



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 1 November 2019.

PRESENT

Mr. T. Barkley CC (in the Chair)

Mr. G. A. Boulter CC
Mr. J. G. Coxon CC
Mr. D. Harrison CC
Mr. J. Kaufman CC

Mr. T. J. Richardson CC
Mr. S. D. Sheahan CC
Mrs. A. Wright CC

31. Minutes of the meeting held on 26 July 2019

The minutes of the meeting held on Friday, 26 July 2019 were taken as read, confirmed and signed subject to the following amendment to minute 18.

That the sentence now read – “RESOLVED: That Mr. T. J. Richardson CC be elected Vice Chairman for the period ending with the date of the Annual Meeting of the County Council in May 2020.”

32. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

33. 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).

34. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

35. Declarations of interest in respect of items on the agenda.

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

Mr. S. Sheahan CC and Mr. J. Coxon CC each declared a personal interest in agenda item 7 (Risk Management Update) (minute 37 below refers) as they owned property within close proximity to the proposed HS2 route. Both members stated that, should the debate on this item go into matters of detail regarding HS2 and in particular the location of the line, they would consider the matter a “personal interest that may lead to bias” and leave the room.

Mr. T. J. Richardson CC declared a personal interest in agenda item 12 (Quarterly Treasury Management Report) (minute 42 below refers) as he was in receipt of a pension from Lloyds Bank Plc. He stated that, should the debate on this item go into matters of detail regarding Lloyds Bank Plc, he would consider the matter a “personal interest that may lead to bias” and leave the room.

36. Annual Audit Letter 2018-19

The Committee considered a report of the Director of Corporate Resources which presented the Annual Audit Letter for 2018/19 for approval. A copy of the report, marked ‘Agenda Item 6’, is filed with these minutes.

The Chairman welcomed Mr John Gregory from Grant Thornton UK LLP, the County Council’s external auditors for 2018/19, to the meeting.

Mr Gregory confirmed that an unqualified opinion had been issued and that no material or unadjusted misstatements had been identified within the year end accounts. An unqualified value for money conclusion had also been issued and its assessment of the Council’s arrangements for ensuring continued financial resilience had shown these to be satisfactory with no significant risk areas identified for action.

Members offered their thanks to Mr Gregory and his colleagues at Grant Thornton UK LLP for the work they had undertaken, and to Council officers in the Corporate Resources Department for their contribution in achieving a positive Annual Audit Letter for 2018/19.

RESOLVED:

That the Annual Audit Letter for 2018-19 be approved and distributed to all Members of the Council.

37. Risk Management Update

[Mr. J. Kaufman left the meeting at this point and did not return to the meeting]

The Committee considered a report of the Director of Corporate Resources which provided an overview of the key risk areas faced by the County Council and the measures being taken to address them. A copy of the report marked, ‘Agenda Item 7’, is filed with these minutes.

As part of this item, the Committee also received a presentation on Corporate Risk 1.3 on the Corporate Risk Register (If the Council fails to maximise developer contributions, then there could be a failure to fund corporate infrastructure projects). A copy of the presentation slides is filed with these minutes.

Presentation – Supporting the Growth Agenda in Leicestershire

Arising from the presentation, the following points arose:

- i) A need for greater central oversight of increasing growth pressures facing the Council had been identified and the Growth Unit had been established to fulfil that role with appropriate resources allocated to support this. The Head of the Growth

Unit and Major Programmes undertook to provide members with a copy of the Cabinet report relating to the establishment of the unit.

- ii) The Head of the Growth Unit and Major Programmes provided reassurance that alongside the new officer governance arrangements established to support the work of the Unit, reports would continue to be presented to members in the usual way to ensure robust oversight of largescale growth projects. This would include the Cabinet, Scrutiny and the Corporate Governance Committee as appropriate.
- iii) A primary aim of the Growth Unit would be to develop an infrastructure plan. This would provide for a more collaborative approach when dealing with large scale developments across the County and help maximise and secure developer contributions to support infrastructure costs.
- iv) The delivery of infrastructure by the County Council to support growth schemes would be dependent on developers contributing towards the cost of such works via Section 106 agreements. Members reinforced the need for developers to contribute to public services in a fair and proportionate way.
- v) Various funding options were being explored to secure delivery of the Council's Affordable and Quality Homes Strategic Plan Outcome. Timing and forward planning would be important to ensure works, funding arrangements and overall housing delivery timescales were coordinated, and unnecessary costs avoided.
- vi) The Council's environmental commitments to reduce carbon emissions would be considered as part of each growth project.

Risk Register

Arising from discussion, the following comments were made:

- i) In reference to Corporate Risk 7.2 'Failure to recruit and retain staff (Children and Family Services)', a Member queried if there was flexibility for the Council to overrecruit in this area to meet future demand. The Director confirmed it was possible but unlikely to happen at this time due to a shortage of people applying for the roles. Members noted that the difficulties faced by the County Council regarding recruitment and retention was reflective of the service area and an issue nationally. One of the main issues faced by local authorities was that numbers of workers being trained to a higher level were moving on to higher paid roles in the private sector. The Department was re-developing its recruitment offer to ensure this was as competitive as could be – working life balance and flexible working arrangements would be key points of focus.
- ii) In response to a concern raised by a Member regarding perceived risks associated with the re-procurement of Home Care Services, the Director undertook to provide further information from the Adults and Communities Department who were undertaking the re-procurement process.
- iii) It was suggested that a presentation be provided at the next meeting of the Committee on Corporate Risk 7.1 (If sickness absence is not effectively managed then staff costs, service delivery and staff wellbeing will be impacted).

RESOLVED:

- (a) That the current status of the strategic risks facing the County Council be approved;
- (b) That the content of the presentation provided on corporate risk 1.3 'If the Council fails to maximise developer contributions, then there could be a failure to fund corporate infrastructure projects' be noted;
- (c) That a copy of the 'Supporting Growth in Leicestershire' report which was presented to the Cabinet on 24 May 2019 be circulated to Members of the Committee for information;
- (d) That at the next meeting of the Committee a presentation be provided on corporate risk 7.1 'If sickness absence is not effectively managed then staff costs, service delivery and staff wellbeing will be impacted';
- (e) That the updates provided on HS2 Phase 2B be noted;
- (f) That the update provided on the risk management health check be noted.

38. Local Government and Social Care Ombudsman Annual Review 2018/19 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 Annual Review for the Authority for 2018/19 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 8', is filed with these minutes.

The Director advised the Committee of an error contained at paragraph 48 of the report and clarified that the total percentage for response times for more than 20 working days was 19%, rather than 9% as had been stated. This also affected the percentage figure in paragraph 28 which should have stated that of the complaints resolved within the year, 81% received a response within 20 working days, rather than 91% as had been detailed in the report.

In response to comments raised, Officers undertook to include an additional marker in future reports to give the Committee a better sense of response times that had taken more than 20 days to resolve. Assurance was provided that the majority of complaints in this category were resolved between 20 - 25 days.

The Director of Law and Governance advised that the Council aimed to meet the legal requirement to respond to FOI requests within 20 working days, wherever possible. However, where it did not meet this requirement it may be because of the application of relevant public interest exemptions which allowed for an extension of time within which to respond without breaching the requirements.

RESOLVED:

- (a) That the Director of Corporate Resources and the Chief Executive be requested to include further detail regarding the length of time for responding to complaints in future reports;
- (b) That the Local Government and Social Care Ombudsman (LGO) annual review letter for the County Council for 2018-19 be noted;
- (c) That the update on improvements to the County Council's Complaints procedures and handling of the Freedom of Information Act and Environmental Information Regulations be noted.

39. 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 October 2018. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

Arising from discussion, the following points arose:

- i) A Member expressed concern that 'clean air' in terms of its effect on mortality rates was not referenced in the report. It was confirmed that although 'clean air' did not fall directly into the scope of Clinical Governance, this was becoming increasingly recognised as a contributory issue in terms of overall health and wellbeing and as a result had been factored in to other work that the Council's Public Health Department had been undertaking in collaboration with local partners and service providers.
- ii) Turning Point (a substance misuse treatment service) and how interventions are monitored in terms of cost effectiveness, was confirmed to be an evidence-based process which allowed for numbers of patients and the types of interventions being supplied by service providers to be monitored closely.

RESOLVED:

That the update on the key issues dealt with as part of the County Council's clinical governance monitoring arrangements, roles and responsibilities since October 2018 be noted.

40. Contract Procedure Rules

The Committee received a joint report of the Director of Corporate Resources and the Director of Law and Governance on the operation of the Contract Procedure Rules between 1 July 2018 and 30 June 2019 and which set out proposed changes to those Rules. A copy of the report, marked 'Agenda Item 10,' is filed with these minutes.

Arising from discussion, the following points were noted:

- i) Property investments and the management of the Council's property portfolio were managed as part of the Council's Corporate Asset Investment Fund and such investments were made in accordance with the Council's approved Corporate Asset Investment Fund Strategy as part of its Medium Term Financial Strategy each year.
- ii) Members welcomed the provisions within the Contract Procedure Rules that continued to enable the Council, as far as possible within the national and EU legislative framework, to support local businesses.

RESOLVED:

- (a) That the contents of the report on the operation of the Contract Procedure Rules between 1 July 2018 and 30 June 2019 be noted;
- (b) That the County Council be recommended to approve the proposed amendments to the Contract Procedure Rules, as set out in Appendix B of the report.

41. Financial Procedure Rules

The Committee considered a report of the Director of Corporate Resources which proposed changes to the Financial Procedure Rules. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

RESOLVED:

- (a) That the proposed changes to the Financial Procedure Rules be noted;
- (b) That the County Council be recommended to approve the proposed changes to the Financial Procedure Rules, as set out in Appendix A of the report.

42. Quarterly Treasury Management Report

The Committee considered a report of the Director of Corporate Resources which provided an update on the actions taken in respect of treasury management for the quarter ending 30 September 2019. 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 2019 be noted.

43. Internal Audit Service Progress Report

The Committee received a report of the Director of Corporate Resources which provided a summary of the work conducted during the period of 13 July to 30 September 2019 and on the progress with implementing high importance recommendations. A copy of the report marked 'Agenda Item 13', is filed with these minutes.

The Head of Internal Audit and Assurance Service provided assurance that whilst the recommendations arising from the audit of the Property Contract Award processes were

continuing to be implemented, no evidence of malpractice had been identified as a result of past practices.

RESOLVED:

That the audit work undertaken during the period 13 July 2019 to 30 September 2019 and actions taken to implement high importance recommendations be noted.

44. Developments in Audit and Governance

The Committee considered a joint report of the Director of Corporate Resources and the Director of Law and Governance which provided information about current and planned developments in audit (mostly external audit) and governance that was associated with the Committee's responsibilities. A copy of the report, marked 'Agenda Item 14', is filed with these minutes.

The Director advised that CIPFA had separately written to Heads of Internal Audit to seek their personal views on how both internal and external audit engage with audit committees. This presented an opportunity to influence the profile and support for audit committees going forward. It was the intention that an update on progress would be provided to the Committee at a future meeting.

Members requested that consideration be given to how best to share information arising from the Council's responses to national reviews and consultations. Members felt this was important given its financial oversight responsibilities. The Director specifically undertook to share the finalised responses to the two current consultations (the Redmond Review and the Code of Audit Practice consultation).

RESOLVED:

- (a) That it be noted that the Director of Corporate Resources would respond to the Redmond Review and Code of Audit Practice consultations and share the finalised responses with Members of the Committee;
- (b) The Director of Corporate Resources and the Director of Law and Governance undertook to consider with the Chairman of the Committee how best to share information arising from reviews and consultations with Members of the Committee in future;
- (c) That the current and planned developments in audit and governance, in association with the Committee's responsibilities, be noted.

45. Date of next meeting.

It was noted that the next meeting of the Committee would be held on Friday, 31st January 2020 at 10.00am.

10.00 – 11.45am
1 November 2019

CHAIRMAN

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