

## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 29 January 2014 at 9.30 am.

### **PRESENT**

Councillors Stuart Davies, Peter Duffy, Martyn Holland, Gwyneth Kensler (Vice-Chair) and Jason McLellan (Chair)

Councillors, Huw Jones, Lead Member for Tourism, Youth and Leisure and Barbara Smith, Lead Member for Modernising and Performance.

### **ALSO PRESENT**

Corporate Director: Modernisation and Wellbeing (SE), Head of Legal & Democratic Services (GW), Head of Communication, Marketing & Leisure (JG), Lead Officer, Business and Performance (AMc), Head of Internal Audit (IB), Audit Manager (BS), Chief Accountant (RW), Technical Accountant (RIJ), Corporate Information Manager (CB), Deputy Monitoring Officer (LJ), Head of Strategic HR (LA) and Committee Administrator (SLW).

#### **1 APOLOGIES**

Apologies for absence were received from Councillors Brian Blakeley.

Apologies also received from Councillor Julian Thompson-Hill, Lead Member for Finance and Assets.

The Chair, Councillor Jason McLellan, began the meeting by thanking the Head of Internal Audit for the course presentation held the previous day. Councillor McLellan also thanked the members who had attended. Positive feedback had been received following the course.

#### **2 DECLARATION OF INTERESTS**

The Chair, Councillor Jason McLellan, declared a personal interest in Agenda Item 14 – Future of Clwyd Leisure.

#### **3 URGENT MATTERS**

No urgent items.

#### **4 MINUTES**

The Minutes of a meeting of the Corporate Governance Committee held on 18 December 2013 were submitted.

**RESOLVED** that the minutes of the Corporate Governance Committee meeting held on 18 December 2013 be received and approved as a correct record.

At this juncture, the Chair agreed to vary the running order of the original Agenda published.

## **5 SETTLEMENT AGREEMENT UPDATE**

Councillor Barbara Smith, Lead Member for Modernising and Performance, introduced the Settlement Agreement Update Report (previously circulated) providing Members with details of the recent review undertaken by Audit.

The Council had no formal policy or code of practice with which to deal with cases and there were no formal procedures to follow to ensure consistency, fairness and openness or to provide an approved business case for each agreement.

A draft process had been developed which addressed the areas of concern raised during the audit review.

It had been agreed that updated figures be presented to the Corporate Governance Committee on a yearly basis. The Welsh Audit Office representative suggested the figures be submitted to Corporate Governance Committee in June of every year.

**RESOLVED** that Members of the Corporate Governance Committee note and agree the contents of the Settlement Agreement Authorisation Report.

## **6 TREASURY MANAGEMENT STRATEGY STATEMENT 2014/15 AND UPDATE**

The Chief Accountant introduced the Treasury Management Strategy Statement (TMSS) 2014/15 and Update (previously circulated)

The TMSS showed how the Council would manage its investments and borrowing for the coming year and set the policies within which the Treasury Management function operated. The report also outlined the likely impact of the Corporate Plan on the strategy and on the Prudential Indicators.

The Treasury Management Update Report provided details of the Council's Treasury Management activities during 2013/14.

The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management, required the Council to approve the TMSS and Prudential Indicators annually.

Discussion took place and the issue of the PFI Building in Ruthin was raised.

PFI was a costly arrangement in the long term and had been grant funded. During the length of the contract, the contributions made by Denbighshire County Council would increase.

The Head of Legal and Democratic Services had scrutinised the PFI Agreement which was extremely complicated and the termination clauses were lengthy. External expert advice would be sought in the future to deal with the Agreement.

Councillor Peter Duffy requested information of the past longterm loans e.g. what they were for, and how long were left on the terms. The Chief Accountant agreed to send on this information.

**RESOLVED** – *that the Corporate Governance Committee notes:-*

- (a) the reviews for the Treasury Management Strategic statement for 2014/15 and the Prudential Indicators for 2014/15, 2015/16 and 2016/17, and*
- (b) the Treasury Management update report.*

## **7 PEOPLE STRATEGY 2011/14 - CLOSURE REPORT**

The Corporate Director: Modernisation and Wellbeing (CD: M&W), introduced the People Strategy 2011-2014 – Closure Report (previously circulated) which set out progress in delivering against the People Strategy identifying outstanding issues and recommendations for the next steps.

While the key themes within the Strategy had remained the same, the action plan had evolved over time to take account of significant changes. These had included:

- The new incoming Council in 2012 with agreement of new corporate priorities and the Corporate Plan
- The reduced emphasis on collaborative working
- Capacity issues arising from the need to pay urgent attention to day to day operations within HR – which led to the development of the HR Improvement Plan
- The Senior Leadership Team view that the action plan needed to be shorter and more focused.

The CD:M&W agreed to provide Members with an overview of responses to Staff Surveys in 2011-2013.

Most key activities had been delivered. However, appraisal of progress against the objectives set indicated some issues would need continued attention in taking strategic HR work forward. These were:

- Clear evaluation arrangements for the quality and impact of strategic HR work and programmes. Specific examples included the need for evaluation of the effectiveness of current systems of HR support, including HR guidance on the Intranet and the Corporate Training Plan. This work would be picked up as part of the HR Business Plan.
- The length of time it took to agree new policies and working practices and to ensure they were embedded. Examples included compliance with the

References Policy and would include the new Attendance Policy and policies/ guidelines supporting mobile working. There were general issues for the HR business Plan. In addition, SLT would continue to ensure effective delivery of the new Attendance Policy when agreed, and the Modernisation Board would maintain oversight of policies/ guidance relating to flexible working and effective implementation.

- Effective systems for sharing lessons learned and applying to new areas of work. The main example was efforts to promote effective change management. Given the extent of change arising from efficiencies, and the potential implications of the Williams review, making the effective delivery of change more consistent would continue to be a significant focus for SLT.

**RESOLVED** that the Corporate Governance Committee notes:

- (i) *The progress made and the arrangements to ensure there is continued attention to the outstanding areas*
- (ii) *That the scoping work is being undertaken setting out the strategic HR challenges arising for the council in the period 2014/17.*

## **8 INFORMATION MANAGEMENT STRATEGY - FORWARD WORK PROGRAMME**

The Corporate Information Manager introduced the Information Management Strategy – Forward Work Programme (previously circulated).

The Council's new Information Management Strategy had been previously presented to the Corporate Governance Committee on 18 December 2013. The Committee had acknowledged the need for such a Strategy and requested that a Forward Work Programme for its implementation be submitted to this meeting.

General discussion took place as the Corporate Information Manager gave clarification of the Forward Work Programme.

A training event would be taking place on 21 February 2014 entitled Access to Information training.

**RESOLVED** that the Corporate Governance Committee:

- (i) *Note the Forward Work Programme*
- (ii) *Agree an update on progress being made on implementing the Information Management Strategy be presented to the Committee in six months and thereafter on an annual basis.*

**At this juncture (11.15 a.m.) there was a 15 minute break.**

**Meeting reconvened at 11.30 a.m.**

## **9 REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Deputy Monitoring Officer presented the annual Regulation of Investigatory Powers Act 2000 (RIPA) report (previously circulated) to update Members of the Council's activities in this area.

The Home Office RIPA Codes of Practice require Local Authorities to report the Council's activities, in relation to any covert surveillance, to elected Members.

RIPA regulated the use of covert surveillance techniques employed by various bodies such as the Police, the armed forces, DWP and Local Authorities. RIPA had been enacted in order to ensure that an individual's human rights were protected.

In addition to human rights, covert surveillance operations had to have regard to any Home Office Codes of Practice. The Codes of Practice required elected members to receive regular (at least annually) reports on the Council's activities in this area.

There had been set up a RIPA Working Group who met bi-annually.

The Head of Legal & Democratic Services (Monitoring Officer) and the Deputy Monitoring Officer delivered RIPA training. Records were required to be kept as to who attended the training sessions.

**RESOLVED** that the Corporate Governance Committee note and receive the contents of the report.

## **10 INTERNAL AUDIT PROGRESS REPORT**

The Head of Internal Audit introduced the Internal Audit Progress Report (previously circulated) to bring the Committee up to date regarding:

- Delivery of the Assurance Plan for 2013/14
- Recent Internal Audit reports issued
- Management's response to issues raised
- Internal Audit's Performance.

**RESOLVED** that the Corporate governance Committee:

- (i) Considered and noted the Internal Audit's progress and performance to date in 2013/14
- (ii) Considered and noted the recent Internal Audit reports issued and follow ups carried out.

## 11 CORPORATE GOVERNANCE FRAMEWORK ACTION PLAN

The Head of Internal Audit introduced the Corporate Governance Framework Action Plan (previously circulated) which provided Members with an updated Action Plan resulting from the review of the Council's governance framework and the Annual Governance Statement (AGS) 2012/13.

The Council's Governance Group managed the Corporate Governance Framework process and development of the Annual Governance Statement on an on-going basis during the financial year.

The Governance Group had developed the Action Plan which had been updated, since the last report was submitted, to show progress to date and proposed timescales where possible.

**RESOLVED** that the Corporate Governance Committee receive and note the Corporate Governance Framework Action Plan.

## 12 FEEDBACK ON CORPORATE EQUALITY MEETING

Councillor Martyn Holland gave a brief resume of the Corporate Equalities meeting which he had attended.

Discussions had taken place regarding the interpretation of services provided, not only in Welsh and English language but also in braille and also other languages.

There had been poor attendance recorded at Member Equality Training sessions.

Staff Equality training was ongoing.

**RESOLVED** that the Corporate Governance Committee noted the update received from Councillor Martyn Holland.

## 13 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

The Head of Legal & Democratic Services introduced the Corporate Governance Forward Work Programme (previously circulated).

The Committee agreed the following reports be added to the Forward Work Programme:

26 March 2014:

- Fraud – Head of Legal & Democratic Services
- Draft Annual Governance Statement – Head of Internal Audit

May, 2014:

- Staff Survey issues – Head of Legal & Democratic Services

The Chair, Councillor Jason McLellan agreed to raise at Scrutiny Chairs & Vice Chairs Group clarification as to which Scrutiny Committee or Corporate Governance Committee items should be presented. The Head of Internal Audit informed the Chair Arms Length Companies would need to be presented but would require clarification to which Committee.

Consultation of future of External Audit was scheduled for the meeting taking place on 26 March. Gwilym Bury of the Welsh Audit Office informed the Committee that the Welsh Government were consulting on external audit as part of efficiencies and the Local Authority had to respond by 14 March 2014, therefore 26 March meeting would be too late.

The Head of Legal & Democratic Services confirmed an action meeting would take place imminently with the Chief Executive and other senior staff to consider the issue.

**RESOLVED** that subject to the above, the Corporate Governance Committee approves the Forward Work Programme.

## **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972

### **14 FUTURE OF CLWYD LEISURE LIMITED**

The Chair, Councillor Jason McLellan introduced the confidential report on the future of Clwyd Leisure.

The Chair confirmed the item had previously been presented at joint Rhyl and Prestatyn Member Area Group meetings and a report had been presented at Cabinet. Cabinet had recommended the future of Clwyd Leisure be presented at the Corporate Governance Committee.

The Head of Communication, Marketing and Leisure presented the report. The report detailed the issues which had arisen with Clwyd Leisure.

During indepth discussions, Councillor Hugh Jones paid tribute to the hard work undertaken by the Head of Communication, Marketing and Leisure, the Lead Officer, Business and Performance and their teams.

**RESOLVED** that the Corporate Governance Committee agreed:

- (i) The position be noted and that it was too great a risk to the Council to take over the Clwyd Leisure Company.
- (ii) That in light of the ongoing concerns and the due diligence exercise findings, that the Corporate Governance Committee recognised that the Council

*had no choice but to cease to fund Clwyd Leisure completely from 1 April 2014 onwards.*

*(iii) To endorse that the current funding available to support Clwyd Leisure (circa £200k in 2014/15) is used to support these changes and to develop an interim offer whilst the Council decides upon the longer term coastal offer.*

**The meeting concluded at 1.20 p.m.**