

MINUTES of a meeting of the **IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES** held at County Hall, Matlock on 19 September 2019.

PRESENT

Councillor T A Kemp (in the Chair)

Councillors N Barker, B Bingham, L Grooby (substitute Member), C Moesby J Perkins (substitute Member), J Twigg, M Wall, and G Wharmby.

Apologies for absence were received from Councillors J Boult and A Fox

22/19 **MINUTES RESOLVED** that the minutes of the meeting of the Improvement and Scrutiny Committee – Resources held on 25 July 2019 be confirmed as a correct record and signed by the Chairman.

23/19 **PUBLIC QUESTIONS** There were no public questions.

24/19 **DELIVERING GOOD GOVERNANCE - PRESENTATION** Janie Berry, Director of Legal and Democratic Services attended the meeting and delivered a presentation on Demonstrating Good Governance. At the outset of the meeting members were provided with a copy of the CIPFA document 'Delivering Good Governance in Local Government Framework 2016 Edition for reference during the presentation.

Governance was a robust framework underpinning the Council's decision-making and service delivery functions which comprised of the Council's Constitution, Policies, Codes of Conduct, legislation, and various guidance (statutory and non-statutory). The roles of key statutory Officers were also outlined.

The challenge was how could the Council measure the robustness of its framework and how to demonstrate continuous improvement to give confidence to staff, residents and stakeholders.

The recently revised constitution would play a key role in this, as would the Code of Corporate Governance, which would form the basis/template of the Council's Annual Governance Statement.

The Annual Governance Statement was a key mandatory document published to report publicly on the extent to which the Council complied with its governance arrangements and was written based on the Code of Corporate Governance Framework ie : the 7 Principles.

It detailed the Council's governance arrangements, controls, management of risks of failure and assessment of known and or future governance risks.

It also identified areas of good practice and those for improvement and was published with the annual Statement of Accounts and was considered by the Audit Committee and External Audit.

Details were given of the 7 principles and how they should be interpreted and would work in practice.

Members were informed that it was seen as best practice for the Council to have a proactive Governance Group. This would involve representatives from across the 4 Departments and there would be key roles for the Monitoring Officer, s151 Officer and Assistant Director of Finance (Internal Audit).

The Code of Corporate Governance would be used to develop a localised Code and thus support the findings and recommendations contained in the Annual Governance Statement and the group would support the functions of the Governance, Ethics and Standards Committee and the Audit Committee in fulfilling their constitutional functions as well as promoting robust governance processes across all functions of the Council.

Members were afforded the opportunity to ask questions and make comments, which were duly answered or noted with particular reference being made to:

- the need for transition to 2 part reports, ie: where there was a report in the exempt section there should be an accompanying public report;
- greater detail should be provided in reports in the considerations section; and
- a request for an update on the current situation with regards to the Performance Monitoring system and at what point it would be available to elected members.

The Chairman thanked Janie Berry for her attendance and informative presentation.

RESOLVED (1) to note the presentation;

(2) that the Governance, Ethics and Standards Committee be asked to consider the recording of greater detail in the considerations sections of reports, with each consideration being listed separately and the implications detailed as appropriate; and

(3) that an update report on the Performance Monitoring System be provided to a future meeting of the Committee.

25/19 REGULAR COMMITTEE UPDATE ON THE FINANCIAL AND BUDGETARY POSITION Peter Handford, Director of Finance and ICT attended the meeting to provide an update on the financial position. The following items which had recently been approved at Cabinet were highlighted:

- Preparation of Budget – Details were given of the timetable for the Council's 2020-21 budget preparation and procedures and the associated consultation arrangements
- Five Year Financial Plan – At the time of the report being prepared for consideration by Cabinet, details of the Governments spending review were unknown.

It was now evident following the release of the details, that the spending review would have a positive impact and provide benefits in 3 Key Areas:

- Funding for Schools – Particularly High Needs (SEN) - £700m nationally, with Derbyshire's estimated share being £7-10m;
- Social Care Adult and Childrens - £1bn nationally with Derbyshire's estimated share being £10-15m; and
- Adult Care – £500m nationally by allowing Local Authorities the opportunity to increase precepts up to 2% to raise funds, which could generate an additional £6m for Derbyshire, should the Authority decide to take that route.

Members were afforded the opportunity to ask questions and make comments, which were duly answered or noted by the Director of Finance and ICT.

The Chairman thanked Mr Handford for his update.

RESOLVED to note the update on the financial and budgetary positions

26/19 DISCUSSION REGARDING THE SCRUTINY OF THE D2N2 LEP Sarah Wainwright, Senior Accountant/Accountable Body Officer attended the meeting and informed members that in January 2019 the Department of Business, Energy and Industrial Strategy (BEIS) issued the National Local Growth Assurance Framework. One requirement was that "LEPS's should agree with their Accountable Body the appropriate scrutiny arrangements to ensure decisions have the necessary independent and external scrutiny in place."

Also in January 2019 BEIS carried out an Annual Performance Review (APR) and as part of this process they had introduced a Mid-Year review which would take place in September. The guidance that had been issued for this review says that discussions would take place about the "establishment

and operation of scrutiny arrangements and what scrutiny the LEP had undergone”.

As part of the APR each LEP was assessed on three themes, Governance, Delivery and Strategy. D2N2 achieved a ‘good’ for Governance and Strategy but a ‘requires improvement’ for Delivery. This was mainly due to all the previous year’s underspend had not been spent within year. As an action from the APR an Improvement Plan was created which was reviewed quarterly with BEIS colleagues. The LEP were working towards all the action points made at the APR to ensure they achieved a ‘good’ for next year. As part of this D2N2 would like the IS Resources Committee to consider the LEP’s “Delivery” and in particular ‘decision making’.

RESOLVED that the IS Resources Committee establish a Working Group to scrutinise the activities of the D2N2 LEP. Representatives from the other scrutiny committees across D2N2 would be invited to participate in the working group. It was anticipated that the Working Group meetings would be held in public.