

Minutes

Meeting name	Governance Committee
Date	Tuesday, 18 September 2018
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair

Councillors

P. Cumbers
T. Bains
P. Faulkner
J. Wyatt

J. Simpson
J. Douglas
M. Glancy

Observers

Officers

Chief Executive
Director for Corporate Services
Director for Legal and Democratic Services
Head of Internal Audit
Administrative Assistant Elections & Member Support

Minute No.	Minute
G92	<p>Apologies for Absence Apologies for absence were received from Councillors Blase, Illingworth and Posnett.</p>
G93	<p>Minutes The minutes of the meeting held on 24 July 2018 were confirmed and authorised to be signed by the Chair.</p>
G94	<p>Declarations of Interest Councillor Cumbers declared a pecuniary interest in exempt agenda item 4 (Information Governance). Councillor Wyatt declared an other interest in agenda item 9 (Code of Conduct Update).</p>
	<p>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 and 2.</p>
	<p><i>Councillor Cumbers provided a statement to the Committee, thanking the Chief Executive and the Head of Internal Audit for their hard work on this matter and left the meeting.</i></p>
G95	<p>Investigation Report The Chief Executive submitted a report (copies of which had previously been circulated to Members). There was a brief discussion on the report and this is set out in full in the exempt minutes. RESOLVED that the report be noted.</p>
	<p><i>Councillor Cumbers returned to the meeting</i></p>
G96	<p>Annual Audit Letter On behalf of the External Auditor, Ernest Young, the Director for Corporate Services (a) submitted a report (copies of which had previously been circulated to Members) which provided a high level summary of the results of the 2017/18 audit work undertaken at Melton Borough Council;</p>

(b) gave a brief overview of the report, highlighting that:-

- External Audit had issued this report following the completion of their audit procedures for the year ending 31 March 2018
- matters reported on were the most significant for this Council and detailed findings from the 2017/18 Annual Governance Report (as reported to this Committee on 24 July 2018) were not repeated here;

(c) advised that the report would be published and its availability to the public would be advertised. Electronic copies would be provided free of charge and a fee would be charged for hard copies.

There being no comments or questions from Members, it was

RESOLVED that the report be noted.

G97

Internal Audit Progress Report 2018/19

The Head of Internal Audit

- i. submitted a report (copies of which had previously been circulated to Members) updating the Committee on progress made in delivering the 2018/19 Annual Audit Plan and key findings arising from audit assignments completed;
- ii. advised that since the last Committee meeting:-
 - 65% of the Audit Plan was either complete or in progress. The Plan was at Appendix A of the report (page 54).
 - two audit reports had been finalised and were summarised at paragraph 2.5 of Appendix A:-
 - i. IR35: This concerned new tax legislation, which affected tax implications for off-payroll workers. The review had identified that there was no policy, procedures or guidance for staff on assessing off-payroll workers for IR35 implications. This had led to inconsistencies and some gaps in controls. Controls had been implemented, whereby cases were identified via new starter forms but sample testing highlighted that this was not effectively highlighting all relevant cases. As such, limited assurance was given on both the design and compliance with the controls. Management had requested the review to provide advice on improvement and an action plan was now in place, with some actions already implemented.
 - iii. Beckmill Court Regeneration Project: The review had highlighted some gaps in the project management documentation, which meant only limited assurance could be given for compliance. It was noted that a number of these issues appeared historic and improvements had since been made to project management

controls and awareness. She highlighted the additional recommendation at paragraph 2.2 of the report, to defer the Gretton Court audit and replace it with work on testing compliance with procurement rules, to provide assurance that these issues were not widespread and recent improvements had been effective.

- Thirty actions had been implemented and twenty-four remained overdue. Of the overdue actions, none were high priority and were subject to ongoing monitoring by Management having been given revised implementation dates.

A Member queried if this Council had full responsibility for Gretton Court or a shared responsibility with Leicestershire County Council. The Director for Corporate Services confirmed that this Council had full responsibility and Gretton Court was included in the Housing Revenue Account.

A Member commented that they were surprised to learn that in 2012 Beckmill Court was identified as a negative value asset.

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

RESOLVED that the

- (1) report be noted, together with the progress made by the Internal Audit team in delivery of the Audit Plan;
- (2) proposed amendment to the Audit Plan – to defer the planned audit of the Gretton Court project to 2019/20 be approved and an audit of compliance with procurement rules be included in the 2018/19 plan.

G98

Local Code of Corporate Governance

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members) requesting the Committee to consider the Local Code of Corporate Governance;
- (b) gave a brief overview of the report, which detailed the requirements for the Council to produce a Local Code of Corporate Governance and current governance arrangements, in line with the revised Code;
- (c) advised that as part of the Internal Audit work plan for 2017/18, the Head of Internal Audit, in consultation with Management Team and herself had reviewed the Local Code of Corporate Governance and further updated it. This ensured that it reflected the current governance arrangements of the Council and remained consistent with the principles of good governance, as detailed in the CIPFA/SOLACE Framework 2016 Edition;

(d) confirmed that she would work with the Head of Internal Audit to produce an Action Plan to ensure that there was appropriate monitoring and on-going review of the Code. This would be reported to this Committee during 2018/19.

A Member referred to principle B – Ensuring openness and comprehensive stakeholder engagement, at paragraph 3.3 of the report, commenting that in the past, there had been debate over allowing the notes of working group and task group meetings to be open. Could they be made accessible after a certain period?

The Monitoring Officer advised that due to the new governance arrangements, this Council did not have as many working groups and task groups as in the past. Policy and Regulatory Forums and informal working groups were held. Formal minutes were not taken at these meetings. She confirmed that she was in favour of transparency and that this would be at the forefront of future work undertaken by the Governance Development Group. It was important to be open and accountable to the community. A survey would be available on the Council's website shortly (open until 4 October 2018), engaging with the public and canvassing opinion.

Another Member referred to the Council's Constitution (Part 5 – Codes and Protocols, Exempt Minutes Procedure, paragraph 10), advising that it stated that exempt minutes were reviewed by the Monitoring Officer, to enable release of any minutes which no longer met their exemption category. They commented that they had never known this review and release to take place, adding that the Monitoring Officer had confirmed that she would like to see this work undertaken in the future.

The Monitoring Officer advised that as Director of Legal and Democratic Services, she was examining the potential for creating a dedicated Democratic Services team, under her function to carry out work such as this.

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

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

G99

Ombudsman Report

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members) updating the Committee on the annual letter received from the Local Government and Social Care Ombudsman, in respect of decisions made regarding complaints against Local Authorities for the year ending 31 March 2018;
- (b) advised that the Local Government and Social Care Ombudsman was the final stage for complaints about councils, all adult social care providers and some other organisations. It was used when the Council's complaint process had been exhausted;

(c) highlighted that statistics published by the Local Government and Social Care Ombudsman, showing the number of complaints it had upheld or not upheld for each Authority for the year ending 31 March 2018, was at Appendix A of the report;

(d) confirmed that the Local Government and Social Care Ombudsman had received eight complaints, in respect of this Council, which was minute in comparison with other Authorities.

(e) stated that of the eight complaints:-

- advice was given in respect of one complaint
- six were referred back to the Council for a resolution
- one was closed after initial enquiries

This was a good result for the Council. The Local Government and Social Care Ombudsman had not conducted any detailed investigations in respect of this Council and no complaints had been upheld.

On behalf of a Member who was unable to attend this meeting, the Chair queried how many of the six complaints, which had been referred back to the Council for a resolution had been resolved. The Monitoring Officer advised that she did not have specific details but was able to confirm that all had been resolved and closed.

RESOLVED that the information at appendix A of the report be noted.

G100

Code of Conduct Update

The Monitoring Officer

(a) submitted a report (copies of which had been previously circulated to Members) updating 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 this Council's process;

(b) gave a brief overview of the report, confirming that:-

- Members had been reminded to ensure that their Disclosable Pecuniary Interests were up to date. Should their personal circumstances change, or those of a partner, such as a change of address or job or becoming a member of a new local organisation they were required to update their DPI form and this would be uploaded to the Council's website.
- since writing the report, the two complaints under consideration had been closed, meaning that there were no outstanding complaints.
- in accordance with the Member Complaints Process, this Committee was requested to note that it was the Monitoring Officer's intention to close the complaint, which had been referred for investigation, as the Investigating Officer's report had concluded that there was no case to answer. It was not necessary to hold a Governance Sub Committee

2 meeting to note this. Information had been added to the relevant Governance Sub Committee 1 web page, advising that the outcome of the investigation had been reported to this meeting. In future, all investigations originating at Governance Sub Committee 1 would be reported to Governance Committees.

- one of the Council's two Independent Persons had resigned his position with effect from 17 August 2018. Recruiting to this role would commence within the next few weeks and information about this would be included in the next Members' Bulletin;

(c) highlighted the recommendation at paragraph 2.2 of the report.

The Chair emphasised that the position of Independent Person was a paid role. She acknowledged the work of the Senior Democracy Officer in summarising (at Appendix A) the Investigating Officer's confidential report and asked that her thanks be noted.

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

RESOLVED that

- (1) 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;
- (2) closure of Member Complaint Reference GOV 53, in accordance with the Member Complaints Process and the Investigating Officer's finding of no breach be noted.

G101

Constitution Update

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members) requesting that the Committee consider new items or changes to the Constitution and those approved would be referred to the Council for adoption or noting and incorporation into the Council's Constitution;
- (b) highlighted that Members should expect to receive fewer but more lengthy reports in future, as it was anticipated that new items and changes would be reported collectively;
- (c) advised that the change to Part 6 - Member Allowance Scheme had been made for clarity and to avoid ambiguity, ensuring equality for all Members in claiming travel and subsistence expenses, as well as the basic allowance.

There being no comments or questions from Members, it was

RESOLVED that the following change to the Constitution be approved and referred to Full Council for adoption in the Constitution:-

(a) Part 6 – Member Allowances Scheme

In accordance with the explanation set out in paragraph 3.3 of the report, paragraph 1.2 of the Member Allowances Scheme be amended to include the words shown in red:-

1.2 Should a Member not claim the basic allowance, **Council related** expenses, **in addition to those that can be claimed elsewhere**, be claimable up to the maximum of the basic allowance.

(b) that the Monitoring Officer's delegated authority to make amendments following legislative or other statutory changes and minor procedural and operational changes be noted. Such changes would be reported to the Governance Committee and subsequently to the Council, as soon as practicable thereafter.

G102

Urgent Business

There was no urgent business.

The meeting closed at: 7.15 pm

Chair