

# **GOVERNANCE COMMITTEE**

## **15 OCTOBER 2013**

*Present :-* Councillor Ray Gamble (Chairman)  
Councillors Christopher Arnold, Cyril Liddy,  
Sue Lissimore, Nigel Offen, Peter Sheane and  
Laura Sykes

*Also in Attendance :-* Councillor Malcolm Bartier  
Councillor Sue chamley  
Sarah Greatorex  
Barbara Pears

### **17. Minutes**

The minutes of the meeting held on the 24 September 2013 was confirmed as a correct record, subject to the addition of the following sentence to Minute No 11:

‘Members of the Committee spoke warmly of Robert’s determination to support and develop the Council’s scrutiny process over many years.’

### **18. Annual Statement of Accounts 2012/13**

The Committee considered a report by the Assistant Chief Executive presenting the audited Statement of Accounts 2012/13.

On 26 September 2013 the Auditor had issued an unqualified opinion that the accounts give a true and fair view of the Council’s financial position as at 31 March 2013 and its income and expenditure for the year then ended. The audit had therefore been formally closed, and the audited accounts were published on the Council’s website on 30 September 2013.

### **19. Review of Members' Code of Conduct and the Council's "Arrangements"**

The Committee considered a report by the Monitoring Officer reviewing the Members’ Code of Conduct and the Council’s ‘Arrangements’.

Andrew Weavers, the Monitoring Officer explained that the Localism Act 2011 had made fundamental changes to the system of regulation of standards of conduct for elected and co-opted Members. The Act required that local authorities adopt a code of conduct consistent with the seven Nolan Principles of public life and that Principal Authorities put in place ‘Arrangements’ to deal with allegations that Councillors had failed to comply with the Members’ Code of Conduct. Principal Authorities were also required to appoint at least one Independent Person who would be consulted as part of the Council’s ‘Arrangements’.

Council had formally adopted the Council's Members' Code of Conduct and its 'Arrangements' in June 2012 and the meeting also appointed Derek Coe as the Council's Independent Person until 30 June 2013 in accordance with prescribed transitional arrangements. In May 2013 Barbara Pears and Sarah Greatorex were appointed as the Council's new Independent Persons for a term of four years.

All the Town and Parish Council's in the Borough had adopted the Borough Council's Code although one Parish Council had subsequently adopted an alternative version. The Localism Act also required the Council to adopt 'arrangements' for dealing with allegations that Councillors had failed to comply with the Code. As at the date of the report there had been no such allegations or referrals.

There was also a more streamlined approach to dealing with councillor complaints compared to the previous regime. Five allegations had been received in total since July 2012, all of which were deemed not to merit further investigation by the Monitoring Officer in consultation with the Independent Person.

*RESOLVED* that -

- (i) The contents of this report be noted;
- (ii) The Committee keeps the Members' Code of Conduct and the Council's 'Arrangements' under annual review and recommends to Council any subsequent amendments in the light of experience.

## **20. Local Government Ombudsman - Annual Review 2012-13**

The Committee considered a report from the Monitoring Officer providing details of the Local Government Ombudsman's Annual Review for 2012/13.

It was explained that there had been no findings of maladministration against the Council and no formal reports had been issued. The total number of complaints in the year was ten compared to 28 in the previous year.

*RESOLVED* that the contents of the Local Government Ombudsman's Annual Review for 2012/13 be noted.

## **21. Review of the Ethical Governance Policies**

The Committee considered a report from the Monitoring Officer providing details of the revised policies relating to:

- Anti-Fraud and corruption
- Whistleblowing
- Benefits Sanctions
- Anti-Money Laundering

- Corporate Information Security
- Covert Surveillance

The Council was committed to maintaining the highest standards of governance and to ensuring that all activities are conducted ethically, honestly, openly and accountably so as to protect public safety and public money. A varied range of policies and procedures formed the Corporate Governance framework. In addition, the Ethical Governance policies set out the standards of conduct and integrity that it expects from staff, elected members, suppliers, partners, volunteers and the public.

In February 2012 full Council adopted a statement of intent in relation to both Ethical and Corporate Governance which gave a high organisational commitment to zero tolerance of fraud, corruption and bribery. The Ethical Governance policies were also adopted as part of the Council's policy framework.

The policies had been reviewed to ensure that they remained fit for purpose and no changes were proposed apart from to the Benefits Sanctions Policy which had been updated in relation to Sanctions, Loss of Benefit, Administrative Penalties and Additional Penalties.

The Monitoring Officer further pointed out that, following a recent Government announcement, the references to the National Criminal Intelligence Service and the Serious Organised Crime Agency in the Anti Money Laundering Policy would need to be changed to the National Crime Agency.

Discussion from the Panel members was in relation to:

- The potential for Councillors to be required to agree to Criminal Records Bureau checks. This was not a statutory requirement and did not impact on a person's ability to seek Election;
- The Council's current good success rate in the recovery of fraudulent Benefit payments;
- Whether the Council's Benefits Sanctions Policy included the seeking of restitution;
- The ability of the Council to make a claim on its insurance policy in cases where no resources were available from individuals and the relationship between the police and the Council in such instances.

*RECOMMENDED* to Council that the following Policies be approved for inclusion in the Council's Policy Framework:

- Anti-Fraud and corruption
- Whistleblowing
- Benefits Sanctions
- Anti-Money Laundering
- Corporate Information Security
- Covert Surveillance

## **22. Review of Local Code of Corporate Governance**

The Committee considered a report by the Monitoring Officer giving details of the updated Local Code of Corporate Governance for 2013/14.

The Local Code of Corporate Governance had been developed to ensure that the Council complied with the principles set out in the CIPFA/SOLACE guidance. The Code was reviewed annually, to ensure that the Council was still satisfying the principles, and formed part of the Council's Policy Framework.

The guidance identified six Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a local code of governance. These were:

- Focusing on the purpose of the Council and outcomes for the community and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective; and
- Engaging with local people and other stakeholders to ensure robust public accountability.

The Local Code, and the Councils compliance with the principles, had been reviewed, and

the following changes had been made:

- The Localism Act 2011 required various policies and procedures to be updated. These have been included in the review to ensure that the Council is complying with aspects of the Act that have already come into force.
- The Code has been updated to reflect the Council's new political governance arrangements.

*RECOMMENDED* to Council that Local Code of Corporate Governance for 2013/14 be approved for inclusion in the Council's Policy Framework.

## **23. Guidance for Councillors and Officers on Outside Bodies**

The Committee considered a report by the Monitoring Officer setting out the revised guidance for Councillors and Officers on Outside Bodies.

The Council had provided guidance to Councillors and officers who were nominated to serve on outside bodies. This Guidance had last been reviewed by the Standards

Committee in June 2009 and the opportunity was being taken to review its contents.

It was explained that Councillors and officers were appointed to outside bodies to represent the Council. However along with the appointment came potential liability in other capacities. For example, where a Councillor was also appointed to the Board of a Company they then become a Director of that Company and with that came additional responsibilities including their Fiduciary Duty to the Company which must take priority over their responsibility to the Council.

The revised Guidance sought to provide advice to Councillors in these situations. It was suggested that the revised guidance be provided to all Councillors and officers who are nominated to outside bodies and that it be included in the Council's Constitution.

Members of the Committee welcomed the revised guidance and were collectively of the view that its contents would clarify and greatly support their roles on outside bodies. The members were also of the view that this Guide, together with the Members Code of Conduct could usefully be sent out to all councillors without delay and with a recommendation that the contents be considered in detail.

*RESOLVED* that:

- (i) The Guidance for Councillors and Officers on Outside Bodies be approved and adopted for inclusion in the Council's Constitution.
- (ii) All Councillors as well as those Officers who are appointed to Outside Bodies be provided with a copy of the Guidance and Councillors be advised of the importance of ensuring they are aware of the Guidance' contents.

*RECOMMENDED* to Cabinet that it be noted that the revised Guidance includes advice to Councillors appointed as Board members regarding their Fiduciary Duty to the Company taking priority over the Councillor's responsibility to the Council when acting as a Board member.

## **24. Work Programme**

The Committee considered the contents of a report by the Assistant Chief executive on the Work Programme for the year.

Three items had been added to the Programme, provisionally for November, following requests made at the last meeting. Also Ernst and Young had asked for the Annual Audit Letter to be rescheduled to the meeting in November 2013.

In order to better accommodate the forthcoming items of business, it was reported that, if the Committee were agreeable, it would be possible to defer the Annual Business Continuity report and the Review of Pensions to the meeting in January 2014.

*RESOLVED* that the contents of the Work Programme be noted and the reports on the

Annual Business Continuity and the Review of Pensions be rescheduled to the meeting in January 2014.