



## GOVERNANCE COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

4 APRIL 2017

### PRESENT

Councillors P.M. Chandler (Chair),  
M. Blase, P. Cumbers, J. Douglas, J. Illingworth,  
J.B. Rhodes, M.R. Sheldon, J. Simpson

Head of Central Services,  
Head of Communications and Monitoring Officer  
Head of Communities and Neighbourhoods,  
Head of Regulatory Services,  
Head of Internal Audit,  
Environmental Protection & Safety Manager  
Welfare Housing & Community Safety Manager  
Senior Democracy Officer  
Benefits Officer  
Administration Assistant – Communications & Member Support  
  
Vishal Savjani, Ernst Young (External Auditor)

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G58. APOLOGIES FOR ABSENCE

There were no apologies for absence. Councillor Hurrell was not present.

G59. MINUTES

The Minutes of Governance Committee held on 7 February 2017 were confirmed and authorised to be signed by the Chair.

The Chair advised that they would move into exempt session later in the meeting to discuss the exempt minutes dated 7 February 2017.

G60. DECLARATIONS OF INTEREST

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

Councillors Chandler and Cumbers both declared prior involvement in this year's Mayor's Award of Merit Scheme (item 14 on the agenda for this meeting). Councillor Chandler advised she was on the panel responsible for

agreeing the Award of Merit candidates. Councillor Cumbers advised that she nominated a candidate to the panel.

G61. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other Committees.

G62. UPDATE ON DECISIONS

On behalf of the Chief Executive, the Head of Central Services submitted a report (copies of which had previously been circulated to Members) which provided an update on decisions from the previous meeting of the Committee.

There being no comments or questions forthcoming from Members, it was

**RESOLVED** that the Update on Decisions document be noted.

G63. CAPITAL PROJECT MONITORING

On behalf of the Chief Executive, the Head of Central Services

- (a) submitted a table (copies of which had previously been circulated to Members) advising Members of procurement and procedural stages of a sample of contracts;
- (b) provided an overview, advising that the table had been submitted in response to Members' requests to be advised of procurement and procedural stages of a selection of contracts;
- (c) highlighted the purpose of the table was to enable Members to consider the governance arrangements of the projects selected;
- (d) confirmed that all Lead Officers were present to answer questions from Members on the selected projects.

The Head of Communities and Neighbourhoods

- (a) circulated the following handouts for the Beckmill Court project
  - i. Beckmill Court External Refurbishment and Upgrade for Melton Borough Council Property Order
  - ii. Beckmill Court External Refurbishment and Upgrade for Melton Borough Council Mobilisation
  - iii. Beckmill Court External Refurbishment and Upgrade for Melton Borough Council Activity Schedule
  - iv. Beckmill Court Refurbishment Risk Register
- (b) Provided an overview of the project, advising Members that Officers had a clear understanding of the work involved to ensure the success of this project. From the procurement stage there had been a focus on potential risks and how to mitigate these. The Risk Log which had been

drafted at that time would be refreshed and key tasks and actions identified and formalised at a monthly meeting. The advanced documents for the build had been procured and there was a tight timescale to work to.

A Member queried if the value of the cost had been related to the risk on the Risk Log. The Head of Communities and Neighbourhoods advised that a Cost Database for Actions showed the cost value and in addition, monthly budgets would be scrutinised. The procurement stage had shown the initial costing was well within the tender figure. It was anticipated that all aspects to follow would be delivered within budget but there was also a contingency budget in place.

A further comment was made by another Member seeking clarity on the scale of the refurbishment. The Head of Communities and Neighbourhoods confirmed that 'significant improvement' would be made to Beckmill Court. There would be major works undertaken, which would benefit current tenants and there had been considerable consultation concerning this. Every effort would be made to work around the needs of the tenants and mitigate any disruption to them throughout the refurbishment project.

Another Member commented that this was a complex and lengthy project and queried if one meeting each month to discuss the project was sufficient. The Head of Communities and Neighbourhoods confirmed that an on-site weekly meeting would also be held.

A Member queried who residents could direct their queries to during the refurbishment project. The Head of Communities and Neighbourhoods confirmed that the first point of contact for tenant queries was the Tenant Liaison Officer.

A Member asked if there were any privately owned flats at Beckmill Court and if so, were the owners paying towards the cost of the refurbishment. The Head of Communities and Neighbourhoods confirmed that some of the flats were privately owned and there was a Section 20 notice period in place.

There being no questions from Members on the Commercialism or Modern.gov projects it was

**RESOLVED** that the Capital Project Monitoring document be noted.

#### G64. INTERNAL AUDIT UPDATE REPORT

The Head of Internal Audit

(a) submitted a report (copies of which had previously been circulated to Members) which updated the Committee on progress made in delivery of the 2016/17 Annual Audit Plan and key findings arising from audit assignments completed since the last Committee meeting

(b) stated that since the last Committee meeting

- three reports had been finalised as summarised in Appendix A, Section 2.4

- i. Monitoring of Section 106 Agreements: The audit reviewed two risk areas. Firstly, regarding the agreement of Section 106 obligations and secondly, the monitoring of such obligations to ensure that all secured contributions were received and utilised. Assurance was given over the negotiation processes, the involvement of relevant parties and early engagement. It was also confirmed that a monitoring record was held to ensure trigger points and contributions were identified and followed up, as appropriate. Upon audit testing, it was determined that there was some scope for improvement on this record and some recommendations were made in this area. Based upon the findings of the review, an opinion of Sufficient Assurance was given on the controls in place to manage the identified risks. Internal Audit made four recommendations to further improve the control framework, all of which were agreed by management.
  
- ii. Disclosure and Barring Service (DBS) Checks: DBS checks should be undertaken for any officers who would have been in posts involving regular, unsupervised contact with vulnerable people. This Council is responsible for granting licences for taxi and private hire drivers and these must be subject to a DBS check on past convictions and barring from working with adults and children. Audit testing confirmed that this Council held a list of DBS posts, which were positions at this Council where any new starters must be subject to checks and three yearly renewals. This was reviewed and some recommendations made in relation to the list to ensure this was complete and appropriate. In relation to the taxi and PHV licences, all new licences had been subject to a DBS check. It was identified, however, that some renewals had been given based on previous DBS checks (within last 3 years) due to a change in renewal frequency. Some recommendations were made to strengthen the taxi licensing policy and the DBS policies. Based upon the findings of the review, an opinion of Sufficient Assurance was given over the controls in place to manage the identified risks. Internal Audit made thirteen recommendations to further improve the control framework.
  
- iii. Financial System Key Controls: The audit focussed on payroll processes, housing benefit claims and changes, council tax, national non-domestic rates (NNDR) and income collection and recovery. Payroll processes and controls were designed well and operated effectively, with only minor immaterial errors identified by Internal Audit. Audit testing provided assurance that new benefit claims and changes were complete, supported by evidence and accurately input onto the benefits system, with only minor immaterial exceptions. However, guidance for staff on how to assess new claims could be strengthened to improve the consistency of evidence accepted. This Council had a well-defined process for the recovery of council tax and NNDR debt. Based upon the findings of the review, an opinion of Sufficient Assurance was given over the controls in place to manage the identified risks. Internal Audit made five recommendations.

- 81% of the agreed actions had been implemented. There were three overdue actions, all of which continue to be monitored.
- all remaining assignments from 2016/17 would be presented at the next meeting of this Committee on 6 June 2017

A Member commented that she was aware there had been a positive response from Members to the regular Internal Audit update reports. Members now felt better informed and the work involved in producing the report was very much appreciated.

A further comment was made by another Member concerning the likely increase in the number of Section 106 Agreements. It was queried whether a spreadsheet would be an adequate method of recording and monitoring these. The Head of Internal Audit advised that there was no 'single solution' or 'one size fits all' approach to monitoring Section 106 Agreements. She commented that multiple issues could trigger actions and that the recommendations made by Internal Audit related to improvements which could be made to strengthen this spreadsheet record, based on solutions adopted at other Councils working with LGSS. The Head of Regulatory Services advised that precautions were in place to identify problems at an early stage.

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

#### G65. INTERNAL AUDIT ANNUAL PLAN 2017/18

The Head of Internal Audit

- (a) submitted a report (copies of which had previously been circulated to Members) which provided the Committee with a copy of the draft Internal Audit Plan for 2017/18, for review and formal approval, in line with the requirements of the Public Sector Internal Audit Standards
- (b) stated that the plan had been developed in accordance with the risk based approach discussed with Members in November 2016 and agreed with Management Team;
- (c) highlighted that the plan aimed to address this Council's key risks, add value in improving this Council's controls and governance and was intended to inform Head of Internal Audit opinion and provide management and Committee assurances;
- (d) confirmed that any consultancy assignments were stated as such;
- (e) advised that included in the plan was the review of Leisure Vision phase 1 completion, an embedded assurance review of phase 2 and as requested at the last meeting of this Committee in February, a review on benefits;

- (f) confirmed that the items on the 'reserve list' at Appendix A, Table 2, which would not be covered during 2017/18 would be included in Audit Planning 2018/19.

Members commented on the 'Safe Driving at Work' assignment, stating that it should include all Members and compliance with policy was essential, as non-compliance could result in 'all sorts of implications'.

A Member suggested that a yearly reminder to submit relevant documentation should be sent to staff and Members. The Monitoring Officer confirmed she would review this.

**RESOLVED** that

- (1) the Internal Audit Plan 2017/18 be approved;
- (2) delegated authority be given to the Head of Central Services in consultation with the Chair of the Governance Committee to agree amendments to the Plan during the financial year, if required.

G66. UPDATE ON BENEFIT PERFORMANCE

On behalf of the Head of Communities and Neighbourhoods, the Welfare Housing and Community Safety Manager

- (a) submitted a report (copies of which had previously been circulated to Members) updating the Committee on current benefit performance and measures that had been put in place to effectively manage performance in relation to benefit processing across the Authority;
- (b) provided an overview of the report, advising that the 2015/16 External Subsidy audit, which was presented at the last meeting of this Committee was substantively the same as the previous year. There were no new areas of concern, so no subsidy financial penalties had been incurred by this Council;
- (c) highlighted that some of the errors identified as part of External Audit's testing regime related to typing errors and training would be targeted to deal with this and avoid future errors;
- (d) advised that the 'front' and 'back' office Benefits Teams were merged into one team on 1 April and there was a current recruitment exercise for the position of Customer Experience and Benefits Manager.

A Member queried what the time frame for the reduction of errors was. The Benefits Officer advised that there had already been some improvements as a result of the steps taken by this Council and he anticipated greater results would be evident in time. It was not possible to eradicate errors completely but Officers were committed to minimising the audit risk. He commented that merging the 'front' and 'back' Benefits Teams would have a positive impact.

A Member queried whether the training provided would adequately equip staff to deal with the work involved. The Benefits Officer confirmed that additional

training was being considered for staff and he advised that staff would always benefit from training.

A Member commented that there was a considerable amount of money involved in this area of work and queried what the potential liability of this Council would be if work was not accurate. The Benefits Officer advised that the Department for Work and Pensions (DWP) could state that 'every penny' paid to claimants was wrong but he emphasised that this was not the case. The DWP made allowances for 0.48% of delays and errors before penalising a Local Authority and even then lots of work could be done to mitigate any penalty received. He confirmed that most of the work involved in processing a new claim or change of circumstances was correct. The errors identified may only relate to a 'penny or two'. Larger amounts would be identified internally.

The Head of Central Services commented that External Audit extended testing when errors were identified and this demanded additional time and money. This Council could reduce External Audit fees and the burden on resources.

Vishal Savjani of Ernst Young, the External Auditor confirmed that if errors were decreased there would be a decline in Audit fees.

A Member queried if a lot of errors were identified by claimants and if there was any information available for claimants regarding benefits. The Benefits Officer advised that claimant were more likely to report errors involving underpayment. There had been queries raised, rather than errors identified and very few appeals. There were copies of legislation available and every letter to a claimant informed them who to direct queries to. There were one or two publications on the subject of Benefits but these were directed at Benefits processors.

A Member queried how the errors were quantified (eg did this represent one error per claimant or several?). The Benefits Officer confirmed that the errors did not relate to 'per claim' but rather checks made on the same claim or a variety of claims.

A Member queried if the DPW allowed Local Authorities to retain any savings made through error reduction. The Benefits Officer advised that there was never a surplus of money to be used a savings.

**RESOLVED** that the current issues and continuing actions to improve the benefit processing service be noted.

## G67. LOCAL CODE OF CORPORATE GOVERNANCE

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members) requesting the Committee consider the Local Code of Corporate Governance
- (b) provided a brief overview of the report, stating that all Local Authorities were required to prepare and adopt a Local Code of Corporate Governance that complied with the CIPFA/SOLACE Framework and that

the new Code, at Appendix A complied with the new Framework. The Annual Governance Statement would be based on this new Code and must comply with it.

There being no comments or questions forthcoming from Members, it was

**RESOLVED** that the Local Code of Corporate Governance be approved.

G68. 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 dealt with under the Council[s] process
- (b) gave a brief overview of the report, confirming that
- there were no issues to report concerning the registration of Disclosable Pecuniary Interests and other interests
  - there had been an increase in complaints. Since the last meeting of this Committee five complaints had been received (from one person)
  - the term of office of the current Independent Person ends in July 2017 and a recruitment process was underway to appoint two Independent Persons
  - Belvoir Parish Council had notified this Council that a new Clerk for the Parish Council was in post. The Clerk's details had been forwarded to the Auditors, to deal with outstanding matters.

A Member commented that they were aware that Parish Councillors were not leaving meetings following their declaration of interests in matters to be discussed at the meeting. The Monitoring Officer confirmed that if the disclosure related to disclosable pecuniary interests those declaring the interests must leave the meeting. However, if it was not a disclosable pecuniary interest then some codes do allow Councillors to stay but not take part or vote.

A Member confirmed that they had received an email from the new Clerk at Belvoir Parish Council, indicating that every effort was being made to resolve the issue concerning the Parish Council's Annual Return and inviting him to attend a Meeting at Knipton Village Hall. The Member extended the invitation to any Officer of this Council who also wished to attend.

**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.



G69. CONSTITUTION UPDATE 2016-17

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members) to enable the Committee to consider items relating to the Council's Constitution for onward referral to the Council for adoption and incorporation into the Council's Constitution
- (b) gave a brief overview of the report, advising that the constitutional items for consideration and comment related to two planning matters, which at the last meeting of this Committee, Members had felt needed further consideration, changes to the minutes procedure and the proposed Calendar of Meetings 2017/18.

A Member commented that they felt that the suggested amendments and proposals relating to planning matters reflected what was becoming practice and worked well.

Another Member queried if this Council charged members of the public who requested that copies of the published minutes be emailed to them and suggested directing those requesting this to view the published minutes on the website instead. The Monitoring Officer confirmed that a charge only applied for hard copies of the minutes and confirmed she would look into what the Member had suggested.

The Head of Regulatory Services advised that there had been lots of requests for the minutes and recordings of the Planning Committee meetings.

A Member drew the Committee's attention to Appendix A of the report, concerning the necessity for Ward Councillors (or replacement Councillors) addressing the Planning Committee to give notice to do so at least 24 hours before the meeting. The Member suggested this Rule be relaxed at the discretion of the Committee Chair if necessary. The Chair of the Planning meeting, who was present commented that the intention was to be as accommodating as possible and stated they were happy for the suggestion to be included for approval by Full Council.

Members then commented on the minutes procedure, agreeing the importance of highlighting draft minutes as 'not yet approved'.

A Member suggested that as well as the current procedure of being printed on green paper and watermarked with a unique security number, it would be a good idea to have the word 'EXEMPT' watermarked on to exempt papers.

A discussion was held concerning the proposed Calendar of Meetings. Members commented that an earlier start time of 6pm, in line with that of the Planning Committee would be convenient to Officers. However, it was also noted that this may cause a burden to some Members due to work commitments. Members agreed that Full Council should decide whether a 'blanket' start time of 6pm for all Committee meetings was appropriate or if the start times should remain at 6:30pm.

A Member raised a query concerning Member attendance at Town Area Committee, asking whether it was necessary to attend the five Consultation meetings during the year only to declare an interest as a Member of the Planning Committee and leave the Consultation meeting. It was confirmed that current procedure required all Members to attend to declare relevant interests.

**RESOLVED** that

- (1) the following items be approved by this Committee and be referred to Full Council for adoption by this Council
  - i. Planning Matters. Subject to an amendment to Appendix A, reflecting that the Chair of the Planning Committee may exercise their discretion in relation to the requirement for Ward Councillors (or replacement Councillors) to give at least 24 hours notice before addressing the Planning Committee
  - ii. Minutes Procedure
- (2) the proposed Calendar of Meetings be referred to Full Council and consideration be given to retaining the start time of 6:30pm for Committee meetings or whether to change this to 6pm.

G70. Anti Bribery Policy

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members) requesting the Committee consider the Anti Bribery Policy and if approved refer it to Full Council for adoption and incorporation into the Council's Constitution;
- (b) provided a brief overview of the report, highlighting that this Council will not tolerate fraud or corruption by its Councillors, employees, suppliers, contractors, partners or service users and will take all necessary steps to investigate all allegations of fraud or corruption and pursue sanctions available in each case.

There being no comments or questions forthcoming from Members, it was

**RESOLVED** that the Anti Bribery Policy at Appendix A be approved by this Committee and be referred to Full Council for adoption and incorporation into this Council's Constitution.

(Councillor Simpson left the meeting during the consideration of the previous item).

The Chair moved the meeting into exempt session to discuss the Exempt Minutes dated 7 February 2017.

## **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, 3 and 7.

There was a discussion on the Exempt Minutes.

**RESOLVED** that one resolution be approved and this be set out in full in the Exempt Minute.

(The meeting resumed open session.)

The Exempt Minutes of Governance Committee held on 7 February 2017 were confirmed and authorised to be signed by the Chair.

Councillors Chandler and Cumbers reiterated their prior involvement in the following item.

### G71. **MAYOR'S AWARD OF MERIT SCHEME: AWARDEES 2016/17**

On behalf of the Award of Merit Task Group, the Monitoring Officer submitted a report (copies of which had previously been circulated to Members) presenting the recommendations of the Award of Merit Task Group.

The Chair commented that the consideration of nominees had been conducted in a very fair manner by the Award of Merit Task Group.

There being no further comments or questions forthcoming from Members, it was

**RESOLVED** that

- (1) the proposed awardees, as listed in Appendix A be approved;
- (2) the arrangements for presentations to be made by the Mayor to awardees at the meeting of Full Council on Wednesday, 26 April 2017, at the Banqueting Suite, Melton Market be noted.

### G72. **URGENT BUSINESS**

There was no urgent business

The meeting which commenced at 6:30 p.m., closed at 8:08 p.m.

Chairman