

# Minutes

<b>Meeting name</b>	<b>Governance Committee</b>
<b>Date</b>	<b>Tuesday, 27 March 2018</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH</b>

## Present:

**Chair** Councillor P. Cumbers (Chair)

**Councillors**

J. Simpson (Vice-Chair)	M. Blase
P. Chandler	J. Douglas
P. Faulkner	A. Freer-Jones
M. Glancy	J. Illingworth
M. Graham (Substitute)	

**Observers**

E. Holmes  
J. Orson

**Officers**

Chief Executive  
Assistant Director for Strategic Planning and Regulatory Services  
Head of Internal Audit  
Administrative Assistant Elections & Member Support

Minute No.	Minute
G55	<p><b>Apologies for Absence</b> Apologies for Absence were received from Councillor Beaken. Councillor Graham attended in her place.</p>
G56	<p><b>Minutes</b> The minutes of the meeting held on 6 February 2018 were confirmed and authorised to be signed by the chair.</p>
G57	<p><b>Declarations of Interest</b> There were no declarations of interest.</p>
G58	<p><b>Recommendations From Other Committees</b> There were no recommendations from other Committees.</p>
G59	<p><b>Update on Decisions</b> There were no outstanding decisions to consider at this meeting.</p>
G60	<p><b>Internal Audit Update</b> The Head of Internal Audit</p> <p>(a) submitted a report (copies of which had previously been circulated to Members) which updated the Committee on progress made in delivery of the 2017/18 Annual Audit Plan and key findings arising from audit assignments completed;</p> <p>(b) advised that since the last Committee meeting</p> <ul style="list-style-type: none"> <li>• three reports had been finalised as summarised at Appendix A, Section 2.5 of the report <ul style="list-style-type: none"> <li>i. <u>Financial System Key Controls</u>: This was the annual audit of key controls in financial systems. Sample testing confirmed 100% compliance with key controls on BACS payments, control account reconciliation, invoice processing and credit notes. Housing rents were reviewed and it was confirmed that updates to records had been made in a timely manner. Internal Audit made a recommendation around ensuring a reconciliation between the rent roll and the property records and also recommendations around improving the procedural guidance for council tax and NNDR relief, discounts and exemptions. Overall, good levels of assurance and minor organisational risk remained.</li> <li>ii. <u>Leisure Vision Phase 2</u>: The scope of the Phase 2 project had initially been to procure a design, build, operate and manage</li> </ul> </li> </ul>

model for the Melton Sports and Leisure Village. A large procurement process took place involving key officers from Legal and Procurement Sections and a project group, including consultants/specialists. Following dialogue with potential bidders, it was established that the full procurement should not go ahead and instead a contract for the operation of the ongoing facilities was awarded. The project management and decision making arrangements around the project were reviewed and given a good level of assurance with minor organisational risk overall.

iii. Waste Contract Procurement: This was the second review of the project management arrangements this year. Based on the evidence provided of decision making, risk management, issue management and communications, good assurance ratings had been maintained. The project planning had been strong with timely highlight of any slippage and all recommendations from Internal Audit's previous report to this Committee had been implemented effectively

- there remained a number of overdue recommendations, which Internal Audit were monitoring with Management. It was anticipated that an improved position would be reported at the next meeting of this Committee in June 2018.

(c) highlighted the update on fraud investigation work. This was the outcome of the investigation which Internal Audit had been working on over the last year. Court proceedings had concluded and guilty verdicts were passed in respect of the former officer of this Council and his wife. The officer was sentenced to twenty months in prison and his wife received a suspended sentence. This information would be included within the annual fraud report to this Committee in June 2018. There would also be a further report to this Committee concerning the recovery of monies through this fraud.

The Chair thanked the Head of Internal Audit for her excellent work.

A Member asked why the project management budget for consultancy support on the Waste Project had to be increased from £99k to £154k. The Assistant Director for Strategic Planning and Regulatory Services advised that there had been six bidders, leading to more additional work to support rounds of dialogue, assessment and evaluation etc and also due to prudential borrowing and financial advice. The revised budget would be sufficient to complete the project.

The Member also queried why a meeting which was due to take place in February 2018 (with a software supplier) and which had to be cancelled was rearranged for May 2018. Could an earlier date not have been agreed? The Head of Internal Audit advised that the meeting had been cancelled due to adverse weather conditions and the Chief Executive advised that he did not have further details but would look into this.

Another Member referred to Financial Systems Key Controls, asking whether processes had now been implemented to ensure user access was revoked when staff changed roles, left this Council etc. The Head of Internal Audit confirmed that this would be examined as part of the Cyber Security review. However, there was a process in place to ensure access rights were updated for leavers.

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

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

G61

**Internal Audit Annual Plan 2018/19**

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 2018/19, for review and formal approval, in line with the requirements of the Public Sector Internal Audit Standards
- (b) stated that the plan at Table one of the report had been developed in accordance with the risk based approach discussed with Members in November 2017 and agreed with Management Team;
- (c) advised 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 Internal Audit's opinion and provide management and Committee assurances;
- (d) confirmed that any consultancy assignments were stated as such;
- (e) highlighted a 'reserve list' of audit areas at Table 2 of the report, which if not covered during 2018/19, would be included in Audit Planning 2019/20.

A Member queried what IR35 compliance was and the Head of Internal Audit advised that this referred to new legislation relating to agency workers. The Member also noted that a total of sixteen and a half audit days had been spent working on Key Financial Controls during 2017/18 but only fifteen days had been allocated to this for 2018/19. The Head of Internal Audit confirmed that Internal Audit were comfortable with the allocation of fifteen days.

Another Member advised that during discussion of the plan in November 2017, they had suggested 'controls around S106 spending' as an audit assignment and queried if this would be audited as part of Key Financial Controls. The Head of Internal Audit reminded the Committee that it had been agreed to audit controls around S106 spending in 2019/20 and that this had been noted for the next year's audit plan.

**RESOVED** that

- (1) the Internal Audit Plan for 2018/19 be approved;
- (2) delegated authority be given to the Director for Corporate Services in consultation with the Chair of the this Committee, to agree amendments to the Plan during the financial year if required.

G62

**Local Government Association Governance Review**

The Chief Executive

- (a) submitted a report (copies of which had previously been circulated to Members) providing the Committee with the Local Government Association's (LGA) Governance Review report and recommendations, enabling Members to consider initial next steps;
- (b) advised that following the LGA Peer Challenge in December 2017, a report with a list of recommendations and Action Plan had been accepted by Full Council. One of the recommendations was to improve this Council's governance and decision making arrangements and the LGA were invited to assist in this work;
- (c) confirmed that a review of this Council's current arrangements was held on 12 to 14 March 2018. The remit of the review was to explore where the Council could improve, streamline and clarify its policy development, Committee system and decision making arrangements;
- (d) Highlighted
  - i. that having already provided some initial verbal feedback, the LGA's report was attached as Appendix A of the report. He noted that this was a challenging report for Members and officers.
  - ii. the recommendations at paragraphs 2.1, 2.2 and 2.3, which provided the opportunity for this Committee to receive the report and establish an informal development group, consisting of a small group of Members and officers to work together to develop proposals to improve, streamline and clarify the Committees and associated structures. Their proposals would be presented at a future ad hoc meeting of this Committee in April 2018 and the report proposed that any recommended changes would then be considered at the Council Annual General Meeting in May 2018. This would set clarity of direction and focus for the new municipal year. It was also proposed that this group undertake further research on the other recommendations within the report, which would take more time to consider.

The Chair highlighted recommendation 2.4 that the Leader be asked to nominate up to four Members to be part of the informal governance development group.

A Member commented that there was very little within the LGA's report that they did not agree with. Systems needed to be strengthened and there was a vast amount that could be actioned quickly. They cautioned against moving towards a Leader and Cabinet model of governance.

A Member stated that they did not agree that the Leader nominate which Members would form part of the group. The small group should be a proportionate representation of this Council.

Another Member highlighted that if the small group was to include an independent representative, it would not be a proportionate representation of this Council, which was made up of 90% Conservative Councillors.

The Leader urged Members to approve the recommendations commenting that there had been considerable overlap on this Council's Committees in recent years. This needed to stop, in order for the Council to improve. He confirmed that his nominations would reflect the nature of this Council as far as possible and that all Members would have the opportunity to consider the recommendations at the Council meeting.

The Chief Executive advised that this would be an informal group and did not require political balance. He highlighted that the findings of the informal group would be submitted to this politically balanced Committee for formal consideration.

A Member added that they would like to think that the Leader would nominate to the small group appropriately.

Another Member stated that they did not feel it appropriate that the proposals from the small group be presented at the Annual General Meeting in May 2018 and it was suggested that a meeting of Extraordinary Council be held prior to the Annual General Meeting, to enable Member to consider this.

**RESOLVED** that

- (1) the report and recommendations from the Local Government Association's Governance Review be received and noted;
- (2) the establishment of an informal Member and officer development group to review the findings and develop proposals to improve, streamline and clarify the Committee and related group structures be supported. These proposals to be considered by an ad hoc meeting of this Committee in April with a view to any agreed changes being recommended to an Extraordinary Council in May;
- (3) the development group be asked to undertake further research in relation to the other findings and recommendation set out in the Local Government Association's report;

(4) the Leader of the Council be asked to nominate up to four Members to work with him and officers within the development group.

G63

**General Data Protection Regulations Update**

On behalf of the Monitoring Officer, the Chief Executive

- (a) submitted a report (copies of which had previously been circulated to Members) advising the Committee of the current state of preparations to implement the EU General Data Protection Regulation (GDPR)
- (b) advised that the report detailed the work which had been done and the work which remained to be done, in readiness for the 25 May implementation deadline, to provide assurance to Members.
- (c) confirmed that Legal and Democratic Services' Principal Solicitor would be GDPR Statutory Data Protection Officer. He, as Head of Paid Service would ensure that the duties were discharged in the interim by an appropriate officer, until the Principal Solicitor was in post.

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

**RESOLVED** that the report be noted.

G64

**Eaton and Waltham Community Review**

On behalf on the Deputy Chief Executive, the Chief Executive

- (a) submitted reports (copies of which had previously been circulated to Members) advising the Committee of the Terms of Reference for the Eaton Parish Council Community Governance Review and of a request for a Community Governance Review by Waltham on the Wolds and Thorpe Arnold Parish Council and to inform Members of key issues associated with such a review;
- (b) commented that it was good practice to consider conducting Reviews every ten to fifteen years (except in the case of areas with very low population, when less frequent reviews may be adequate). Reviews were triggered either by elapse of time or by request of the local (Parish) Council
- (c) advised that Eaton Parish Council and Waltham on the Wolds and Thorpe Arnold Parish Council had requested Reviews and this Council had responsibility for undertaking the review;
- (d) highlighted the reasons for the Community Governance Review of Eaton Parish Council as
  - i. The distribution of Councillors between the two Parish Wards within Eaton Parish Council, with one of the Parish Council seats from Eaton

Ward of the Eaton Parish Council to the Eastwell Ward of the Eaton Parish Council

- ii. The renaming of the Eastwell Ward within Eaton Parish Council to the Eastwell and Goadby Marwood Ward

and the reasons for the Community Governance Review of Waltham on the Wold and Thorpe Arnold Parish Council as

- i. To increase the number of Parish Councillors from six to eight;

- (e) Confirmed that there would be no alterations to the parish boundaries as part of the Reviews

A Member queried who the LGBCE were and the Chief Executive confirmed this referred to the Local Government Boundary Commission for England. The Member requested that future reports contain the extended term before the abbreviated form, so Members are able to reference it.

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

**RESOVED** that

- (1) the Terms of Reference for the Eaton Parish Council Community Governance Review, as set out at Appendix A of the report be agreed;
- (2) the undertaking of a Community Governance Review of the Waltham on the Wolds and Thorpe Arnold Parish Council area be agreed and the Terms of Reference, as set out at Appendix A of the report be agreed.

G65

**Annual Review of the Constitution 2017/18**

On behalf of the Monitoring Officer, the Chief Executive

- (a) submitted a report (copies of which had previously been circulated to Members) to enable the Committee to consider an annual review of the Council's Constitution and any amendments for onward referral to the Council for approval, as well as note changes to the Constitution approved by the Council since November 2016;
- (b) gave an overview of the report, confirming that an extensive review of the Constitution for 2017/18 had been undertaken, to ensure it was up to date. As well as this annual review, it was current practice that any additions or changes to the Constitution be brought to this Committee's attention as soon as these came to light;
- (c) highlighted
  - i. an amendment at clause 11 of Appendix A1, the revised Substitute Policy, to include the wording 'and/or the Briefing' where Planning Site



- Visits were referred to
- ii. there were a number of Planning related and other changes
  - iii. the proposed Calendar of Meetings 2018/19 at Appendix C of the report.

A Member queried if it was premature to agree the changes to the Constitution at this meeting and suggested waiting for the outcome of the forthcoming Governance Review (discussed earlier at this meeting).

Another Member referred to Appendix A of the report, Review of Constitution 2017/18 Items for Consideration, asking why 'To exercise the enforcement powers and duties of the Council and Returning Officer in relation to elections' would transfer to Policy, Finance and Administration Committee rather than to this Committee.

The Chief Executive suggested that the recommendation at paragraph 2.1 be amended to propose that actions set out at Appendix A of the report be considered by the informal development group (discussed earlier at the meeting), rather than approved here. Members agreed.

A Member referred to the Example Attendance Register Procedure for Substitute Members, asking if a column could be added to the Register with the heading 'Substitute for Who'. This would remind Members to add the details to the Register. The Chief Executive confirmed this would be fed back to the Senior Democracy Officer.

**RESOLVED** that

- (1) the proposed actions, as set out at Appendix A of the report be referred to the governance development group for consideration as part of the wider Governance Review. A comprehensive set of recommendations to be considered at an ad hoc meeting of this Committee in April;
- (2) Appendix A1 of the report (revised Substitute Policy) be approved, subject to the following amendment at clause 11 of the Policy

*'If sufficient notice has been given, a Member substituting on the Planning Committee will be expected to attend the Planning Site Visit and/or the Briefing. But the Substitute Member could still take part in the Planning Committee meeting, even if they had not attended the Planning Site Visit and/or the Briefing'*

And

Appendix A2 of the report (Revised Code of Conduct for Members and officers dealing with Planning matters) be approved;

- (3) it be noted that any changes to the Constitution may be subject to

amendment following the review of Governance arrangements as explained at paragraph 3.2 of the report;

- (4) the items which have been approved for inclusion in the Constitution at Council Meetings since December 2016 and which are set out at Appendix B of the report be noted;
- (5) Part 3 – Terms of Reference of Policy, Finance and Administration  
It be noted that the Monitoring Officer has exercised his delegation to make a minor procedural and operational change to the Constitution in respect of an amendment to the existing Terms of Reference to the Policy, Finance & Administration Committee to remove the words in brackets being '(5 Members, politically balanced)' at item 14 to align with the previously approved wording at Full Council on 12 December 2017;
- (6) the proposed Calendar of Meetings 2018 19 as at Appendix C be referred to the Annual Meeting of the Council.
- (7) It be noted that due to the Constitution being a living document there may be requirements for changes within the year. Therefore as well as the annual review, items would continue to be referred to the Committee as these arise;
- (8) It be noted that the Monitoring Officer has delegated authority to make amendments following legislative or other statutory changes and minor procedural and operational changes. Such changes would be reported to the Governance Committee and subsequently the Council, as soon as practicable thereafter.

G66

**Code of Conduct Update**

On behalf of the Monitoring Officer, the Chief Executive 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.

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

**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.

G67

**Mayor's Award of Merit Scheme : Awardees 2017/18**

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

The Chair highlighted paragraphs 3.7 and 3.8 of the report, stating that this

Committee had previously discussed the possibility of the Task Group merging the Mayor's Awards with the Melton Times' Community Awards. The Task Group had reconsidered this option and due to the high number of award nominees, had agreed that the Mayor's Awards remain as a separately promoted event by the Mayor.

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

**RESOLVED** that

- (1) the list of proposed awardees as at exempt Appendix A be approved;
- (2) it be noted that presentations would be made by the Mayor to the Awardees at the meeting of Full Council on Wednesday, 25 April;
- (3) the arrangements for presentations to be made by the Mayor to awardees at the meeting of Full Council on Wednesday, 25 April, at the be noted;
- (4) the Mayor's Awards continue as a separately promoted event by the Mayor.

G68

**Urgent Business**

There was no urgent business.

The meeting closed at: 7.43 pm

Chair