

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Corporate Governance Committee held on
Friday, 8 July 2011 at 9.00 a.m.

PRESENT: Councillor Francis Burkitt – Chairman

Councillors: Richard Barrett
Douglas de Lacey

John Batchelor
John Williams

Officers: Adrian Burns
Alex Colyer
Fiona McMillan

Head of Accountancy
Executive Director, Corporate Services
Legal & Democratic Services Manager and
Deputy Monitoring Officer
Democratic Services Officer
Principal Accountant Financial & Systems

Ian Senior
Sally Smart

External: Neil Gibson
Daniel Harris

Audit Commission
RSM Tenon

Councillors Simon Edwards, Tumi Hawkins and Tim Wotherspoon were in attendance, by invitation.

Apologies for absence were received from Councillors Charles Nightingale and Ray Manning.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETINGS

The Corporate Governance Committee authorised the Chairman to sign, as a correct record, the Minutes of the meeting held on 28 March 2011, subject to the following:

Minute 36 (Internal Audit Quarterly Report) Under the heading Health and Safety – Tenant Electrical Safety Programme, Members noted that the second paragraph stated as follows: “At the request of the Chairman, he sought assurance via the Housing Portfolio Holder, for his meeting in September that this programme was being progressed appropriately and without risk to tenants”. In the interests of clarity, this should be amended to read thus: “The Chairman sought assurance from the Housing Portfolio Holder, in time for the Corporate Governance Committee meeting in September 2011, that this programme was being progressed appropriately and without risk to tenants”.

In response to a query, the Corporate Governance Committee noted that, at Minute 42 (Date of Next Meeting), the meeting scheduled for 30 June 2011 had been provisional on certain information being available in time, and that 8 July 2011 had always been seen as an alternative date.

The Corporate Governance Committee authorised the Chairman to sign, as a correct record, the Minutes of the meeting held on 26 May 2011, subject to the following:

Minute 1 (Election of Chairman)

The names of Councillor John Batchelor and Councillor Douglas de Lacey had been transposed. The minute should read as follows: “..... Councillor Douglas de Lacey was nominated by Councillor John Batchelor, seconded by Councillor John Williams.....”

5. COUNCIL'S USE OF NATURAL RESOURCES - REPORT FROM THE CLIMATE CHANGE WORKING GROUP

The Corporate Governance Committee received a report updating Members in connection with ongoing improvements in the Council's use of natural resources.

In response to questions from Members, the Team Leader (Sustainable Communities) said that

- Travel to Work targets were monitored on the basis of a snapshot of people's travel habits over the course of a specific week each year
- The Climate Change Working Group was satisfied with progress but had concerns about one or two details
- A cost / benefit analysis of remedial works would be carried out

Members made the following comments:

- That there should be a greater emphasis on comparable statistics and the setting of meaningful targets
- The Council should promote the concept of personal responsibility for tackling climate change
- Transparency was crucial
- Expenditure on computer equipment should be reduced by careful management of the desktop replacement programme highlighted in the accounts
- The Council needed to balance its sustainability aspirations with best use of its resources

Neil Gibson reported that District Audit would provide a revised assessment of the Council's Use of Natural Resources at the Corporate Governance Committee meeting on 30 September 2011.

6. HR ABSENCE MANAGEMENT

The Committee received and noted the Management of Sickness Absence - Strategy and Actions document dated March 2011.

The HR Manager highlighted the long and short-term absence provisions contained in paragraph 6.

The Committee asked about the "revised target figure" for sickness PI. The Executive Director (Corporate Services) explained that the original target had been revised to 13 days. The Committee asked whether the revision was due to it now being thought that initial target had been set on incorrect basis or whether it was an *ex post* revision to hide underperformance. The Executive Director (Corporate Services) indicated it was the former, and pointed out that South Cambridgeshire District Council had a higher proportion of manual staff than in many similar Authorities, a fact that might explain why it had a higher rate of absence due to causes more attributable to such work. The increase in the number of sick days per employee might be explained by the fact that it took longer for manual workers to regain the degree of health required to fulfil their tasks properly.

The Finance and Staffing Portfolio Holder said that leadership and motivation were key factors in addressing stress and depression among staff.

Those present discussed a number of issues arising from the policy, including the need to balance (a) being a caring and sympathetic employer with (b) needing to keep Sickness Absence as low as possible. It was noted that some of the averages are skewed by involving long absences from a few people, rather than short ones from many. The Committee urged reasonable investment in measures to reduce absence, and also

The Committee asked the HR Manager to investigate options for making more effective use of the Occupational Health facilities available from Addenbrookes Hospital.

The Committee thanked the HR Manager for her report, and requested that she present an update at the Corporate Governance Committee meeting to be scheduled for June or July 2012.

7. RECEIPT OF DRAFT STATEMENT OF ACCOUNTS

The Committee received and noted a report on the Statement of Accounts. The Head of Accountancy explained that the Accounts would be audited in September prior to the Corporate Governance Committee being asked to formally adopt them on 30 September 2011.

Members noted that the outturn had been better than had been expected. In response to a query about the accuracy of the Estimates, the Head of Accountancy pointed out that officers prepared revised estimates once likely income and expenditure levels became clearer. The Chairman was eager not to set unrealistic targets that the Council was unlikely to achieve.

The Executive Director (Corporate Services) highlighted the downward pressure on spending.

The Finance and Staffing Portfolio Holder said that the Cabinet had taken a conscious decision to run down Council balances. Underspends should not be seen as unacceptable. The Northstowe and New Communities Portfolio Holder added that outcomes had to be delivered but if that could be achieved at a lower price, then that was to be welcomed.

The Head of Accountancy and Executive Director - Corporate Services undertook to prepare a set of summary accounts in consultation with the Chairman.

8. INTERNAL AUDIT ANNUAL REPORT FOR THE YEAR ENDING 31 MARCH 2011

The Committee received and noted the Internal Audit Annual Report, prepared by RSM Tenon for the year ended 31 March 2011.

Further to a question from a member, the Committee was informed that Internal Audit would be reviewing the Council's project management process in mid-August 2011.

9. INTERNAL AUDIT PROGRESS REPORT 2011/12

The Committee received and noted the Internal Audit Progress Report from RSM Tenon.

10. INTERNAL AUDIT CHARTER

The Chairman reported that RSM Tenon, South Cambridgeshire District Council's Internal Auditors, had not raised any significant concerns with him.

The Chairman drew attention to para 3.2 which stated that "The Head of Internal Audit has unrestricted access to the Chair of the Corporate Governance Committee, to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported" and stated that:

- Nothing had been reported to him to date
- If anything were ever to be reported to him, it would be his working assumption that he would promptly communicate that to other Members of the Corporate

Governance Committee

- He would work on the basis that, if nothing was reported to him, that implied that the Head of Internal Audit had no significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance.

11. EXTERNAL AUDIT REPORTS

The Committee received and noted the penultimate Audit Plan produced for South Cambridgeshire District Council by the Audit Commission. This Plan related to 2010-11.

12. ANNUAL GOVERNANCE STATEMENT 2010/11: RATIFICATION OF AMENDMENTS

The Committee received and noted the Annual Governance Statement 2010-11.

The Legal and Democratic Services Manager highlighted the following proposed additions and amendments:

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

- The Council's Risk Management Strategy had been reviewed during the year for approval by the Corporate Governance Committee. The document acknowledged the obligation to minimise adverse risk and details the process for identifying, recording, assessing, managing and reviewing risk. A strategic risk register had been compiled and was reviewed quarterly by Executive Management Team and by the relevant Portfolio Holder, and by Corporate Governance Committee annually. Project, partnership and service risk registers were also in place; project and partnership risk registers were reviewed by project managers / partnership lead officers, in accordance with project management / partnership governance arrangements; service area risk registers were reviewed quarterly by departmental management teams and annually by the Executive Management Team on a rolling programme.
- Following on from the risk maturity audit carried out in 2009/10, where Council was deemed to be "Risk Managed", an audit around the Council's corporate governance arrangements was carried out during 2010/11 and substantial assurance was placed around "the controls upon which the organisation relies to manage the risks are suitably designed, consistently applied and effective."

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.

- Council issued its first Annual Report for Tenants in October 2010. In order to ensure that the information needs of tenants had been met by this report a process of surveying, information gathering, training and collaboration took place with tenant groups prior to the 2011 report being drafted. This had included interactive sessions at the Leaseholder Forum, Tenant Participation Group (TPG), Disability Forum and feedback obtained via the Council's sheltered housing officers and the three sheltered housing forums.
- A resident involvement strategy and a resident involvement action plan had been approved.
- The Tenant Participation Officer had worked with the Tenant Participation Group to draw up a new Constitution, code of conduct, equal opportunities policy and logo and the group is very active, meeting monthly. A TPG Editorial Panel had been set up to collaborate on articles to place in the Tenants' News section of *South Cambs magazine*.

- A Disability Forum had been constituted in response to a tenant survey where over 45% of the council's tenants were identified as being either disabled or looking after someone with a disability. This group met bi-monthly.
- An online forum of interested tenants, the E-Say group, had been created to respond to surveys concerning policy, budgetary or legislative changes.

and

- The Northstowe Parish Forum had quarterly meetings with county, district and parish councillors from the wards and parishes affected by Northstowe and was chaired by the Northstowe Portfolio Holder
- Regular meetings were held with Cambourne Parish Council and the council was involved throughout the negotiation for the s106 planning obligation agreement for the Cambourne 950 development.
- A Gypsy and Traveller Community Strategy had been adopted to ensure that Gypsy and Traveller communities enjoyed equality of service and were part of cohesive communities within which people from different backgrounds participated together and shared equal rights and responsibilities.

and

- The Council's current Sustainable Community Strategy, agreed in March 2008, outlined the Local Strategic Partnership's (LSP) long-term vision for a sustainable South Cambridgeshire and Cambridge City as well as its three-year objectives and priorities. The Council had consulted upon, and in July 2011 planned to adopt, a joint Sustainable Community Strategy covering the period from 2011-2014 with Cambridge City, which outlined the long-term vision for a sustainable South Cambridgeshire and Cambridge City. Twenty-three parishes have participated in the Sustainable Parish Energy Project
- Liaison with Parish Councils had been improved by the introduction of six-monthly meetings and quarterly parish planning meetings. Other active liaison forums with parishes included the Parish Planning IT forum and the Southern Fringe Community Forum.

External Audit and Audit Commission's comments:

The Audit Commission is required to give a statutory VFM (Value for Money) conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

This is based on two criteria, specified by the Commission, related to the Council's arrangements for:

- securing financial resilience – focusing on whether the Council is managing its financial risks to secure a stable financial position for the foreseeable future; and
- challenging how the Council secures economy, efficiency and effectiveness – focusing on whether the Council is prioritising its resources within tighter budgets and improving productivity and efficiency.

An initial risk assessment for the VFM conclusion had been carried out and there were no specific risks identified at this point. The audit opinion and value for money conclusion would be issued by 30 September 2011.

Internal Audit Opinion

The Internal Audit Opinion for 2010/11 would be added to this Statement when it was received by the Council.

The Internal Audit statement (and the Audit Commission comments when received) would be added to the Annual Governance Statement to be approved formally by the Corporate Governance Committee at its meeting in September 2011.

The Corporate Governance Committee formally invited South Cambridgeshire District Council's Leader and Chief Executive to accept the Annual Governance Statement 2010-11, subject to the above additions and amendments, and other minor typographical corrections.

13. LOCAL GOVERNMENT OMBUDSMAN ANNUAL REVIEW 2010/11

The Committee received and noted a letter dated 24 June 2011 from the Local Government Ombudsman together with a breakdown of enquiries and complaints received.

Members noted that the complaints process was robust and accepted that, while average response times had increased slightly from 29 days during 2009-10 to 35.8 days during 2010-11, this statistic had been skewed by a 25% fall in the number of first enquiries.

Members noted with satisfaction there had been no findings during 2010-11 of maladministration against South Cambridgeshire District Council.

14. MATTERS OF TOPICAL INTEREST

In response to a Member's question, the Executive Director (Corporate Services) confirmed that the Risk Register now reflected the potential reputational risk posed by the recent Job Evaluation exercise.

15. TO NOTE THE DATES OF FUTURE MEETINGS

The Corporate Governance Committee noted that the next three meetings had been scheduled to take place on Fridays 30 September 2011, 16 December 2011 and 30 March 2012.

The Chairman stated his preference that meetings should begin at 9.00am, but noted that the March meeting was due to begin at 2.00pm. The Corporate Governance Committee agreed that all of its meetings should start at 9.00am, and instructed the Democratic Services Officer to move the March 2012 meeting from 2.00pm to 9.00am, if not on 30 March 2012 then as close to that date as possible.

The Meeting ended at 10.50 a.m.
