



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 14 June 2013.

PRESENT

Mr. E. D. Snartt CC (in the Chair)

Mr. M. H. Charlesworth CC

Mrs. J. Richards CC

Mr. G. A. Hart CC

Mr. S. D. Sheahan CC

Mr. K. W. P. Lynch CC

Mr. R. J. Shepherd CC

1. Election of Chairman.

That Mr. E. D. Snartt CC be elected Chairman for the period ending with the Annual Meeting of the County Council in May 2014.

Mr. Snartt in the Chair

2. Appointment of Vice-Chairman.

That Mr R J Shepherd CC be appointed Deputy Chairman for the period ending with the date of the Annual Meeting of the County Council in 2014.

3. Minutes.

The minutes of the meetings held on 13 February and 7 March 2013 were taken as read, confirmed and signed.

4. Question Time.

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

5. 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).

6. Urgent Items.

There were no urgent items for consideration.

7. 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.

8. External Review of the Medium Term Financial Strategy 2013/14 - 2016/17.

The Committee considered a report of the Director of Corporate Resources presenting the key findings from a review undertaken by the Council's external auditor, PricewaterhouseCoopers (PwC), on the Medium Term Financial Strategy (MTFS) 2013/14 – 2016/17. A copy of the report is filed with these minutes.

The Chairman welcomed Matthew Elmer, Audit Senior Manager at PwC, to the meeting. It was noted that on p. 32 of the pack (p. 21 of the PwC report) the final sentence of the paragraph beneath the bullet points should read "Our work in this particular area has not identified any issues which would lead to a qualified value for money conclusion".

Arising from discussion, the following points were noted:

- i. The Council found the external challenge of this review valuable; however, the Authority also carried out a proactive process of internal challenge; for example, a review of earmarked funds had recently been carried out; the Lead Member for Resources had begun working with each Cabinet Lead Member on risk assessing savings in their service area; and a Transformation Board had been established to engage all the political groups and ensure a political contribution to this agenda.
- ii. Leicestershire appeared to be in a relatively strong position as it had recognised the existence and the scale of the challenge early and was willing to look at and manage the process over the medium term rather than just focusing on immediate savings.
- iii. Officers were seeking to work with partner agencies in the NHS to deliver savings across the board in social care and health and avoid 'cost shunting' between different parts of the public sector preventing the achievement of an overall reduction in spending. It was also necessary for this work to span the City and the County.

RESOLVED:

That the contents of the report be noted.

9. Risk Management Update.

The Committee considered a report of the Director of Corporate Resources on progress with current risk management initiatives, covering: the refresh of the Corporate Risk Register; feedback from the Member Risk Workshop on 8 April 2013; and the Revised Corporate Risk Register. A copy of the report is filed with these minutes.

RESOLVED:

- a) That the contents of the report be noted;
- b) That officers be requested to provide a presentation to the next meeting of the Committee detailing the risks associated with the Welfare Reform Act area of the Corporate Strategic Risk Register.

10. Annual Governance Statement.

The Committee considered a report of the Director of Corporate Resources outlining the background and approach taken to produce the County Council's 2012/13 Annual Governance Statement (AGS) and presenting the draft AGS for comment prior to sign off by the Chief Executive and Leader of the Council. A copy of the report is filed with these minutes.

RESOLVED:

That the County Council's 2012/13 Annual Governance Statement be approved.

11. 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 in the quarter ended 31 March 2013. A copy of the report is filed with these minutes.

It was noted that the Local Authority Mortgage Scheme (LAMS) would enable 400 people (or couples) to buy their own home while providing an interest rate in excess of 2% for the Authority.

RESOLVED:

That the contents of the report be noted.

12. Annual Treasury Management Report.

The Committee considered a report of the Director of Corporate Resources on the action taken and performance achieved in respect of the treasury management activities of the Council in 2012/13. A copy of the report is filed with these minutes.

It was noted that debt was reduced through early repayments only where the penalties for so doing were not prohibitive.

RESOLVED:

That the content of the report be noted.

13. Internal Audit Service Annual Members' Report.

The Committee considered a report of the Director of Corporate Resources, which provided an annual report on the work conducted by Leicestershire County Council Internal Audit Service (LCCIAS). A copy of the report is filed with these minutes.

RESOLVED:

That the Internal Audit Service Annual Members' Report for 2012/13 be noted and a copy circulated to all members of the County Council for information.

14. Internal Audit Service Annual Plan.

The Committee considered a report of the Director of Corporate Resources providing information on the contents of the Internal Audit Service Audit Plan 2013-14 for the County Council and audit resource allocated to other organisations. A copy of the report is filed with these minutes.

It was noted that academies were not required to use internal audit services but the Internal Audit Service did trade its services with those academies interested in maintaining that level of assurance. Ofsted had made it clear that local authorities would be inspected on their work to monitor and improve standards in schools (regardless of status) and it would be important to preserve relationships with schools that transferred to academy status to allow this to happen.

RESOLVED:

That the Internal Audit Service Audit Plan for 2012/13 be approved.

15. Internal Audit Service Progress Report.

The Committee considered a report of the Director of Corporate Resources summarising the work of Leicestershire County Council's Internal Audit Service (LCCIAS) work finalised since the last report to the Committee and highlighting audits where high importance recommendations had been made to managers. The report also provided an update on progress against the Head of Internal Audit Service report on Members' allowances and expenses whistleblowing complaints (East Midlands Councils); an update on the implementation of the Public Sector Internal Audit Standards; and a brief summary of LCCIAS performance during 2012-13. A copy of the report is filed with these minutes.

Further follow up on the three High Importance Recommendations relating to Section 106 Developer Contributions was to be put 'on hold'. A project management board had been re-established to govern the implementation of software which would provide an audit trail of spend and attribution to Section 106 contributions, and co-ordination between departments of the Council.

RESOLVED:

That the contents of the report be noted.

16. Investigations into Allegations concerning Member Conduct

The Committee considered a report of the County Solicitor on the next steps in relation to the investigation into allegations concerning the conduct of the former Leader of the County Council, Mr. David Parsons, who was no longer a member of the County Council, regarding his use of County Council resources during his term of office, the review of the current arrangements for authorising the payment of travel and subsistence to elected members and action to be taken to recover costs which have been incurred, otherwise than in relation to County Council business. A copy of the report is filed with these minutes.

Arising from discussion, the following points were noted:

- i. This had probably been the most complex member related investigation carried out by this Local Authority and had taken longer than had been originally hoped; however, lessons had been learned from the experience.
- ii. The journeys that had been investigated further had been chosen following rigorous examination of all the information on the journeys undertaken by Mr. Parsons.
- iii. The calculation of the costs of the 29 journeys that were not considered sufficiently connected with Mr. Parsons' role as a County Councillor or as Leader of the Council had not been finalised but the figure was likely to be in the region of £3,500. Mr. Parsons had also been invoiced £752 to meet the early termination charge for his lease car.

RESOLVED:

- (a) That no further action be taken under the procedures for dealing with allegations of a breach of the Members' Code of Conduct in respect of the complaints against Mr. David Parsons;
- (b) That the Director of Corporate Resources be requested to take further steps to finalise the assessment of the costs incurred for the journeys identified as inappropriate by the investigation into those allegations and to seek recovery of those costs and that the Director report back to the Committee on the action taken;
- (c) That the steps taken through the Independent Remuneration Panel to address concerns previously raised and the report to Constitution Committee be noted and that the Chief Executive be requested to establish procedures for authorising payment of travel and subsistence to elected members in accordance with the arrangements established in the Constitution.

17. East Midlands Councils: Governance and Finance Issues.

The Committee considered a report of the Chief Executive and Director of Corporate Resources on issues relating to governance and financial arrangements for East Midlands Council (EMC). A copy of the report is filed with these minutes.

Arising from discussion, the following points were noted:

- i. It did not appear that the proposed review of EMC would be as robust as the Leader of the County Council had requested.
- ii. EMC provided HR and support services mainly for district councils but its work was considered to be of only limited value to the County Council and other upper-tier councils.

RESOLVED:

- (a) That the developments set out in the report be noted;
- (b) That, in the circumstances, further work should not be undertaken on the constitutional governance arrangements for East Midlands Councils (EMC) unless, as a consequence of a robust review undertaken by that organisation, the County Council decides to remain in membership;

(c) That it would be appropriate for the Chief Executive to contact other authorities in the East Midlands area to ascertain their intentions with regard to membership of EMC;

(d) That officers be requested to provide a further report on any governance issues arising from that review and from decisions about the County Council's membership of EMC.

18. Regulation of Investigatory Powers Act 2000.

The Committee considered a report of the County Solicitor providing a update on the use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA). A copy of the report is filed with these minutes.

RESOLVED:

That the use of RIPA powers for the period from January to December 2012 be noted.

19. Date of next meeting.

RESOLVED:

That it be noted that the next meeting of the Committee would be fixed following consultation with the Chairman and Spokesmen.