

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 27 February 2013 at 9.30 am.

PRESENT

Councillors Raymond Bartley, Martyn Holland, Gwyneth Kensler (Vice-Chair), Jason McLellan (Chair) and David Simmons together with Lay Member Paul Whitham

Observers: Councillors Hugh Irving, Barbara Smith and Bill Tasker

ALSO PRESENT

Corporate Director Economic and Community Ambition (RM), Head of Legal and Democratic Services (RGW), Head of Internal Audit Services (IB), Audit Manager (BS), Senior Auditor (LH); Deputy Monitoring Officer/Solicitor (LJ); HR Services Manager (CR) and Committee Administrator (KEJ) together with Wales Audit Office Representatives (AV and GB).

1 APOLOGIES

Councillor Stuart Davies

2 DECLARATION OF INTERESTS

Councillor David Simmons declared a personal and prejudicial interest in the Pavilion Theatre, Rhyl referenced in the Internal Audit Progress Report (Agenda Item 7) and left the meeting during consideration of that item.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Corporate Governance Committee held on 9 January 2013 were submitted.

Matters Arising – Page 13 Item No. 8 Corporate Governance Framework Action Plan – Lay Member Paul Whitham referred to the discussion regarding self-assessment of committee members and it was agreed to consider the matter further under the committee's work programme item.

***RESOLVED** that the minutes of the meeting held on 9 January 2013 be received and approved as a correct record.*

5 WALES AUDIT OFFICE IMPROVEMENT ASSESSMENT LETTER

The Corporate Improvement Manager (CIM) submitted a report (previously circulated) presenting the latest Improvement Assessment Letter for Denbighshire County Council issued by the Wales Audit Office on 28 January 2013. More detailed work on the council's performance management arrangements was currently taking place and the Auditor General would be summarising that work in the Annual Improvement Report for the Council to be published at the end of March 2013.

The Mr. G. Bury, WAO provided a summary of the contents of the Improvement Assessment Letter detailing the key conclusions in respect of improvement planning and reporting under the Local Government (Wales) Measure 2009. He was pleased to confirm a positive report with progress in a number of areas, particularly highlighting the good work in developing the Corporate Plan. Mr. Bury advised that no recommendations had been made but drew members' attention to, and elaborated upon, two new proposals for improvement as follows –

- P1 – Provide a wider evidence base of information to enable the Council to assess whether it had met its Improvement Objectives, and
- P2 – Include more information on the status and outcomes of the Council's collaborative projects.

The committee was pleased to note the positive report, acknowledging the extensive consultation and work undertaken in developing the Corporate Plan. Discussion focused on the two proposals for improvement and in terms of P1, Mr. Bury explained that progress against aspects of some Improvement Objectives had not been provided in the performance report citing the Welsh Housing Quality Standards as an example which was a key Welsh Government priority. This was particularly surprising as the Council had performed well in that area. In providing assurance for future reporting, the CIM responded to members' questions advising of the process in place for retrieving and collating performance information from departments and of the extensive work in defining priorities and measuring success. Consequently he was confident that the emerging Corporate Plan was significantly better than the previous Plan. Councillor Barbara Smith endorsed those sentiments detailing her own involvement in the process. With regard to P2, Mr. Bury advised that as one of the Council's Improvement Objectives more information should be included about collaboration projects to allow for a more rounded assessment of progress, including more detail on the recent performance difficulties with the Highways collaboration project with Conwy County Borough Council and implications of the overspend on the Conwy Home School Transport budget. In response to a query from the Chair, Mr. Bury indicated that Denbighshire had received a detailed report by Conwy and Denbighshire's Internal Audit service on the School Transport budget and it did not feature as an issue the WAO would spend time on in future.

The committee agreed that the Council should be congratulated on the positive Improvement Assessment and the CIM assured the committee that lessons would be learnt from the proposals and more information about those particular elements would be included in future reporting. He confirmed that the Annual Improvement

Report would be presented to the committee's April or May meeting as appropriate following its publication.

RESOLVED that the latest Improvement Assessment Letter issued by the Wales Audit Office be received and noted.

6 ROLE OF CHAMPIONS

The Head of Legal and Democratic Services (H:LD) submitted a report (previously circulated) seeking the committee's views on the different roles that had been suggested be undertaken by Member Champions together with the process by which members should be appointed to any recommended roles. Role descriptions for the current Champions identified within the constitution (Appendix 1); a survey of the appointment of Champions in other local authorities in Wales (Appendix 2), together with Lead Member Portfolios (Appendix 3) had been attached to the report.

In addition to the four Champion roles already identified in the constitution, the H:LD detailed other areas put forward for consideration by members – Young Persons' Champion; Young Carers' Champion, and Scrutiny Champion together with those suggested by outside bodies – Armed Forces Champion and Poverty Champion. It was noted that nominations for the current Homelessness Champion role would be considered at the next meeting of Full Council.

Members considered the findings of the survey of other local authorities in Wales which had revealed a wide variation in the number and nature of Champions and the H:LD detailed both the common and differing areas for comparison and the reasoning behind those decisions. The appointment of Champions also varied between councils and members were asked to consider the most appropriate method for Denbighshire. In the past the Scrutiny Champion had been appointed by the Scrutiny Chairs and Vice Chairs Group. The committee agreed to focus on Denbighshire's requirements, if any, for specific Champions and noted at the outset that any decisions made could be reviewed as necessary. In response to a question regarding the appointment of lay people as Champions the H:LD reported upon the difficulties and practicalities of such an arrangement, particularly in terms of accountability, and the requests for consideration of Champions for Armed Forces and Poverty had specifically requested councillor nominations.

The Chair sought the views of the Cabinet Members present and Councillor Barbara Smith felt that overall there was little merit in appointing Champions for areas in which Lead Members had responsibility. She detailed the significant amount of work going on regarding welfare reform and did not consider that appointing a Poverty Champion would add value to that process. However, she did support the role of an Older People's Champion and reported upon the benefits and achievements as a result of that appointment. Councillor Hugh Irving agreed with those views and reported upon his own involvement with welfare reform as part of his portfolio. He added his support for a Homelessness Champion in view of the significant issues to be addressed. Councillor Ray Bartley referred to his role as Learning Disabilities Champion highlighting the good work and achievements in that area in recent years and also paid tribute to former Councillor Christine Evans in her role as Homelessness Champion. He proposed that Full Council appoint a

Homelessness Champion as soon as possible. The H:LD confirmed that expressions of interest would be sought and a report submitted to the next meeting of Full Council with a view to appointing a Homelessness Champion.

The H:LD responded to members' questions regarding the requirements to consider the appointment of Champions for particular areas. In terms of governance the committee felt there was a need to ensure clarity and avoid confusion and duplication of roles. It was felt that appointing Champions without a clearly identified need could also devalue their role and would add little value to the process. The committee also highlighted the duty of all councillors in championing such important issues which should not be diluted by transferring specific responsibility to one individual. With that in mind it was agreed that where there was already a Lead Member with responsibility for a particular area the role of a Champion was generally unnecessary. For areas falling outside specific remits and cross cutting services, or where there was an overriding need, members considered there may be some merit in appointing Champions and the committee reaffirmed their support for the four Champions currently identified in the constitution covering Older People, Homelessness, Carers and Learning Disabilities. In terms of Champions for Poverty and Armed Forces members were content that there were already robust mechanisms in place for addressing those areas in terms of the significant work being undertaken around welfare reform and by endorsing the Armed Forces Community Covenant. Consequently it was –

RESOLVED that –

- (a) *no additional Champion roles be recommended to Full Council at this time;*
- (b) *the most appropriate method of appointing Champions at Full Council be confirmed, and*
- (c) *Full Council be recommended to appoint a Homelessness Champion at the earliest opportunity.*

7 INTERNAL AUDIT PROGRESS REPORT

[Councillor David Simmons declared a personal and prejudicial interest in the Pavilion Theatre, Rhyl which had been referenced within the report and left the meeting during consideration of that item.]

The Head of Internal Audit Services (H:IAS) submitted a report (previously circulated) updating members on the latest progress of the Internal Audit Service in terms of service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement. The H:IAS highlighted particular areas of the report as follows –

- progress in delivering the Internal Audit Operational Plan 2012/13
- recent internal audit reports issued
- management response to issues raised by Internal Audit, in particular the follow up review of Strategic Human Resources (HR), and
- Internal Audit performance and key measures.

Members considered progress in delivering the operational plan and the H:IAS responded to questions as follows –

- detailed the remaining follow up reviews planned for 2012/13 with others being followed up during 2013/14
- the Procurement Audit programmed for March was currently being scoped commencing with an overview of the project during this year's plan and developed further into next year
- confirmed that the Public Realm audit raised the question of which services should be included as the audit had initially focused on grounds maintenance but was widened to include other areas. The Corporate Improvement Manager added that work was ongoing with the Corporate Director Communities to develop a Public Realm Strategy which would define the services to be included within that area.

The H:IAS summarised the audit opinion in respect of the recent internal audit reports issued and the following matters were discussed in more detail –

Pavilion Theatre, Rhyl – The Head of Communication, Marketing and Leisure had requested a review of the Theatre to help inform its future development as part of the larger improvement agenda in Rhyl. In noting the low assurance rating members sought clarification on a number of risk areas and sought assurances that a robust action plan was in place. The H:IAS clarified issues in response to members' questions and reported upon the escalation meeting to ensure a deliverable action plan to improve the service. Due to the involvement of the Head of Service from the outset the H:IAS was confident that the service would address the issues concerned. In view of the number of high risk areas identified the committee agreed to keep the matter under review and requested a report back on progress. The H:IAS agreed it would be timely to report back to the committee's May meeting after the follow up visit had been carried out. Councillor Gwyneth Kenser felt that the Theatre had performed well under difficult circumstances.

Council Housing Responsive & Void Repairs – The H:IAS advised that the audit work was part of a wider improvement programme within Housing Services. Work was carried out to measure repair work and in many instances jobs were not being completed right first time leading to actual repair completion times being way in excess of target times and those times recorded for performance management. An escalation meeting had been held and an action plan put in place with funding now available to modernise the service. Although the report gave no assurance significant improvements had already been made and internal audit would carry out a further review during April and May to measure performance one year on from the original testing together with an assessment of progress with the action plan. Consequently an update on the report would be issued during the summer which would include a revised assurance rating. Councillor Hugh Irving elaborated upon the positive escalation meeting to tackle the issues identified and measures which had been implemented since then to effect improvement including the relocation of customer contact staff and provision of new technology and equipment.

Councillor Ray Bartley was pleased to note the measures introduced to diagnose faults accurately and prioritise jobs expressing his concern over delays which had caused inconvenience and in some cases distress to vulnerable residents. In response to a question from Lay Member Paul Whitham the H:IAS agreed to report back on how much rental income was lost as a result of the time taken to complete void repairs. Discussion took place on existing measures to assess performance and it was agreed that the H:IAS and Corporate Improvement Manager discuss the matter further outside of the meeting. Finally Councillors Barbara Smith and Hugh Irving voiced their support of the relatively new Head of Housing & Community Development in addressing the long standing problems identified.

The H:IAS then introduced the follow up review of **Strategic Human Resources (HR)** (Appendix 2 to the report) which still gave a low assurance rating due to the lack of progress in implementing the agreed action plan. In order to explain the lack of progress the Head of Strategic HR had been asked to attend the meeting and the Corporate Director Economic and Community Ambition (CD:ECA) and the HR Services Manager (HRSM) were in attendance in that regard.

The CD:ECA advised that concerns had been raised during the last HR Service Challenge about volume of work and a full review of HR work had since been undertaken. The Corporate Executive Team (CET) concluded that HR was attempting to manage a large workload with limited resources and strategic guidance had been provided in prioritising those service pressures and demands together with the provision of additional resources. The HR Improvement Plan had been identified as a priority and work was ongoing in a planned way to ensure that as capacity was identified lower priority issues could then be addressed. The HRSM reported upon identified and dedicated resources specifically for managing the HR Improvement Plan and ensuring its delivery by December 2013 and completion of the Internal Audit Action Plan by October 2013. She also provided some context to the report detailing the problems embedding the new HR service model implemented in April 2011 and the culture change required leading to difficulties in making that transition. Councillor Barbara Smith provided further assurances that progress would be carefully monitored to ensure provision of a robust service in future.

Members acknowledged the additional pressures on HR services arising from periods of change attributed to the current climate and stressed the importance of ensuring that adequate systems were in place in order to manage human resources effectively. During the ensuing discussion the HRSM responded to members' questions as follows –

- reported upon the three IT systems used for HR: Trent, CRM and EDRMS which were still under development and not yet working to capacity
- elaborated upon training provided for managers and steps taken in an attempt to increase take up rates; it was hoped engagement with managers via the Senior Leadership Team would improve attendance
- referred to the various process reviews within HR (facilitated by the H:IAS) which had been implemented
- explained the inclusion of the employment of ex-employees in the Pay Policy approved by Full Council in September 2012 and elaborated upon the

- stringent criteria to provide a consistently balanced approach for re-employment; monitoring of re-employment would also be carried out
- reported upon the merits of providing a centralised HR service to ensure continuity and consistency of approach
 - highlighted the revised implementation dates to ensure actions in the Internal Audit action plan were completed by October 2013.

Members accepted the assurances provided regarding the delivery of the action plan within the revised timescales but agreed that progress should be kept under close review and requested a report back to the committee's July meeting. The Chair thanked the officers for their attendance.

RESOLVED that –

- (a) *subject to members' comments above, the progress report on the Internal Audit Service be received and noted, and*
- (b) *progress reports on the Pavilion Theatre, Rhyl and Strategic Human Resources be submitted to the committee's meetings in May and July respectively.*

At this juncture (11.30 a.m.) the committee adjourned for a refreshment break.

8 CORPORATE GOVERNANCE FRAMEWORK ACTION PLAN

The Head of Internal Audit Services (H:IAS) submitted a report (previously circulated) updating members on the latest action plan and progress to date resulting from the review of the Council's governance framework and the Annual Governance Statement 2011/12.

Members were advised that only minor changes had been made to the action plan since the committee's last meeting and the completed actions denoted in green could be removed. The draft Annual Governance Statement 2012/13 would likely be submitted to the next meeting of the committee in April together with a presentation on the new Assurance Framework. Mr. A. Veale, WAO was pleased to note that the draft Annual Governance Statement would be considered by the committee in April advising that it was a key document in terms of roles and responsibilities together with the new Assurance Framework to identify where the Council acquired its assurance.

During consideration of the action plan the following was discussed –

- the Head of Legal and Democratic Services updated members on actions to progress the review and relaunch of the Whistleblowing and Anti-Fraud & Corruption Policies which would be reported to the committee's April meeting
- in response to a query regarding whether there was a set timescale for reviewing policies generally the H:IAS advised that the standard format for policies included a specific renewal date
- in terms of the Partnership Governance Toolkit Lay Member Paul Whitman noted it had been placed on the intranet but felt that raising awareness and

providing training would provide greater assurance that the toolkit was being applied. The H:IAS confirmed that the toolkit had been launched and Internal Audit would be monitoring whether the toolkit was being applied to new partnerships

- Mr. G. Bury, WAO reported upon actions relating to the implementation of recommendations arising from the WAO's review of collaboration arrangements and their review of scrutiny arrangements for which reports were currently awaited. The H:IAS confirmed that those items would remain in the action plan until the reports had been received and addressed.

RESOLVED that –

- (a) *progress in managing the actions in the Corporate Governance Framework Action Plan be noted, and*
- (b) *the Draft Annual Governance Statement 2012/13 together with the new Assurance Framework be submitted to the committee's next meeting in April.*

9 INFORMATION LEGISLATION POLICIES

The Deputy Monitoring Officer (DMO) submitted a report (previously circulated) presenting the draft reviewed Freedom of Information and Data Protection Policies. Both policies had been revised in order to provide a procedural guide on the Council's handling of requests for information and the processing of personal data. Feedback from officers on the draft policies had been positive and the policies would also be presented to the Senior Leadership Team prior to Full Council for approval. Members were advised of the establishment of a new Corporate Information Management Team led by the Head of Business Planning and Performance (H:BPP).

The DMO guided members through the draft policy documents and particularly elaborated upon the following elements –

- Data Protection Policy and Procedures – designed to safeguard personal privacy covering –
 - Individuals Right of Access
 - Information Sharing
 - Emergency Planning
 - Outsourcing Issues
 - Introduction of New Systems
 - Data Security Breaches
- Freedom of Information (FOI) Policy and Procedures – designed to secure open access to information. Reference was also made to the recently formalised Access to Information Exemptions Panel which had been reflected in the policies.

Following the detailed address the committee highlighted the importance of a robust policy to manage information with clear procedures in place. Members took the opportunity to raise questions and discuss with officers the role and responsibilities

of the new Corporate Information Management Team together with the workload of the Information Management Officers and the difficulties in collating and retrieving information and in dealing directly with requests and enquiries. The risks in disclosing prohibited information was also highlighted, particularly in light of the substantial fines which could now be imposed for data breaches. The H:BPP advised that email safeguards would also be considered to mitigate that risk. The number of FOI requests received by the Council was noted together with associated charges and it was noted that this was a growth area which needed to be managed. Reference was also made to how frivolous and vexatious requests were dealt with and the role of the Access to Information Exemptions Panel in that regard.

In terms of storing information, Lay Member Paul Whitham queried whether the council had a retention schedule to take into account legislation and balancing the need of retaining information against its usefulness. The DMO confirmed that time scales were stipulated in legislation to retain information relating to specific matters such as social services but storage of information was a business decision for most departments. The H:BPP highlighted the need to store information in a coherent manner and to properly categorise emails to ensure information could be easily located and retrieved and work was ongoing to facilitate that process. He added that the work of the Corporate Information Management Team would be reported back to this committee in order to oversee developments. Lay Member Paul Whitham highlighted the use of a privacy notice as good practice to legitimise the processing of personal data which he felt should be brought to the attention of managers in order to reinforce its use in practice.

Finally the committee highlighted the importance of member training and the Head of Legal and Democratic Services referred to the development of the members' training plan in which those policies would likely feature along with previous reference in the code of conduct training.

RESOLVED that –

- (a) *the contents of both policies be noted and subject to members' comments above be endorsed for further consultation, and*
- (b) *a report on the work of the Corporate Information Management Team be reported to a future meeting of the committee in order to oversee developments.*

10 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

The Corporate Governance Committee's work programme (previously circulated) was presented for consideration. Members discussed potential amendments to the work programme and various business items with officers and after consideration the committee agreed –

- to include the following items for consideration at the next meeting in April –
 - Whistleblowing and Anti-Fraud Policy
 - Draft Annual Governance Statement 2012/13

- New Assurance Framework (presentation)
- Corporate Self-Assessment
- to remove the item on the Corporate Governance Framework Action Plan scheduled for April in light of the governance and assurance reports being received at that meeting
- that the scope of the item on Constitutional Issues scheduled for April be widened to include Electronic Voting and Webcasting/Remote Attendance at council meetings
- the Annual Improvement Report be submitted to either the April or May meeting depending on its availability, and
- a self-assessment questionnaire be circulated to all committee members and a presentation on the findings be submitted to the May meeting.

RESOLVED that, subject to the amendments and agreements referred to above, the forward work programme be approved.

The meeting concluded at 1.30 p.m.