

Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 5 November 2021.

PRESENT

Mr. T. Barkley CC (in the Chair)

Mr. D. C. Bill MBE CC
Mr. G. A. Boulter CC
Mr. J. G. Coxon CC

Mr. K. Merrie MBE CC
Mrs. R. Page CC

32. Minutes.

The minutes of the meeting held on 23 July 2021 were taken as read, confirmed and signed.

33. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

34. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

35. Urgent Items.

There were no urgent items for consideration.

36. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

37. Appointment of External Auditor.

The Committee considered a report of the Director of Corporate Resources which summarised the arrangements for appointing an External Auditor for Leicestershire County Council and the Leicestershire County Council Local Government Pension Scheme. A copy of the report marked 'Agenda Item 6', is filed with these minutes.

In introducing the report, the Director reminded Members that the Council had agreed a more realistic timeline with Grant Thornton UK LLP, the County Council's current auditors, for the audit to be completed. This was to take into account the increased level of work required due to changes made to national regulations and the Council replacing its accountancy software. Members noted that as the adjusted timeline would go beyond

the statutory publication deadline of 30 September 2021, the Council was required to publish a notice of the delay on its website. It was confirmed that the notice was already in place and would remain so until the audit had fully concluded.

The Director advised that unfortunately it was not possible to report the full outcomes of the external audit of the statement of accounts 2020/21 for the County Council and its pension fund at this meeting as originally intended as the audit being undertaken by Grant Thornton UK LLP was still underway. Members noted that, so far, there were no significant issues to report and that officers would look to arrange an extraordinary meeting in due course for the Committee to separately consider this item once the audit had concluded.

Arising from discussion about Option 3 set out in the report (to opt-in to the sector led body national scheme for local auditor appointments) the following points were noted:

- (i) The duration of the potential procurement contract with the auditor provider that would eventually be appointed would likely follow the same pattern as the previous procurement i.e. a five-year period. In response to a question it was confirmed that there would be an option to terminate early (at the agreement of both parties). Members confirmed their support for this approach.
- (ii) Following consideration of the options set out in the report, the Committee confirmed its support for Option 3. The Director confirmed that the Committee would be kept informed of the progress with appointing an External Auditor for the County Council and, subject to the full County Council approving Option 3 at its meeting on 1st December 2021, be notified of the outcome of the procurement in accordance with the procurement framework regulations.

RESOLVED:

- (a) That the proposed options for the Local Appointment of External Auditors be noted.
- (b) That the County Council be recommended to approve Option 3 (to opt-in to the sector led body national scheme for local auditor appointments) set out in the report.

38. Local Government and Social Care Ombudsman Annual Review 2020/21 and Update on Complaints and Freedom of Information Requests.

The Committee considered a joint report of the Chief Executive and the Director of Corporate Resources regarding the outcome of the Local Government and Social Care Ombudsman (LGO) Annual Review for the Authority for 2020/21 and which also provided an update on the handling of complaints, Freedom of Information (FOI) requests and Environmental Information Regulations. A copy of the report marked 'Agenda Item 7', is filed with these minutes.

Arising from discussion the following points arose:

- (i) Members were reminded of the great lengths the Council would go to in dealing with FOI requests against the permissible time period to deal with them. Often much work was undertaken in order for meaningful responses to be formulated which could have an impact on response times. For example, advice from Legal

Services' necessitating records kept offsite to be brought in to enable investigatory work to be carried out.

- (ii) In terms of the actions being taken to reduce the number of complaints the Council received, it was confirmed that whilst the information considered by this Committee was high level, the Council's Scrutiny Commission and a number of its sub-committees considered more detailed reports around specific complaint areas. Additionally, the Council's Corporate Complaints and Information Services Manager worked closely with the relevant departments and Senior Leaders around emerging themes in order for action plans to be developed and any necessary improvements to be made. Although not relevant to complaints relating to a one-off error, effort was also made by the Corporate Complaints Team to track the responses made by departments to complaints to ensure good progress was being made and that lessons were being learnt. Members noted that where complaints relating to a policy decision were concerned, it was sometimes necessary to consider whether the issue related to how policy or staff guidance was being applied.
- (iii) A member expressed concern about the complaint marked as Case 9 in the report, that a care provider contracted by the Council to deliver home care had failed to deliver consistent and timely care. In response to the comments raised, the Director confirmed that the Adults and Communities Department had a specific team in place that worked with and monitored care providers around compliance and care quality. Assurance was also provided that a number of actions had been taken in response to this complaint including monitoring measures being increased around the care provider in question's general performance and due diligence checks being carried out in respect to other cases receiving care from the same provider.

RESOLVED:

- (a) That the Local Government and Social Care Ombudsman annual review letter for the County Council for 2020/21 be noted;
- (b) That the update on improvements to the County Council's Complaints procedures and handling of the Freedom of Information Action and Environmental Information Regulations be noted.

39. Revised Members' Code of Conduct and Protocol on Member/Officer Relations.

The Committee considered a report of the Director of Law and Governance, the purpose of which was to present a revised Members' Code of Conduct and Protocol on Member/Officer Relations prior to these being submitted to full Council on 1st December 2021 for approval. A copy of the report marked 'Agenda Item 8', is filed with these minutes.

Arising from discussion the following points were raised:

- (i) In other parts of the country a number of significant member conduct related issues had arisen in relation to parish councils. Many of these were a result of frustration felt by Parish Councillors in relation to the processes involved in local decision making. Whilst there were not as many issues in Leicestershire some standards issues had arisen in relation to local parish councils. The Director

confirmed that in terms of the Local Code the District Councils had the responsibility of providing support and encouragement to parish councils on conduct related issues. However, members were also reminded that it was incumbent on all of those working in local government to encourage good practice across all levels of local government.

- (ii) The Committee welcomed the revised Member Code of Conduct and Protocol on Member/Officer Relations set out in appendices A and B to the report. However, some members commented that they felt the powers the Council had to deal with members that failed to comply with the Code were limited and that greater sanctions needed putting in place. Though it was recognised these would only come as a result of the National Government bringing in the appropriate primary legislation. The Director advised that despite the ongoing requests being made to the National Government there was still no sign of the aforementioned primary legislation being brought forward. It was confirmed, however, that the Local Code had been revised to reflect the overall concerns and feedback shared by members and officers which it was hoped provided a level of assurance. The Director added that standards issues becoming publicised was a form of sanction as there was potential for the member the issue related to and their political parties' reputation being negatively affected.

RESOLVED:

- (a) That the County Council be recommended to approve the adoption of the revised Code of Conduct for Members as set out in Appendix A to the report.
- (b) That the County Council be recommended to approve the adoption of the revised Protocol on Member/Officer Relations as set out in Appendix B to the report.

40. Risk Management Update.

The Committee considered a joint report of the Director of Corporate Resources which was to provide an overview of key risk areas and the measures being taken to address them and updates on emerging risks and issues, insurance renewals and Counter Fraud Initiatives. A copy of the report marked 'Agenda Item 9', is filed with these minutes.

Arising from discussion the following points arose:

- (i) Regarding the potential risks of care provider failure if local care home workers refused to get fully vaccinated against Covid-19, assurance was provided that the immediate risk of there being insufficient capacity due to the national regulations coming into force on 11 November 2021, was low. Members also noted that although recruitment and retention of the workforce continued to be an issue for the overall care market there was currently no evidence to suggest that the local social care market would be severely impacted by the enforcement of these regulations. A great deal of work had been undertaken by the Adults and Communities Department to encourage the relevant workers to get vaccinated and the Department had also been supporting local care providers to put in place any necessary mitigations. In response to comments raised by a member, officers undertook to provide Committee members with further information to confirm the local situation in respect of vaccination uptake outside of the meeting.

- (ii) An outcome of National Fraud Initiative investigations carried out for Leicestershire for the year 2020/21 was the identification of four cases where pensions were continuing to be paid to deceased persons, the payments of which had been immediately suspended. It was confirmed that the outcome of the further investigation work being carried out by the Council's Pensions Service would be reported to a future meeting.
- (iii) It was clarified that in terms of how the risk scores in the Corporate Risk Register (CRR) were arrived at, all Council departments were required to follow the risk scoring matrix set out in the Risk Management Policy Framework, which was due to be updated and presented to the Committee at its meeting in January 2022. It was confirmed that if a Department's assessment of a risk reached a score of 15 or above, the risk would be debated to determine if it should be added to the CRR. In response to comments raised by a member, it was agreed that a reminder of the risk scoring matrix details would be useful to include in the Committee's next Risk Management Update.
- (iv) Regarding the risk of capital schemes such as HS2 not being progressed as expected, the Director confirmed that although HS2 had featured in an earlier report to the Committee as an emerging risk, currently the risk was not considered to be high enough to go through the full risk management process; the risk around Freeport designation not being achieved had been identified and recorded on the CRR (risk 1.11); and in respect to road and rail improvements a separate risk around local infrastructure (risk 1.12) now featured on the CRR.

RESOLVED:

- (a) That the current status of the strategic risks facing the County Council be approved;
- (b) That the outcomes of the further investigatory work being undertaken by the Council's Pension Service into four cases where pensions had continued to be paid to deceased persons be reported to a future meeting;
- (c) That further details to confirm the local situation in respect of Covid-19 vaccination uptake for care workers be provided to Committee members outside of the meeting;
- (d) That the Director be requested to include in the next Risk Management Update Report to the Committee, further details on how risk scores within the Council's Corporate Risk Register are calculated;
- (e) That the updates regarding emerging risks and issues, insurance renewals and Counter Fraud Initiatives be noted.

41. Clinical Governance Annual Report.

The Committee considered a report of the Director of Public Health which provided an update on the process of assuring clinical governance and key issues dealt with as part of the County Council's clinical governance monitoring arrangements, roles, and responsibilities since November 2019. A copy of the report marked 'Agenda Item 10', is filed with these minutes.

Arising from discussion, the following points arose:

- (i) The Director provided assurance that the substantial level of details on Serious Incidents (SIs) in the report was not a sign of poor-quality services but rather a reflection of the nature of the cohort of service users and the serious alcohol and drug related issues the SIs related to.
- (ii) All specific processes and treatments detailed in the report such as the patient group direction (PGD) for Levonorgestrel (emergency contraception) had been identified to provide the Council's Public Health Department with assurance that the processes being followed by the relevant service were in line with best clinical governance practice.
- (iii) In response to comments raised by a member relating to past care home closures where the Care Quality Commission (CQC) had visited and made prior recommendations, the Director clarified that the Clinical Governance Annual Report only made reference to the CQC in relation to its activities with the Council's Public health commissioned clinical services . It was suggested that there was a specific team in the Adults and Communities Department that worked with care service providers on quality compliance and that the matter being raised would be best directed to that particular team or to the Director of Adults and Communities.

RESOLVED:

That the Clinical Governance Annual Report be noted.

42. Internal Audit Plan and Progress Report.

The Committee considered a report of the Director of Corporate Resources which provided a list of planned work for the six months to the end of March 2022, summarised the work conducted during the period 19 June to 22 October 2021, highlighted audits where high importance recommendations had been made and provided information on projects that the Chartered Institute of Public Finance and Accountancy (CIPFA) was undertaking that related to internal audit and audit committees. A copy of the report marked 'Agenda Item 11', is filed with these minutes.

Arising from discussion, the following points arose:

- (i) Members were pleased to note that sufficient action had now been taken to close off the high importance recommendations relating to Direct Payments. Members further noted that the outcomes of the work the Council's Internal Audit Service (IAS) was planning to carry out to test the refreshed processes relating to Direct Payment annual reviews would be reported to a future meeting.
- (ii) Concern was raised that a 'request to move' a previously requested audit around climate change and carbon emissions had been received from the Environment and Transport Department. Assurance was provided that this area of audit was a priority to move forward and the request from the Department had been deemed as sensible, as some of the necessary governance arrangements for certain aspects needed to be progressed by the Council's Chief Executive's Department. It was anticipated that the Committee would be kept informed of future developments in line with its responsibilities.

- (iii) Some disappointment was expressed that two experienced auditors had left the Council's IAS over the summer period. Members noted that the audit market could be particularly difficult in terms of recruiting experienced people and a previous attempt to recruit had unfortunately attracted a low number of unsuitable applicants. A further advert was currently live and due to close in the next few weeks. It was hoped that the recruitment process would be a success this time around to enable staffing levels to return to normal in the next few months.

RESOLVED:

That the contents of the Internal Audit Plan and Progress Report be noted.

43. Quarterly Treasury Management Report.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to update the Committee on the actions taken in respect of treasury management for the quarter ending 30 September 2021. A copy of the report marked 'Agenda Item 12', is filed with these minutes.

RESOLVED:

That the actions taken in respect of treasury management for the quarter ending 30 September 2021 be noted.

44. Dates of Future Meetings.

RESOLVED:

That the meeting dates proposed below for 2022 be noted:

- Friday 28th January at 10.00am
- Friday 13th May at 10.00am
- Friday 23rd September at 2.00pm
- Monday 21st November at 10.00am

10.00 – 11.38am
5 November 2021

CHAIRMAN