wider public sector.
- Adopting an evidenced-based approach to determining how much internal audit time should be committed to counter-fraud activity.

It was suggested and supported that Benefit and Grant Application Forms will incorporate a quick snappy caption "The Council will prosecute for Benefit Fraud". A discussion was also held surrounding publicity associated with the recovery of overpaid benefit as a result of fraud and it was suggested the Head of Communications look into promoting this.

**RESOLVED** that

- (1) The revised Corporate Counter-Fraud Strategy be approved and referred to the Full Council for adoption in the Constitution.
- (2) A review and update of the Whistleblowing Policy be presented to a future meeting of the Committee.
- (3) Benefits and Grant Application Forms be endorsed with suitable wording to ensure that applicants were aware that the Council would take action in cases of fraudulent claims.

## **G.82. REVIEW OF CREDITORS SYSTEMS**

The Head of Central Services submitted a report (copies of which had previously been circulated) to enable Members to input into the proposed review of the creditors function following the payment fraud in September 2013.

Members have been previously briefed on the payment fraud that occurred in September 2013. The Police investigation is taking a great deal longer than initially envisaged.

The Head of Central Services outlined the two main options proposed by the External Auditors to ensure the Council are as robust as they can possible be:-

Option 1 - A detailed review of the payments and creditors system (£10k - £16k). Option 1 looks at a full array of the creditors system.

Option 2 - A focussed review of the processes for changing supplier bank details (£8k to £13.5K).

Additional supplementary work was also put forward which could supplement these main options.

Members were asked to note that the costs are indicative only and may change once a more in depth scoping exercise has been undertaken.

Sufficient funds are available from the 2013/14 budget subject to this being carried forward to 2014/15 following approval from the Policy, Finance and Administration Committee as part of the regular year end reports.

**RESOLVED** that

Members approved the proposed review of the creditors system as set out in paragraph 3.7 Option 1 with the addition of the process for adding new suppliers.

- (1) The contact procedure rules be waived and the review be undertaken by the Council's external auditors without obtaining alternative quotations
- (2) The determination of the final terms of reference be delegated to the Head of Central Services.

The Head of Consortium and the External Auditor and left the Meeting at this point.

### **G.83. CODE OF CONDUCT**

The Monitoring Officer submitted a report (copies of which had previously been circulated) to update the Committee on the latest position with regard to standards matters including the Code of Conduct, Registration of Disclosable Pecuniary Interests and Other Interests and any complaints against Councillors dealt with under the Council's process.

Since July 2012, a total of 25 complaints have been received. This figure is relatively high.

Hearing Training was delivered on 20 March 2014 to assist those Members currently involved in the recent Governance Sub Committee Hearing.

The Independent Persons to date have provided 10 opinion reports on complaints and assisted a Subject Member with an informal resolution. There is a meeting proposed for 30 April for the Leicestershire Group of Monitoring Officers to meet with the Independent Persons across the County for an update on progress.

**RESOLVED** that the update on the position of standards matters including Parishes' Codes of Conduct, Registration of Disclosable Pecuniary Interests and Other Interests and complaints against Councillors dealt with under the new system be noted.

#### **G.84. COMMUNITY CONSULTATION STRATEGY - REVISITED**

The Senior Democracy Officer submitted a report on behalf of the Head of Communications (copies of which have previously been circulated) which provided initial feedback on the recent consultation exercise and re-presented the strategy for approval whilst taking into consideration the public's view.

The report referred to the Committee's previous decision made at its meeting on 27 November 2013 that the updated Community Consultation, Engagement and Involvement Strategy are subject to a consultation exercise over a 3 month period. This consultation was carried out between December 2013 and March 2014 and Members were referred to the Consultation Results specifically as follows:-

- There were 54 responses and the results informed the Council that 46 out of 54 people do want to be asked for their views on Council services, projects and issues that affect them
- 41 out of 54 people prefer an online survey as a method of consultation with delivered questionnaires, public meetings and contacting their local Councillor being in the low teens of popularity
- 28 people didn't know whether the consultation arrangements met their needs and this was an area that was identified for further work in promoting consultation and ensuring that those affected by an issue are able to express their views. This can be done through the website, the local press, social media and the Melton Mail
- Other comments were made about consultation arrangements and these were currently being considered. Some related to planning matters, some to the consultation arrangements and not having any knowledge of them and these were being considered.

Members considered that any amendments to the strategy should be in consultation with the Chair and the Committee's nominated representatives.

**RESOLVED** that

- (1) The revised Community Consultation, Engagement and Involvement Strategy be approved and implemented with immediate effect;
- (2) The Head of Communications in with consultation with the Chair, Councillors Moncrieff and Freer-Jones being the political groups' nominated consultees for the Governance Committee, be granted delegated authority to make amendments to the strategy following full consideration of the public consultation exercise as well as those in line with legislation and good practice.

#### **G.85. CONSTITUTION UPDATE**

The Monitoring Officer submitted a report (copies of which had previously been circulated) to consider Constitutional Items to be agreed for onward referral to the Council for noting and approving.

The Constitution is a living document, such proposed changes will be brought to the Committee's attention as soon as these come to light to enable the Council's work to move forward rather than await an annual review.

With regard to paragraph 3.6 which relate to the proposal that site inspections should be unaccompanied, with only Members of the Planning Committee and Officers present, it was proposed that Ward Members should be involved and invited to site visits to gain factual knowledge and make a visual assessment of the development proposals, the application site and its relationship to adjacent sites. This was seconded and carried at the vote.

It was noted that an Agent was required on site to enable access to the site.

**There was a proposal that there should be an upper limit of £10,000 set on the compensation payments permitted to be made in the Officer Delegations as detailed at paragraph 3.5 of the report and this too was seconded and carried at the vote.**

**RESOLVED** that the following items be referred to the Council for adoption:-

- (a) following the Policy, Finance & Administration Committee's approval of an operational change to booking arrangements for the Civic Rooms on 23 January 2013, the Committee is requested to note that the consequential changes have been made to item 7 of the Corporate Property Officer's Delegations and a new item numbered 50 to the Head of Central Services' delegations within the Constitution :-

*'To approve a concession for the use of the civic suite rooms 1 and 2 in consultation with a member of Corporate Management Team.'*

- (b) an additional delegated function to the Appeals Committee to reflect the appeals provision included within the Member Complaints Process as follows :-

*'3. To determine any appeals in respect of the Member Complaints Process'*

- (c) the following be added to the Chief Executive's delegations to be in line with the Corporate Compensation Policy :-

*'17. Approval to make compensation payments of over £250 and up to £10,000 with the Section 151 Officer and an agreement from the Legal department.'*

- (d) following a recommendation from the Planning Committee on 13 March 2014, the Planning Committee site inspections procedure and associated protocol be changed as indicated in Appendix 2 and Appendix 3 of this report with the addition that the Ward Member(s) be included in Site Inspections;

- (e) at the Policy, Finance and Administration Committee meeting on 12 February 2014 (Minute P71- Business Rates Retail Relief Scheme) the following was resolved, therefore the Officer Delegations be updated accordingly :-

*'Delegated Authority is given to the Head of Central Services in consultation with the Head of Communities and Neighbourhoods to make any necessary*



*changes to the Retail Relief Scheme, in accordance with further guidance from Central Government, consultation with partners across Leicestershire and to improve the scheme based on experience from delivery of the scheme.'*

- (f) further to the Minister for Local Government's request that there be recorded votes of all Members on any decision involving the budget or Council Tax, the Terms of Reference for Full Council at Part 3 of the Constitution be amended at item 2 to read as follows :-

'2. Approving or adopting the policy framework, the budget (by recorded vote of all Members) and any application to the Secretary of State in respect of any housing land transfer.'

And there also be reference in the Procedure Rules at Part 4 that 15.5 become 15.5(a) and a new 15.5(b) read as follows :-

#### **Recorded vote**

15.5 (a) *If three Members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes. A demand for a recorded vote will override a demand for a ballot.*

(b) As directed by the Minister for Local Government in February 2014, there will be a recorded vote of all Members as indicated at 15.5(a), on any decisions related to the budget or Council Tax.

#### **EXCLUSION OF THE PUBLIC**

**RESOLVED** that the Public be excluded during the consideration of this 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 and 2.

#### **G.86. AWARD OF MERIT SCHEME: AWARDEES 2013/14**

The Head of Communications, on behalf of the Award of Merit Task Group submitted a report (copies of which had previously been circulated) to update Members on the progress of the scheme and present the Task Group's recommendations following its meeting on 12 March 2014 where nominations for the Award of Merit Task Group were considered.

Members were asked to note that presentations will be made by the Mayor to the awardees at the Full Council Meeting scheduled 30 April 2014.

There was a discussion around the interest and profile of the scheme in the light of other awards specifically those organised by the Melton Times. It was therefore considered appropriate for the Task Group to review the scheme and how it operates in 2014/15.

It was raised whether a further nomination could be made at that meeting and it was advised that this was not possible as it was for the Task Group to make recommendations to the Governance Committee.

**RESOLVED** that

- (1) The list of proposed awardees as listed in the exempt Appendix be approved;
- (2) It be noted that presentations will be made by the Mayor to the awardees at the Full Council Meeting on 30 April 2014;
- (3) The Task Group is requested to review the Award of Merit scheme in 2014/15.

(Councillors Cumbers, Douglas and Moncrieff abstained from voting as they had been involved in the nomination process.)

**G.87. URGENT BUSINESS**

There was no urgent business.

The meeting which commenced at 6.30 p.m., closed at 7.45 p.m.

Chairman