



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 24 January 2025.

PRESENT

Mr. T. Barkley CC (in the Chair)

Mr. N. D. Bannister CC

Dr. R. K. A. Feltham CC

Mr. G. A. Boulter CC

Mr. T. J. Richardson CC

Mr. J. G. Coxon CC

1. Minutes.

The minutes of the meeting held on 6 December 2024 were taken as read, confirmed and signed.

2. Question Time.

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

3. 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).

4. Urgent Items.

There were no urgent items for consideration.

5. 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.

Mr. T. Richardson CC declared a Non Registrable interest in agenda item 7 (Quarterly Treasury Management Report) as he was in receipt of a pension from Lloyds Bank Plc.

6. Presentation of Petitions under Standing Order 35.

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

7. Quarterly Treasury Management Report.

The Committee considered a report of the Director of Corporate Resources the purpose of which was to provide an update on the actions taken in respect of treasury management for the quarter ending 31 December 2024 (Quarter 3). A copy of the report marked 'Agenda Item 7' is filed with these minutes.

RESOLVED:

That the actions taken in respect of treasury management for the quarter ending 31 December 2024 be noted.

8. Treasury Management Strategy Statement 2025/26.

The Committee considered a report of the Director of Corporate Resources the purpose of which was to provide an opportunity to review the treasury management strategy statement, which included the minimum revenue provision (MRP) policy statement and the annual investment strategy for 2025/26. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Arising from the discussion, the following points were made:

- (i) In response to a query around local authorities purchasing property to generate additional income, it was noted that the regulations allowed existing investments to remain but did not permit any new investments. The impact of this was that it may not be possible to borrow from the public works loan board if the Council was deemed to have made further investment for income benefit.
- (ii) With regard to the performance of a property owned by the County Council in Lichfield, it was stated that the investment was achieving income in line with the original assessment. Although there had been a period of vacancy, the property had now been re-let. The Director of Corporate Resources undertook to provide more specific details on the performance of the investment.
- (iii) The County Council was commended on identifying appropriate counterparties to place funds. However, it was suggested that a comment could be added to the Treasury Management Policy Statement to reassure Leicestershire residents that the Council would endeavour to ensure that it would not invest in a bank if it was felt that there could be a reputational risk to the authority in doing so. Consideration would be given to adding appropriate wording to reflect this prior to the Treasury Management Strategy Statement being approved by the Council on 19 February.

RESOLVED:

That it be recommended that the County Council approves the Treasury Management Strategy Statement 2025/26.

9. External Audit of the 2023/24 Statement of Accounts, Annual Governance Statement and Pension Fund Accounts.

The Committee considered a report of the Director of Corporate Resources the purpose of which was to present the 2023/24 financial statements and letters of representation, and to report the key findings from the external audit of the accounts. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Representatives from Grant Thornton, the External Auditor, were in attendance and reported that it would not be possible to report the final opinion at the meeting due to a few minor queries that were outstanding. However, assurance was given that final sign

off of the accounts would take place before the back stop date of 26 February. Once the accounts had been signed, members of the Committee would be notified.

RESOLVED:

That delegated authority be given to the Director of Corporate Resources and Chairman of the Committee to approve and sign the financial statements and letters of representation for 2023/24, once the final outstanding items have been resolved.

10. Risk Management Update.

The Committee considered a report of the Director of Corporate Resources the purpose of which was to present the Corporate Risk Register for approval and the Risk Management Policy Statement and Strategy and Insurance Policy. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

As part of this item, the Committee also received a presentation from the Head of Architecture and Compliance regarding Cyber Security. A copy of the presentation is filed with these minutes.

Arising from the discussion, the following points were made:

Presentation

- (i) In response to a query around the regularity of individuals changing their password, it was stated that, in accordance with guidance from the National Institute of Standards and Technology, there was now a greater focus on ensuring a password had a high level of complexity.
- (ii) A member raised a comment that a large percentage of local authorities were now moving towards facial recognition. It was the intention to roll this out to staff and elected members over the coming months.

Report

- (iii) The 2023-24 Environmental Performance Report had noted that there were now only six high risks on the climate change register, which was a reduction of two since the completion of the previous assessment. Progress made with the remaining risks would be confirmed with the Environment and Transport Department and reported back to the Committee.
- (iv) The Government's English Devolution White Paper had been added to the Risk Register as it would represent a significant change to the Council. It was currently unclear how this would affect the Committee, and until such time as a new Council was formed (with a new Constitution), the current Council would continue to perform its functions.

RESOLVED:

- a) That the status of the corporate risks facing the County Council be approved;
- b) That the presentation on cyber security be noted;

- c) That a presentation be provided at the next meeting of the Committee on Corporate Risk – ensuring that suppliers of critical services have robust business continuity plans in place to enable the Council to deliver its services;
- d) That the updates on the Risk Management Policy Statement and Strategy and the Insurance Policy be noted.

11. Changes to the Contract Procedure Rules Following the Implementation of the Procurement Act.

The Committee considered a joint report of the Director of Corporate Resources and the Director of Law and Governance the purpose of which was to provide an overview of the forthcoming changes to the Contract Procedure Rules, and to recommend that these be approved by the County Council, following the implementation of the Procurement Act on 24 February 2025. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

RESOLVED:

That the County Council:

- a) Approves the new Contract Procedure Rules, attached as an Appendix to the report;
- b) Authorises the Director of Corporate Resources, in consultation with the Director of Law and Governance, to approve minor amendments to the Rules up to 24 February 2025.

12. Whistleblowing Report.

The Committee considered a joint report of the Director of Law and Governance and Director of Corporate Resources the purpose of which was to provide a summary of the concerns raised under the Council's Whistleblowing Policy during the calendar years 2023 and 2024 and the Council's response to the issues, including any organisational learning. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

RESOLVED:

That the report be noted along with the proposed annual reporting cycle to the Committee on the effectiveness of the policy.

13. Consultation on Strengthening the Standards and Conduct Framework for Local Authorities in England.

The Committee considered a report of the Director of Law and Governance the purpose of which was to set out a proposed response from the County Council to the Government consultation on strengthening the standards and conduct framework for local authorities in England. A copy of the report marked 'Agenda Item 13' is filed with these minutes.

Arising from the discussion, the following points were made:

- (i) A member raised a query around what constituted a serious breach of the Code of Conduct. The Director of Law and Governance stated that guidance

was not yet available but when issued, this would provide examples of conduct that could be classed as being serious. However, this could be seen as somewhat subjective, and as such, no definitive list would be produced.

- (ii) It was agreed that any response to the consultation needed to take into account what arrangements were currently in place. This Committee had previously approved the process for dealing with complaints around member conduct. The Council currently had a pool of members who could sit on a Member Conduct Panel and these were selected on a proportional basis. Further consideration would be given as to whether a standalone Standards Committee should be introduced.
- (iii) In general, the consultation was welcomed as it was felt that the current arrangements needed to be strengthened. It was suggested that a breach of the Code should be included on the member's Register of Interests and if there was repeated disqualification, consideration should be given to whether this triggered an election. This would be added to the consultation response.

RESOLVED:

That the response to the consultation for submission to the Government be approved.

14. Date of next meeting.

RESOLVED:

That the next meeting of the Committee be held on Monday 31 March 2025 at 10.00am.

10.30 am - 12.15 pm
24 January 2025

CHAIRMAN

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