

A meeting of the **CORPORATE GOVERNANCE COMMITTEE** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **WEDNESDAY, 20 JULY 2016** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact  
(01480)**

## **APOLOGIES**

**1. MINUTES** (Pages 5 - 12)

To approve as a correct record the Minutes of the meeting held on 8 June 2016.

**M Sage  
388169**

**2. MEMBERS' INTERESTS**

To receive from Members declarations as to disclosable pecuniary and other interests in relation to any Agenda Item.

**3. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT**  
(Pages 13 - 14)

To receive the Corporate Governance Committee Progress Report.

**M Sage  
388169**

**4. ANNUAL REPORT ON COMPLIANCE WITH THE FREEDOM OF INFORMATION (FOI) & ENVIRONMENTAL INFORMATION REGULATIONS (EIR) ACTS** (Pages 15 - 18)

To receive a report on requests for information received by the Council under the Freedom of Information and Environmental Information Regulations Acts and to highlight any issues encountered and actions to be taken to improve performance.

**M Hudson  
07956 546536**

**5. DISPOSALS AND ACQUISITIONS POLICY: LAND AND PROPERTY - UPDATE ON THRESHOLDS** (Pages 19 - 22)

To receive a report regarding the thresholds included in the Disposals and Acquisitions Policy: Land and Property.

**C Mason  
388157**

**6. CODE OF CORPORATE GOVERNANCE** (Pages 23 - 36)

To update the Committee on national changes to 'proper practice' with regard to corporate governance and to recommend to Council the adoption of a new Code of Corporate Governance (CoCG).

**D Harwood  
388115**

**7. ANNUAL GOVERNANCE STATEMENT: SIGNIFICANT ISSUES**  
(Pages 37 - 40)

To receive a report that identifies the significant issues for inclusion in the 2015/16 Annual Governance Statement.

**D Harwood**  
**388115**

**8. EXCLUSION OF PRESS AND PUBLIC**

To resolve:

that the press and public be excluded from the meeting because the business to be transacted contains information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

**9. REVIEW OF BENEFITS RISK BASED VERIFICATION POLICY**  
(Pages 41 - 60)

To consider a report regarding revisions to the Risk Based Verification Policy.

**A Burns**  
**388122**  
**B Huggins**  
**388479**

Dated this 12 day of July 2016



Head of Paid Service

**Notes**

**1. Disclosable Pecuniary Interests**

- (1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*
- (2) *A Member has a disclosable pecuniary interest if it -*
  - (a) *relates to you, or*
  - (b) *is an interest of -*
    - (i) *your spouse or civil partner; or*
    - (ii) *a person with whom you are living as husband and wife; or*
    - (iii) *a person with whom you are living as if you were civil partners*

*and you are aware that the other person has the interest.*
- (3) *Disclosable pecuniary interests includes -*
  - (a) *any employment or profession carried out for profit or gain;*
  - (b) *any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*
  - (c) *any current contracts with the Council;*
  - (d) *any beneficial interest in land/property within the Council's area;*
  - (e) *any licence for a month or longer to occupy land in the Council's area;*
  - (f) *any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or*
  - (g) *a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.*

### **Non-Statutory Disclosable Interests**

- (4) *If a Member has a non-statutory disclosable interest then you are required to declare that interest, but may remain to discuss and vote providing you do not breach the overall Nolan principles.*
- (5) *A Member has a non-statutory disclosable interest where -*
- (a) a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or*
  - (b) it relates to or is likely to affect a disclosable pecuniary interest, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association, or*
  - (c) it relates to or is likely to affect any body –*
    - (i) exercising functions of a public nature; or*
    - (ii) directed to charitable purposes; or*
    - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member or in a position of control or management.*

*and that interest is not a disclosable pecuniary interest.*

## **2. Filming, Photography and Recording at Council Meetings**

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**Please contact Mrs Melanie Sage, Democratic Services, Tel: 01480 388007 / email [Melanie.Sage@huntingdonshire.gov.uk](mailto:Melanie.Sage@huntingdonshire.gov.uk) if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.**

**Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.**

**Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.**

[Agenda and enclosures can be viewed on the District Council's website – www.huntingdonshire.gov.uk \(under Councils and Democracy\).](#)

**If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Elections & Democratic Services Manager and we will try to accommodate your needs.**

***Emergency Procedure***

*In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.*

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Wednesday, 8 June 2016.

PRESENT: Councillor M Francis – Chairman.

Councillors K M Baker, E R Butler,  
Mrs L A Duffy, R Fuller, T Hayward,  
P Kadewere, Mrs R E Mathews, R J West  
and J E White.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors Mrs S Conboy and T D Sanderson.

**5. (a) MINUTES - 9TH MARCH 2016**

The Minutes of the Corporate Governance Panel meeting held on 9th March 2016 were approved as a correct record and signed by the Chairman.

**(b) MINUTES - 18TH MAY 2016**

The Minutes of the Corporate Governance Committee meeting held on 18th May 2016 were approved as a correct record and signed by the Chairman.

**6. MEMBERS' INTERESTS**

There were no declarations of interest received from those Members that were present.

**7. REVIEW OF FRAUD INVESTIGATION ACTIVITY**

Consideration was given to a report by the Benefits Manager (a copy of which is appended in the Minute Book) which provided an overview of the activity of the Corporate Fraud Team during 2015/2016, in line with the requirement as established in the Council's Anti-Fraud and Corruption Strategy.

During the year the Fraud Team had received 594 allegations of fraud; investigated 332 cases and identified fraud valued at £679,258; recovered 11 social housing properties and conducted 27 prosecutions.

Historically the main emphasis for the Team had been Housing Benefit fraud. However, in May 2015 this area of work had transferred to the Department for Work and Pensions (DWP) and at the same time three Investigators also transferred to the DWP.

In the future the Fraud Team would continue to be proactive in identifying and investigating allegations of fraud and corruption

against the Council. A key aim for 2016/17 was to work in partnership with local housing associations to identify housing tenancy fraud to ensure that social housing was allocated to those with a genuine need.

In response to a question, it was noted that in late 2014 the Council had been awarded funding of £335,000 from the Department of Communities and Local Government (DCLG) to establish the Cambridgeshire Anti-Fraud Network (CAFN) made up of local authorities and four housing associations. Huntingdonshire District Council had retained approximately £70,000 of the funding towards staffing and software costs for data matching purposes.

Regarding the value of social housing recovered in 2015/2016 it was explained that the industry standard was used as the value for recovering a social housing property which was £18k per property per year, as suggested in the Audit Commission publication 'Protecting the Public Purse'.

The report included the value of Housing Benefit fraud identified by the Fraud Team during 2015/16. In response to a question it was explained that although the Council did not directly financially benefit from Housing Benefit fraud, it was included within the report as the fraud was unlikely to have been identified without the Council's involvement. During the investigation of Council Tax Support and Council Tax Discount cases, the Fraud Team regularly found discrepancies in Housing Benefit and DWP benefits, details of which were circulated to the DWP to consider. The Committee agreed that this figure should be included within the report as it demonstrated the successfulness of the Council's Fraud Team.

During 2015/16 fraud was identified in 41% of the investigated cases. £1.5k of fraud tended to be the financial trigger point to proceed to prosecution. However, the decision of whether to prosecute also depended upon other factors such as the length of time the fraud had been committed. In cases where there had been an investigation but no fraud identified, claimants would be made aware that they had been investigated. All allegations of fraud were assessed by the Fraud Team and those that were malicious, or did not relate to Council business or were of a value that did not warrant a full investigation or a potential prosecution were not investigated.

Aside from the Fraud Team identifying fraud, allegations of fraud were received in a variety of forms. Allegations could be reported on-line, by telephone or by visiting the Council Offices. Allegations were also received from colleagues in other departments.

Regarding the value of fraud identified, it was explained that it was not always able to be recovered immediately. However, the Committee were assured that over time it was eventually reimbursed. When fraud was identified the claimant was invited to an interview under caution, to allow the individual an opportunity to explain the reasons for the fraud and for the Fraud Team to establish whether there was intent to commit fraud. The Fraud Team regularly issued press releases in respect of successful prosecutions to highlight the consequences of committing fraud against the Council. Literature issued by the Fraud Team also emphasised the seriousness of

committing fraud.

The Corporate Governance Committee commended the Fraud Team on its success, and

RESOLVED

that the Corporate Governance Committee notes the contents of the report detailing the work undertaken by the Corporate Fraud Team during 2015/16.

## **8. SCOPING REPORT FOR BUSINESS CONTINUITY PLANNING**

The Panel received a report by the Corporate Team Manager (a copy of which is appended in the Minute Book) to outline the current position regarding business continuity planning at the Council and the proposed way forward to develop the Plans to meet the needs of the organisation.

Following a reorganisation of the Council, the Plans were no longer aligned to the new structure and responsibilities for business continuity planning had not been updated. Also some Officers who had lead responsibilities were no longer an employee of the organisation.

It was explained to the Committee that although there was an option to do nothing regarding business continuity planning, it was recommended that the Corporate Team Manager be tasked to prepare a new template for the Business Continuity Plan and consider having one organisational Plan with appendices that provided additional information. The Plan would be annually tested and an audit would be scheduled once the Plan had been updated.

The Committee agreed that the Plan needed to be realistic, detailed, audited and practiced so that in an event that it was required people would know their respective roles.

*During discussions on the matter, at 7.40pm, Councillor R Fuller left the Civic Suite and did not return to the meeting.*

Aside from the reorganisation that the Council had experienced over recent years the Committee also noted that the Plan needed to consider that Pathfinder House shared its offices with external organisations.

In response to questions it was explained that the proposal to complete the first set of actions listed in paragraph 3.2 of the Officer's report by November 2016 was realistic and that dependant on the role an individual had within the business continuity planning process would determine its significance in the appraisal process. Once the Plans had been revised and a new Plan was operational an annual report on Business Continuity Planning would be presented to the Committee.

The Committee agreed with the suggested proposal and stated that it would be useful if the Plans were consolidated into one with a system that automatically updated when people ceased or commenced

employment with the authority to ensure that the Plan was always current. Whereupon it was,

#### RESOLVED

- i. that the Corporate Governance Committee agree Option B as detailed in paragraph 3.2 of the Officer's report, that the Corporate Team Manager be tasked to follow up on the recommendations from the review by the Business Analyst and look to:
  - prepare a new Template for the Business Continuity Plan;
  - consider having one organisational Plan with appendices that provide additional information per Service where relevant;
  - review roles and responsibilities and confirm these to all concerned;
  - review the management of the plans and the mechanism of storage and accessibility;
  - organise for an annual test of the new Plan;
  - schedule an audit for early 2017 by Internal Audit, after the Plans have been updated and the test carried out; and
  - undertake a review of the various scenario Plans (e.g. adverse weather, fuel shortages).
- ii. that the Corporate Governance Committee receive a Business Continuity Planning update report at its December meeting.

#### **9. PROGRESS ON INTRODUCING EXTERNAL AUDIT RECOMMENDATIONS 2014/15**

The Head of Resources provided a verbal update regarding progress on introducing the recommendations from the 2014/15 External Audit.

It was explained that in September 2015 the then titled Corporate Governance Panel had received the ISA 260 report from the Council's former External Auditors, PricewaterhouseCoopers, which contained four recommendations in respect of the Annual Financial Report. At the same time responses by the Management were provided and the Committee were informed that these responses still remained true.

The Committee were informed that the four recommendations made by the Council's former External Auditors were:

- No formal authorisation process for journals;
- Bank reconciliations contained historic balances and there were no evidence of review;
- No formal authorisation process for fixed asset disposals; and
- Depreciation Policy to be updated to reflect the Council's policy in respect of first year depreciation.

In response it was explained that regarding no formal authorisation process for journals there were procedures with clearly defined thresholds; historic balances in bank reconciliations had been reviewed and removed from the system and reconciliations were reviewed on a monthly basis; a formal authorisation process for fixed asset disposal was in existence as a Disposals and Acquisitions



Policy for Land and Property was approved by the Cabinet in June 2015; and accounting policies regarding depreciation had been updated and had been reported to the Corporate Governance Panel in March 2016.

Following questions regarding the Council's External Auditor it was explained that as a consequence of the abolition of the Audit Commission's public audit responsibility and the re-tendering of the Audit Commission 'private sector provider' external audit contracts, the Audit Commission had appointed Ernst & Young as the Council's External Auditor for the two financial years 2015/16 and 2016/17. From 2017 responsibility for the appointment of external auditors would be transferred to each local authority.

In response to a question it was explained that the Council's current External Auditor would ensure that the recommendations made by the Council's former External Auditor had been actioned.

The Committee expressed disappointment that given the change in membership of the Committee since the ISA 260 report had been received, that the item had been presented as a verbal update and not as a short formal report. It was explained that a report would not have provided any further information to that already provided to Members and it was agreed that the briefing note prepared by the Head of Resources would be circulated to the Committee.

## **10. WHISTLEBLOWING POLICY, GUIDANCE AND CONCERNS RECEIVED**

Consideration was given to a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) regarding the Council's Whistleblowing Policy and Guidance following the annual review.

The purpose of whistleblowing law was to protect individuals who made disclosures of wrongdoings in the public interest without fear of reprisal from their employer.

The review of the Policy and Guidance had been completed against the Whistleblowing Commissions Code of Practice. The Code of Practice was used as the basis for the 2015 review and a number of changes were made last year to reflect the Code. Consequently no changes were required to either the Policy or Guidance other than minor changes to update the contact details of the External Auditors.

The Policy changes introduced in June 2015 excluded a member of the public from being considered a whistleblower. Only Council employees, contractors and suppliers providing a service under a contract to the Council were now classified as whistleblowers. It was noted to the Committee that no allegations had been received during 2015/16 that fulfilled this criteria.

Members of the public had continued to use the whistleblowing channels available to raise matters of concern and three separate allegations had been received during 2015/16 relating to the following departments; Planning; Operations; and Building Control. Due to the nature of the allegations details were not included in the report.

However, the Committee were assured that each allegation had been investigated. The Building Control allegation was investigated by Cambridge City Council as the lead authority under the shared service arrangement.

In response to questions it was explained that the Committee was required to approve the minor changes to the Policy and to delegate authority to the Managing Director to amend the policy or guidance to reflect any other minor changes as required such as updating weblinks contained within the Policy and Guidance. The Committee would be informed of any amendments made via the annual report on Whistleblowing. Subsequently the Committee,

#### RESOLVED

to:

- i. approve the changes required to the Whistleblowing Policy and Guidance arising from the appointment of a new External Auditor;
- ii. agree that minor amendments to the Policy and Guidance that do not affect the overall approach taken to whistleblowing be delegated to the Managing Director; and
- iii. note the whistleblowing concerns received.

#### **11. INTERNAL AUDIT SERVICE: ANNUAL REPORT AND INTERNAL AUDIT CHARTER REVIEW**

As required by the Public Sector Internal Audit Standards (PSIAS) the Committee was provided with an Annual report and opinion (a copy of which is appended in the Minute Book) by the Internal Audit and Risk Manager on the work undertaken by Internal Audit during the period 1st April 2015 to 31st March 2016 to support the opinion statement that the Council's internal control environment and systems of internal control as at 31st March 2015 provide, with the exception of IT systems (as no work had been completed during 2015/16), adequate assurance over key business processes and financial systems.

It was explained to the Committee that whilst the lack of IT audit was a concern some of the risks associated with the lack of IT audit reviews had been mitigated by the Cabinet Office renewing the Council's Public Services Network (PSN) compliance certificate in November 2015 for twelve months. The certification indicated that the Council had demonstrated that its infrastructure was sufficiently secure that its connection to the PSN did not present an unacceptable risk to the security of the network.

No specialist IT audit work had been undertaken in 2015/16 and in December 2015 the Corporate Governance Panel had been informed of these reasons being the uncertainty over the employing authority for the IT shared service and the possible alternative service delivery model for internal audit.

It was noted that the financial system controls in place were working effectively with the exception of those within accounts receivable. The failings within the accounts receivable system had been reported to

the Committee for the third successive year. Over that time little improvement had been made to the implementation of the systems and processes in place due to the difficulties in recruiting and retaining staff. The Committee were requested to consider including the need to improve debt management as an issue in the Annual Governance Statement.

Regarding implementation of agreed audit actions, Corporate Management Team (CMT) had set a target that 100% of agreed actions be implemented on time, based on a rolling 12 month timeframe. As at the 31st May 2016 71% of actions had been implemented on time. The Corporate Governance Panel had previously agreed with regular monitoring being undertaken by Corporate Management Team and that Members would receive this information via email from the Internal Audit and Risk Manager. Audit actions were now being monitored with 4action software rather than on the Council's Sharepoint system.

The Internal Audit and Risk Manager had maintained a quality assessment and improvement programme (QAIP) throughout the year in accordance with the PSIAS and undertook a self-assessment in May 2016 to evaluate Internal Audit's conformance with the PSIAS. The self-assessment did not identify any new areas of non-conformance, over and above the eight minor issues that were identified in 2015.

A review of the Internal Audit Charter had also been conducted. Changes were made to the PSIAS in April 2016 by the introduction of a Mission of Internal Audit and the Core Principles for the Professional Practice of Internal Auditing. The Audit Charter has been updated to reflect the ethos of the Mission of Internal Auditing. However, no changes had been made to the Audit Charter to reflect the Core Principles as the Internal Audit and Risk Manager considered that these were already sufficiently addressed.

In response to questions regarding the outstanding audit actions it was explained that as of 31st May 2016 18 audit actions remained outstanding. The new 4action software automatically generated reminders and those responsible could update the system. Once users were fully conversant with the system the information on audit actions should be current.

The Committee expressed concern at the number of agreed audit actions that were either not introduced or partially introduced and the debt management system. The Committee were assured that debt was being raised and recorded. However, it was the recovery of debt that was an issue. The reasons for this were discussed and it was explained that a new Financial Management System (FMS) was being procured and implemented in partnership with the Councils strategic partners, Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC).

The Councils current FMS had been in operation for a number of years with little improvement or modifications to the system. Although the system continued to meet basic accounting requirements a new system would provide better financial reporting, improved financial management and support the sharing of financial resources. By

September 2016 the new system should be operational.

The Corporate Governance Panel had previously expressed concern at the declining service delivery target for 'complete audit fieldwork by date stated on the audit brief'. It was explained that due to the variable hour contracts that the Internal Audit Team worked, it was difficult to reschedule meetings cancelled at short notice which was impacting upon the target. Subsequently the Head of Resources had contacted Senior Management Team to remind them of the importance of keeping to pre-agreed meeting dates and the number of cancelled meetings had reduced markedly.

Having thoroughly considered and discussed the report the Committee,

#### RESOLVED

- i. that having taken account of the Internal Audit and Risk Manager's opinion when considering the Annual Governance Statement for 2015/2016 that the need to improve debt management should be an issue included in the Annual Governance Statement; and
- ii. the Committee approves the Internal Audit Charter.

Chairman

**CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT**

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
16/06/2016	<p><b><u>Scoping Report for Business Continuity Planning</u></b></p> <p>The Corporate Governance Committee agreed that the Corporate Team Manager be tasked to follow up on the recommendations from the review by the Business Analyst and look to:</p> <ul style="list-style-type: none"> <li>i. prepare a new Template for the Business Continuity Plan;</li> <li>ii. consider having one organisational Plan with appendices that provide additional information per Service where relevant;</li> <li>iii. review roles and responsibilities and confirm these to all concerned;</li> <li>iv. review the management of the plans and the mechanism of storage and accessibility;</li> <li>v. organise for an annual test of the new Plan;</li> <li>vi. schedule an audit for early 2017 by Internal Audit,</li> </ul>	Update report to Corporate Governance Committee - December 2016	<p>This has been further discussed with Senior Management Team and we have agreed that a one Organisational Plan approach will be followed.</p> <p>Discussions have been held with IT on some file storage issues.</p> <p>The template will be prepared in July and a first draft of a new Plan is scheduled for August.</p>	Corporate Team Manager	No

**CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT**

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
	<p>after the Plans have been updated and the test carried out; and</p> <p>vii. undertake a review of the various scenario Plans (e.g. adverse weather, fuel shortages).</p> <p>It was also agreed that the Corporate Governance Committee receive a Business Continuity Planning update report at its December meeting.</p>				

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Annual report on HDC compliance with the Freedom of Information (FOIA) & Environmental Information Regulations (EIR) Acts

**Meeting/Date:** 20th July 2016

**Executive Portfolio:** Executive Councillor for Strategic Partnerships and Shared Services

**Report by:** Information Governance Manager (3C ICT)

**Ward(s) affected:** All Ward(s)

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### **Executive Summary:**

This is an annual report on the Council's compliance with the Freedom of Information Act 2000 and Environmental Information Regulations 2004.

The numbers of requests received by the Council in 2015 showed a decline (-11%) from the previous year, following a long period of growth, with 2016 numbers similar to 2015 so far. Customer Services process more than a third of all requests.

Nearly all (94%) of requests are completed without withholding information, but only 1% can be resolved by reference to proactively published information. This presents an opportunity to reduce the burden, particularly within Customer Services.

Further measures are being taken, with a new, shared request management system due to be launched before the end of 2016, and from March this year access to greater support and expertise via 3C ICT.

### **Recommendation(s):**

Corporate Governance Panel is asked to note the content of this report.

# 1 PURPOSE

1.1 The purpose of this report is to:

- Report on the requests for information received by the Council under FOIA & EIR.
- Highlight any issues encountered and actions to be taken to improve performance.

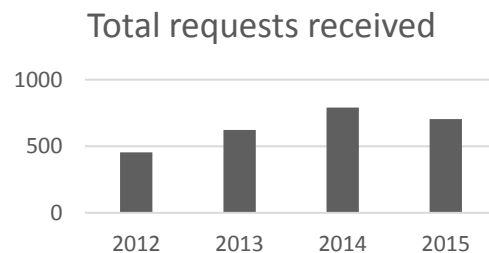
# 2. BACKGROUND

2.1 The public has had the right to access information held by the Council under the Freedom of Information Act. The Freedom of Information Act (FOI) works alongside the Environmental Information Regulations (EIR) which came into force in 2004. Service areas are responsible for responding to requests, and 3C ICT manage the process, provide support and ensure compliance.

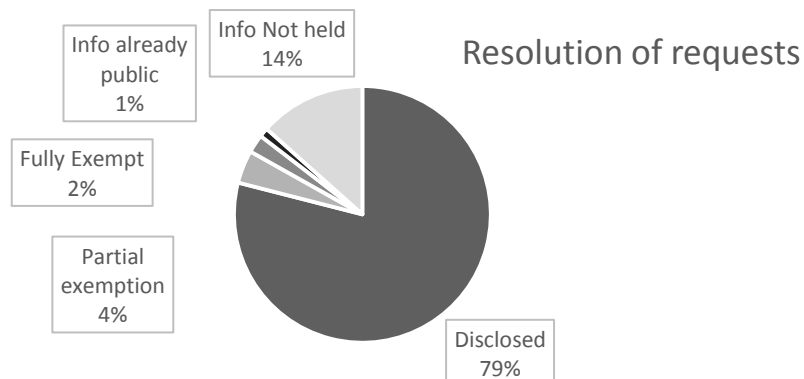
2.2 The Council receives many requests for information in all service areas. Most are dealt with as part of the day-to-day business, but where a request is out of the ordinary, specifically invokes the legislation, or is likely to engage an exemption, it is formally logged and processed. This report relates to those formally processed requests.

# 3. REQUESTS FOR INFORMATION

3.1 Total requests received in 2015 were 704. This compares to 791 for 2014, a reduction of 11%. Request volumes received to date in 2016 are similar to those for 2015.

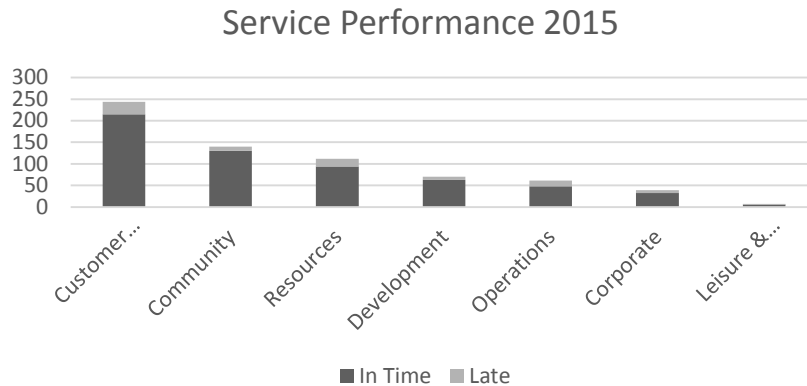


3.2 Most requests are dealt with quickly and effectively, and most disclose all information requested. 6% of requests have at least some information withheld. Only 1% of information requested was already available to the requestor.





- 3.3 Completion of requests within the statutory time-frame has risen from 70% in 2014 to 87% in 2015. The target is currently 90%.
- 3.4 Customer Services receives significantly greater volumes of requests (244) than the next busiest service, Community (140). The most frequent requests continue to be for business rates information, comprising more than 10% of all requests.



- 3.5 The source of requests is becoming more difficult to assess, since many are sent from anonymous webmail addresses.
- 3.6 Requestors have the right to an 'internal review' of their case if they are not satisfied with the outcome, before taking further action to the Information Commissioner's Office. In 2015 6 internal reviews were undertaken, and in 2016 (to May) there have been 3.

#### **4. COMMENTS OF OVERVIEW & SCRUTINY PANEL**

- 4.1 None – paper is intended for Corporate Governance Panel.

#### **5. KEY IMPACTS/RISKS**

- 5.1 The key impact of non-compliance with FOIA/EIR is scrutiny from the regulator, and reputational damage due to poor service or inadequate information management.

#### **6. WHAT ACTIONS WILL BE TAKEN**

- 6.1 The strategy under 3C ICT for the next 12 months will focus on the ownership of information, open data, and improving support from the Information Governance team.
- 6.2 A new system for managing requests will be implemented by the end of 2016. This is a joint system with South Cambridgeshire DC and Cambridge City. The new system will provide automated workflows, a disclosure log, and reporting to service managers in real time.
- 6.3 Further work will be undertaken to identify owners of information and to support them to achieve good record keeping, management and security of their information.
- 6.4 Under 3C ICT, information owners will have access to a much greater source of expertise in this area, which will be on site and more accessible.

6.5 Commonly requested data sets will be proactively published, and together with a disclosure log of previous requests, it is expected that 10-15% more requests can be completed by reference to existing information.

**7. LINK TO THE LEADERSHIP DIRECTION**

7.1 This supports the aim of 'Ensuring we are a customer focused and service led council'.

**8. CONSULTATION**

8.1 None

**9. LEGAL IMPLICATIONS**

9.1 HDC must comply with the law concerning FOIA/EIR.

**10. RESOURCE IMPLICATIONS**

10.1 There are no direct resource implications arising from this report.

**11. OTHER IMPLICATIONS**

11.1 None

**12 REASONS FOR THE RECOMMENDED DECISIONS**

12.1 This paper updates Members on how requests under FOIA/EIR has been dealt with by HDC. Performance in this area is improving, and with the further measures being taken this improvement is expected to continue.

12.2 Members of the Corporate Governance Panel are asked to note the contents of this report.

**13. LIST OF APPENDICES INCLUDED**

None

**BACKGROUND PAPERS**

None

**CONTACT OFFICER**

Matt Hudson  
Information Governance Manager (3C ICT)  
07956 546536

Public  
Key Decision - No

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Disposals & Acquisitions Policy: Land and Property – Update on Thresholds

**Meeting/Date:** Corporate Governance Committee – 20<sup>th</sup> July 2016

**Executive Portfolio:** Deputy Executive Leader and Executive Member for Strategic Resources

**Report by:** Head of Resources

**Ward(s) affected:** All

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### Executive Summary:

The Disposals & Acquisition Policy: Land and Property was approved by Council in July 2015. The Policy included a requirement to review the disposal and acquisition thresholds included within it.

Considering the wishes of the Executive and Deputy Leader and the relatively slow use of the Policy over the past 12 months, it is proposed that the current thresholds should remain as they are at present. However, if the pace of acquisition increases, then it is anticipated that the “urgent report” provisions will be used more frequently. In light of this, it is recommended that the thresholds are looked at again in 12 months time.

The Corporate Governance Committee is

**RECOMMENDED**, to review the:

- i. report and comment as it considers necessary.
- ii. Acquisition and Disposal Policy thresholds in 12 months time.

## 1. PURPOSE OF THE REPORT

- 1.1 To update members on the Disposals & Acquisitions Policy.

## 2. BACKGROUND

The [Disposals & Acquisition Policy](#) (Policy) (please follow the link to the document) was approved by Council on the 29<sup>th</sup> July 2015, following recommendation from the Corporate Governance Panel held on the 15<sup>th</sup> July 2015.

- 2.1 The Policy is a key element in the successful delivery of the Commercial Investment Strategy (CIS). As the Policy has itself been in place for 12 months and the CIS for 6-months, it is considered opportune to review the Disposal and Acquisition thresholds, which are as shown in Table 1.

Thresholds for the Acquisition & Disposals Policy		Table 1
£0 - £500,000	Managing Director (as Head of Paid Service) & Head of Resources (as Section 151 Officer), following consultation with Executive Councillor for Resources	
£500,000 to £2,000,000	Treasury and Capital Management Group	
£2,000,000 +	Cabinet	

## 3. REVIEW OF THRESHOLDS

- 3.1 Since the Policy was approved, the Council has:

- disposed of 1 property with a value of £144k.
- acquired two commercial properties, one below the Cabinet threshold the other being above. The impact of being above the threshold has been that an urgent report had to be considered by the Cabinet and then there was retrospective reporting to Overview and Scrutiny.

- 3.2 Considering the current commercial market it is anticipated that the value of the majority of prospective CIS acquisitions will be above the £2m threshold. However, because it is still early-days of the CIS Strategy, at this time it is the view of the Executive and Deputy Leaders of the Council that the thresholds should remain as they are at present; it therefore expected that the urgent report provisions will be used more frequently. However, it is recommended that the thresholds are reviewed in 12 months time.

## 4. KEY IMPACTS

- 4.1 With regard to the acquisition and disposal of land and property, the current safeguards and controls are considered to be operating effectively. The only other impact is the potential increase in the use of the urgent report provisions noted in paragraph 3.1.

## 5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 5.1 The Policy will support the achievement of the Corporate Plan requirement of “Ensuring we are a customer focused and service led council” by “becoming more business-like and efficient in the way we deliver services”.

## **6. CONSULTATION**

6.1 None

## **7. LEGAL IMPLICATIONS**

7.1 As there is no change to the current thresholds, no changes will be required to both the Constitution and the Code of Procurement.

## **8. RESOURCE IMPLICATIONS**

8.1 The Policy supports the CIS. This will in turn assist the Council in generating additional revenue income through the development of a commercial asset portfolio.

## **9. REASONS FOR THE RECOMMENDED DECISIONS**

9.1 To continue to support the Council in achieving the CIS.

## **BACKGROUND PAPERS**

[Disposals & Acquisition Policy](#) as approved by Council on the 29<sup>th</sup> July 2015.

## **CONTACT OFFICER**

Clive Mason/Head of Resources  
Tel No: 01480 388157  
Email: [clive.mason@huntingdonshire.gov.uk](mailto:clive.mason@huntingdonshire.gov.uk)

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Public  
Key Decision – No

## HUNTINGDONSHIRE DISTRICT COUNCIL

<b>Title/Subject Matter:</b>	Code of Corporate Governance
<b>Meeting/Date:</b>	Corporate Governance Committee - 20 July 2016
<b>Executive Portfolio:</b>	Strategic Resources: Councillor J A Gray (Deputy Executive Leader)
<b>Report by:</b>	Internal Audit and Risk Manager
<b>Ward(s) affected:</b>	All Wards

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### Executive Summary:

The Code of Corporate Governance (CoCG) describes the way in which the Council carries out its functions through its Members, and employees and the way it undertakes its work, so ensuring that it establishes and maintains public confidence. It is a key document that supports the preparation of the Annual Governance Statement.

Council first adopted a CoCG in September 2003. This has been amended on a number of occasions to take account of updates to 'proper practice'. A new 'proper practice' document - *Delivering Good Governance in Local Government: Framework* – was published in April. This Framework is recognised as 'proper practice' by both the Accounts and Audit Regulations 2015 and the national Code of Practice on Local Authority Accounting in the United Kingdom 2016. A new Code of Corporate Governance is required to meet the Framework and ensure that the Council acts in accordance with 'proper practice'.

The Framework defines seven principles that should underpin the Council's overall governance structure alongside a number of sub-principles that expand each area. The overall aim of the Framework is to ensure that

- resources are directed in accordance with agreed policy and according to priorities
- there is sound and inclusive decision making
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

An amended CoCG that takes account of the Framework is attached at Appendix 1 to the report. The CoCG will become effective from the date of its adoption by the Council and apply to the preparation of the AGS for the financial year 2016/17 onwards

### Recommendation:

It is recommended that the Committee recommend to Council the adoption of a new Code of Corporate Governance as contained in Appendix 1.

## **1. PURPOSE OF THE REPORT**

- 1.1 To update the Committee on national changes to 'proper practice' with regard to corporate governance and propose to Council the adoption of a new Code of Corporate Governance (CoCG).

## **2. BACKGROUND**

- 2.1 The CoCG sets out and describes that way in which the Council carries out its functions and the processes in place that aim to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
- 2.2 In July 2001, the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) produced, with the support of the then Department of Transport, Local Government & the Regions, a corporate governance framework. The Council adopted this framework in September 2003 when it approved its first CoCG. The CIPFA/SOLACE framework has been updated in 2007, 2010 and 2012 and the CoCG has been updated to reflect these changes.

## **3. ANALYSIS**

- 3.1 A new framework - "Delivering good governance in Local Government : Framework 2016" (Framework), has been issued by CIPFA/SOLACE. The Framework sets out seven governance principles and details the approach that should be taken to preparing the Annual Governance Statement (AGS). Both the Accounts and Audit Regulations 2015 and the national Code of Practice on Local Authority Accounting in the United Kingdom 2016 require that the Framework be adopted as 'proper practice'.
- 3.2 There are seven core Principles in the Framework
1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  2. Ensuring openness and comprehensive stakeholder engagement.
  3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
  4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
  5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  6. Managing risks and performance through robust internal control and strong public financial management.
  7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Each Principle is supported by further sub-principles.

- 3.3 Attached at Appendix 1 is a draft Code of Corporate Governance. Appendix 2 seeks to interpret both the Principles and sub-principles to the specific structural and operational requirements of the Council.



- 3.4 In preparing the AGS an annual review is undertaken of the CoCG arrangements. This considers both overall compliance and if any potential changes are required to keep the CoCG up-to-date. Whilst the annual review process is to remain, oversight of on-going compliance is to be improved through the involvement of Officer led Corporate Governance Boards.
- 3.5 In November 2013 the Managing Director introduced six Officer led Governance Groups in response to specific concerns raised by the External Auditor about 'cultural issues' and compliance with agreed procedures. The responsibilities of these Governance Groups has recently been reviewed. Six new Corporate Governance Boards have been formed:

<i>Our People</i>	<i>Programmes &amp; Projects</i>	<i>Finance &amp; Procurement</i>
<i>Customer Experience</i>	<i>Information Management</i>	<i>Health &amp; Safety</i>

Each Board is to be given responsibility for oversight of specific elements of the CoCG. Reporting through to Corporate Management Team (CMT), the Governance Boards will be able to raise any issues of concern they may have so allowing CMT to take appropriate corrective action. It is expected that this on-going oversight will also have the benefit of reducing the time spent on undertaking the annual review so allowing the AGS in future years to be prepared by the end of June.

#### **4. KEY IMPACTS**

- 4.1 A mapping exercise is underway to identify changes between the Framework and the current Code of Corporate Governance and allocate sub-principle areas to the Governance Boards. It is anticipated that this exercise will be completed prior to the 27 July Council meeting at which the CoCG will be recommended for adoption.
- 4.2 The mapping exercise has shown that whilst the wording of both the Principles and sub-principles has altered from the current Code of Corporate Governance the overall aims remain largely unchanged. Principles 4 and 7 are both new.

Within Principle 4 (which deals with interventions) there is the expectation that decision makers (both Members and Officers) will receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved; and that we should obtain and consider customer feedback and internal/external stakeholders views about service delivery options/decisions. It is considered that both of these expectations are already met, but further work will be undertaken by the Governance Boards to confirm the degree of compliance.

It is also considered that the sub-principles within Principle 7 (which deals with transparency, reporting and accountability) are also being met overall. Again, the Governance Boards will be tasked with confirming the degree of compliance.

- 4.3 Whilst the Council is not obliged to comply with 'proper practice' it is expected to do so. The Council has always amended its CoCG in line with 'proper practice' updates. It is seen by its peers to have best practices in certain corporate governance areas. Indeed the guidance published alongside the Framework includes an extract from a previous years AGS as an example of good practice.

## **5. TIMETABLE FOR IMPLEMENTATION**

- 5.1 The CoCG will apply from the date of adoption by the Council and apply to the preparation of the AGS for the financial year 2016/17 onwards.

## **6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

- 6.1 Good corporate governance arrangements underpin delivery of all aspects of the Corporate Plan.

## **7. REASONS FOR THE RECOMMENDED DECISIONS**

- 7.1 Adopting a new CoCG that meets the requirements of the Framework will ensure that the latest 'proper practice' obligations are met.

## **8. LIST OF APPENDICES INCLUDED**

Appendix 1 – 2016 Code of Corporate Governance

Appendix 2 – 2016 Code of Corporate Governance: Interpretation

## **BACKGROUND PAPERS**

CIPFA/SOLACE publications:

1. Delivering good governance in Local Government : Framework 2016
2. Delivering good governance in Local Government : Guidance Notes for English Authorities 2016 Edition

## **CONTACT OFFICER**

David Harwood, Internal Audit & Risk Manager

Tel No: 01480 388115

Email: [david.harwood@huntingdonshire.gov.uk](mailto:david.harwood@huntingdonshire.gov.uk)

**Huntingdonshire District Council  
2016 Code of Corporate Governance**

**Core Principles****Acting in the public interest requires a commitment to and effective arrangements for:**

- 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- 2 Ensuring openness and comprehensive stakeholder engagement.

**In addition to the overarching requirements for acting in the public interest in principles 1 and 2, achieving good governance also requires effective arrangements for:**

- 3 Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- 4 Determining the interventions necessary to optimise the achievement of the intended outcomes.
- 5 Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- 6 Managing risks and performance through robust internal control and strong public financial management.
- 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

## 2016 Code of Corporate Governance : Interpretation

**Core Principles**

**Sub-principles** (*Behaviours and actions that demonstrate governance in practice are illustrated in the bullet points and included for information.*)

**Acting in the public interest requires a commitment to and effective arrangements for:**

**1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

*The Council is accountable not only for how much it spends, but also for how it used the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.*

**Behaving with integrity:**

- *Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the Council's reputation.*
- *Ensuring members take the lead in establishing specific standard operating principles or values [building on the Seven Principles for Public Life] for the Council and its staff and that they are communicated and understood.*
- *Leading by example and using these standard operating principles or values as a framework for decision making and other actions.*
- *Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.*

**Demonstrating strong commitment to ethical values:**

- *Seeking to establish, monitor and maintain the Council's ethical standards and performance.*
- *Underpinning behaviour with ethical values and ensuring they permeate all aspects of the Council's culture and operation.*
- *Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.*
- *Ensuring that external providers of services are required to act with integrity and in compliance with the same ethical standards expected of the Council.*

**Respecting the rule of the law:**

- *Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.*
- *Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.*
- *Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.*
- *Dealing with breaches of legal and regulatory provisions effectively.*

## Core Principles

**Sub-principles** (Behaviours and actions that demonstrate governance in practice are illustrated in the bullet points and included for information.

### 2. Ensuring openness and comprehensive stakeholder engagement.

*Local government is run for the public good. The Council should ensure openness in its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.*

- *Ensuring corruption and misuse of power are dealt with effectively.*

#### **Openness:**

- *Ensuring an open culture through demonstrating, documenting and communicating the Council's commitment to openness.*
- *Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.*
- *Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.*
- *Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.*

#### **Engaging comprehensively with institutional stakeholders:**

- *Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.*
- *Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.*
- *Ensuring that partnerships are based on trust*
  - *a shared commitment to change*
  - *a culture that promotes and accepts challenge among partners;**and that the added value of partnership working is explicit.*

#### **Engaging stakeholders effectively, including individual citizens and service users:**

- *Establishing a clear policy on the type of issues that the Council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.*
- *Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.*
- *Encouraging, collecting and evaluating the views*

## Core Principles

**Sub-principles** (*Behaviours and actions that demonstrate governance in practice are illustrated in the bullet points and included for information.*

*and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.*

- *Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.*
- *Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.*
- *Taking account of the interests of future generations of tax payers and service users.*

**In addition to the overarching requirements for acting in the public interest in principles 1 and 2, achieving good governance also requires effective arrangements for:**

### **3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.**

*The long-term nature and impact of many of the Council's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.*

#### **Defining outcomes:**

- *Having a clear vision which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.*
- *Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.*
- *Delivering defined outcomes on a sustainable basis within the resources that will be available.*
- *Identifying and managing risks to the achievement of outcomes.*
- *Managing service user's expectations effectively with regard to determining priorities and making the best use of the resources available.*

#### **Sustainable economic, social and environmental benefits:**

- *Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.*
- *Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between intended outcomes and short-term factors such as the political cycle or financial constraints.*
- *Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.*

## Core Principles

**Sub-principles** (Behaviours and actions that demonstrate governance in practice are illustrated in the bullet points and included for information.

### 4. Determining the interventions necessary to optimise the achievement of the intended outcomes.

*The Council achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs robust decision-making mechanisms to ensure that defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.*

- *Ensuring fair access to services.*

#### **Determining interventions:**

- *Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.*
- *Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.*

#### **Planning interventions:**

- *Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.*
- *Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.*
- *Considering and monitoring risks facing each partner when working collaboratively including shared risks.*
- *Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.*
- *Establishing appropriate key performance indicators as part of the planning process in order to identify how the performance of services and projects is to be measured.*
- *Ensuring capacity exists to generate the information required to review service quality regularly.*
- *Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan.*
- *Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.*

#### **Optimising achievement of intended outcomes:**

- *Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.*
- *Ensuring the budgeting process is all-inclusive,*

## Core Principles

**Sub-principles** (Behaviours and actions that demonstrate governance in practice are illustrated in the bullet points and included for information.

*taking into account the full cost of operations over the medium and longer term.*

- *Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.*
- *Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes".*

### **5. Developing the Council's capacity, including the capability of its leadership and the individuals within it.**

*The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. It must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the operating environment will change over time, there will be a continuous need to develop capacity as well as the skills and experience of the leadership and of individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.*

#### **Developing the entity's capacity:**

- *Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness.*
- *Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.*
- *Recognising the benefits of partnerships and collaborative working where added value can be achieved.*
- *Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.*

#### **Developing the capability of the leadership and other individuals:**

- *Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.*
- *Publishing a statement that specifies the types of decisions that are delegated and those reserved for collective decision making.*
- *Ensuring the leader and the managing director have clearly defined and distinctive leadership roles within a structure whereby the managing director leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.*
- *Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy*



## Core Principles

**Sub-principles** (*Behaviours and actions that demonstrate governance in practice are illustrated in the bullet points and included for information.*

*demands as well as economic, political and environmental changes and risks by:*

- *Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.*
  - *Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.*
  - *Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.*
- *Ensuring that there are structures in place to encourage public participation.*
  - *Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.*
  - *Holding staff to account through regular performance reviews which take account of training or development needs.*
  - *Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.*

### **6. Managing risks and performance through robust internal control and strong public financial management.**

*The Council needs to ensure that the governance structures it has implemented can sustain an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.*

*A strong system of financial management is essential for the implementation of policies and the*

#### **Managing risk:**

- *Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.*
- *Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.*
- *Ensuring that responsibilities for managing individual risks are clearly allocated.*

#### **Managing performance:**

- *Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.*
- *Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.*
- *Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies*

## Core Principles

*achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.*

*It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.*

**Sub-principles** (*Behaviours and actions that demonstrate governance in practice are illustrated in the bullet points and included for information.*

*and objectives before, during and after decisions are made thereby enhancing performance.*

- *Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.*
- *Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).*

### **Robust internal control:**

- *Aligning the risk management strategy and policies on internal control with achieving the objectives.*
- *Evaluating and monitoring the authority's risk management and internal control on a regular basis.*
- *Ensuring effective counter fraud and anti-corruption arrangements are in place.*
- *Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.*
- *Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:*
  - *Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment.*
  - *That its recommendations are listened to and acted upon.*

### **Managing data:**

- *Ensuring effective arrangements are in place for the safe collection, storage, and use and sharing of data, including processes to safeguard personal data.*
- *Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.*
- *Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.*

### **Strong public financial management:**

- *Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.*
- *Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.*

## Core Principles

**Sub-principles** (*Behaviours and actions that demonstrate governance in practice are illustrated in the bullet points and included for information.*)

### **7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**

*Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.*

#### **Implementing good practice in transparency:**

- *Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.*
- *Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.*

#### **Implementing good practices in reporting:**

- *Reporting at least annually on performance, value for money and the stewardship of its resources.*
- *Ensuring members and senior management own the results.*
- *Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement).*
- *Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.*
- *Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.*

#### **Assurance and effective accountability:**

- *Ensuring that recommendations for corrective action made by external audit are acted upon.*
- *Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.*
- *Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.*
- *Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.*
- *Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.*

End.

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**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

<b>Title:</b>	Annual Governance Statement: Significant Issues
<b>Meeting/Date:</b>	Corporate Governance Committee – 20 July 2016
<b>Executive Portfolio:</b>	Strategic Resources: Councillor J A Gray (Deputy Executive Leader)
<b>Report by:</b>	Internal Audit & Risk Manager
<b>Ward(s) affected:</b>	All Wards

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### **Executive Summary**

The Annual Governance Statement (AGS) is required to include details of any significant governance issues that the Council is aware of.

The former Corporate Governance Panel considered an issue to be significant if it:

- seriously prejudiced or prevented the achievement of the Corporate Plan themes and aims;
- resulted in the need to seek additional funding or the significant diversion of resources;
- led to a material impact on the financial statements;
- attracted or have the potential to attract significant public interest or have had an impact on the reputation of the Council;
- resulted in formal action being undertaken by the Head of Resources or the Monitoring Officer.
- had been identified by the External Auditor or the Committee as being significant;
- had been reported by the Internal Audit & Risk Manager as significant in their annual internal audit opinion;
- resulted in disclosures of serious incidents relating to information governance, including data loss or confidentiality breach;
- put a major programme or project at risk.

The Committee is asked to consider what issues they consider to be significant and require to be identified within the 2015/16 AGS. The AGS will be presented to the Committee at its 14 September meeting for approval and so allow the statutory deadline for publication – 30 September – to be met.

The Committee at its June meeting considered that the need to improve debt management should be an issue for inclusion in the AGS.

Corporate Management Team (CMT) in considering this matter felt that there was one further issue that was deemed to be significant - the continued development of effective governance and reporting arrangements for shared services.

### **Recommendation**

It is recommended that the Committee:

1. Consider the report and approve the significant governance issues as detailed at paragraph 3.1 and 3.2 of the report; and
2. Determine if there are any other issues that warrant inclusion in the Annual Governance Statement.

## **1. PURPOSE OF THE REPORT**

- 1.1 This report sets out the significant issues identified for inclusion in the 2015/16 Annual Governance Statement (AGS).

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 The Accounts and Audit Regulations 2015 require the Council to conduct a review of the effectiveness of its system of internal control and prepare an AGS each year. The Regulations also require the AGS to be approved by the Committee prior to its approval of the statement of accounts, the statutory deadline for which is the 30 September.
- 2.2 The Committee is being asked to consider those issues that it feels are significant enough to warrant inclusion in the AGS, so ensuring that there is no delay to its approval when presented to the Committee in September.

## **3. ANALYSIS**

- 3.1 The Committee agreed at its June meeting that the need to improve debt management should be an issued for inclusion in the AGS.
- 3.2 Corporate Management Team (CMT) have also considered the Council's overall governance systems, structures and partnerships and are of the opinion that the following issue should be specifically highlighted in the AGS:
1. The continued development of effective governance and reporting arrangements for shared services.

### **Shared Services**

The Council expects the current shared services (IT, Legal and Building Control) to deliver both financial savings and improved performance. Whilst governance structures for shared services have been agreed with Cambridge City Council and South Cambridgeshire District Council, business plans which set out the key priorities, objectives, activities and measures of success for each service were only approved by the Cabinet on 16 June. It is important that the shared services delivery against their business plans. Reporting and oversight of performance is still in its infancy and needs to be both robust and regularly undertaken and reported through to the Council. The failure of a shared service would be of significant impact.

## **4. RISKS**

- 4.1 The AGS is required to be approved by the Committee by the 30 September 2016. Non approval of the AGS at the 14 September meeting will also mean that the 2015/16 statement of accounts cannot be approved due to the requirements of the Accounts and

Audit Regulations 2015. An additional meeting of the Committee will be required to be held by the 30 September.

- 4.2 This risk will be mitigated by circulating a copy of the draft AGS to the Committee for review and comment. The draft AGS will include the significant governance issues agreed by Committee and any additional issues that are identified between today's meeting and the September meeting. The final version of the AGS will then be prepared and presented to the Committee for approval in September.

## **5. LINK TO CORPORATE PLAN**

- 5.1 The Councils governance arrangements underpin the delivery of the Corporate Plan by ensuring good management, performance, financial stewardship, public engagement and ultimately the outcomes for local people and service users. The AGS details how the governance arrangements operate in practice.

## **6. LEGAL IMPLICATIONS**

- 6.1 Whilst the AGS has to be approved by the 30 September, the legal implications from non-compliance are considered to be low. The external auditor would refer to the matter in their annual audit letter which may have an effect upon the Council's reputation.

## **7. RESOURCE IMPLICATIONS**

- 7.1 There are no resource implications arising from this report.

## **8. REASONS FOR THE RECOMMENDED DECISIONS**

- 8.1 Committee are being asked to approve significant governance issues for inclusion in the 2015/16 AGS. This will allow the AGS to be drafted and approved at their September meeting without further change or amendment.

## **BACKGROUND PAPERS**

Internal Audit annual report 2015/16.

## **CONTACT OFFICER**

David Harwood, Internal Audit & Risk Manager

Tel No: 01480 388115

Email: [david.harwood@huntingdonshire.gov.uk](mailto:david.harwood@huntingdonshire.gov.uk)



# Agenda Item 9

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

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