

# **GOVERNANCE COMMITTEE**

## **MINUTES OF THE MEETING HELD ON**

### **TUESDAY, 16 JULY 2024**

**Councillors Present:** Erik Pattenden (Chairman), Howard Woollaston (Vice-Chairman), Jeremy Cottam, Laura Coyle, David Marsh, Christopher Read and Stephanie Steevenson (Substitute)

**Also Present:** Simon Carey (Independent Audit Person), Julie Gillhespey (Audit Manager) and Joseph Holmes (Executive Director - Resources), Benjamin Ryan (Democratic Services Officer) David Southgate (Parish Council Representative) and Nicola Thomas (Service Lead - Legal & Democratic)

**Apologies for inability to attend the meeting:** Councillors Dominic Boeck, Billy Drummond and Owen Jeffery

## **PART I**

### **19 Minutes**

The Minutes of the meeting held on 16 April 2024 and 9 May 2024 were approved as a true and correct record and signed by the Chairman.

### **20 Declarations of Interest**

Councillor Janine Lewis declared an interest in all Agenda Items as she worked for Home Care Agency, GoodOaks Home Care Reading and West Berks, but reported that, as her interest was a personal or an other registrable interest, but not a disclosable pecuniary interest, she determined to remain to take part in the debate and vote on the matter.

### **21 Forward Plan**

The Committee considered the Governance Committee Forward Plan (Agenda Item 4).

Councillor Howard Woollaston queried why there were only two quarterly reports for risk management. Mr Holmes explained that the Governance Committee only received reports twice a year.

The Governance Committee **RESOLVED** to the Governance Committee Forward Plan be noted.

### **22 Monitoring Officer's Annual Report**

The Committee considered a report (Agenda Item 5) concerning the Monitoring Officer's Annual Report. Ms Nicola Thomas introduced the report.

Councillor David Marsh acknowledged the improved atmosphere within West Berkshire Council (The Council) and attributed this to the new administration.

The Governance Committee **RESOLVED** to note the report.

### **23 Internal Audit Plan 2024-27**

The Committee considered a report (Agenda Item 6) concerning the Internal Audit Plan 2024-27. Ms Julie Gillhespey introduced the report.

Councillor Jeremy Cottam queried the risk categorisation of structure maintenance. Ms Gillhespey explained that this was to do with the projects that were planned and underway but was happy to revisit the issue. Mr Joseph Holmes explained that the risk level was based on internal audit procedures.

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The Chairman sought clarification on the risk categories and Ms Gillhespey explained that there were three levels, which considered previous risk, whether there had been external review, the amount of funding and the complexity of the project. The amount of time between reviews depended on the categorisation.

Councillor Chris Read questioned whether the team delivering the plan was sufficiently resourced. Ms Gillhespey explained that the team was experienced and well-resourced. It was noted that changes in the plan may happen due to a change in priorities. Mr Holmes explained that the team would bring quarterly reports to the Committee to track progress.

Councillor Woollaston asked how the restructure had impacted the efficiency of the plan. Ms Gillhespey explained that because it meant there were less individuals who could sign off the reports.

Mr Simon Carey raised concerns over the Service Directors having the final sign off. Ms Gillhespey explained that the Service Directors could only sign off the reports, provide context to the report and see whether the recommendations are achievable within the set timeframe.

The Governance Committee **RESOLVED** to approve the Proposed Audit Plan and Audit Charter.

### 24 Treasury Management Annual Report

The Committee considered a report (Agenda Item 7) concerning Treasury Management Annual Report. Mr Holmes introduced the report.

Councillor Stephanie Steevenson queried paragraphs 5.8 and 7.2 of the report. Mr Holmes explained that the Council invests using three principles: security, liquidity and yield and the counterparties were approved by Members in the Investment Borrowing Strategy. Mr Holmes acknowledged that the Council was looking for a more ethical investment strategy.

The Governance Committee **RESOLVED** to approve both mid-year and annual treasury management reports.

### 25 2024/25 KPMG Audit Planning Report

It was noted that this item had been withdrawn.

### 26 Revised Whistleblowing Policy

The Committee considered a report (Agenda Item 9) concerning Revised Whistleblowing Policy. Ms Gillhespey introduced the report.

Councillor Chris Read asked questions around training and the Chief Risk Officer. Ms Gillhespey explained that training should be delivered by the experts within that field and that the team would not have the required expertise to know whether training had been sufficient. In regard to the Fraud and Whistleblowing Training the Audit Team would be best placed to do the training with no other teams qualified to do so. It was noted that previously the Chief Audit Officer also managed risk, however this had been separated to guarantee effective oversight. Mr Holmes explained that a Chief Risk Officer role was not statutory. Mr Catalin Bogos explained that the Risk Management Strategy outlined the roles that overlooked risk management.

Councillor Marsh enquired into where schools fitted within the policy and Ms Gillhespey explained that the policy applied to all Council employees except schools.

Mr Carey questioned whether guidance had been published to aid members of the public in making enquiries. Ms Gillhespey explained this was part of the policy document.

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Councillor Read queried point 3.2 within the policy. Ms Gillhespey explained that the Portfolio Holder may be made aware of the whistleblower depending on the significance of the case.

Councillor Read sought clarification on point 8.3 of the policy. Ms Gillhespey noted that there were many ways people could report anonymously, however there were no anonymous accounts for emails.

Councillor Read asked whether people were made aware that they would have to divulge their sources of information. Ms Gillhespey explained that the Council were unlikely to go to the Police if the whistleblower did not provide their sources as the Council were unlikely to have sufficient evidence to prosecute.

Councillor Read asked whether it would be appropriate to allow an appellant to bring a friend along to a hearing. Ms Gillhespey explained this would need to be part of a border Council policy and Mr Holmes explained this was something that could be explored.

Mr David Southgate stated that it would be useful to use the same terminology provided within the policy on the form.

The Governance Committee **RESOLVED** to approve the content of the revised policy.

### 27 Annual Governance Statement

The Committee considered a report (Agenda Item 10) concerning the Annual Governance Statement. Mr Holmes introduced the report.

Councillor Cottam asked about the Delivering Better Value scheme and seeking better funding. Mr Holmes explained that the Councils funding had been stagnant for 15 years and that the Delivering Better Value programme was a one-million-pound grant from Central Government to help reduce the high needs block deficit. It was added there was a nine-million-pound deficit at the end of the last year and that Central Government had put in place a statutory override on the deficit, however this was to run out in the following year, which would trigger a Section 114 notice.

Councillor Cottam raised concerns over the deficit and believed the Delivering Better Value scheme was not going to work.

Councillor Marsh expressed hope that the new Labour administration would be more supportive of Local Government and asked whether any support may come through from Central Government. Mr Holmes explained that the Council was not the only Local Authority (LA) in this situation and if the statutory override was to be pulled many LAs would collapse. It was added that extending the statutory override would only push the problem down the line.

Councillor Marsh questioned the reason for four-million-pounds being removed from school funding and showed dissatisfaction on the decision stating it would be a high ask for schools to provide the money. Mr Holmes answered that it was to reduce the deficit.

Councillor Cottam asked for the high needs block issue to be flagged at Full Council.

Councillor Marsh explained that people were not fully aware of the dilemma facing the Council and that someone needed to fully explain this.

Councillor Read wanted to see a clear statement on the outcome the decision to withdraw the money from the schools.

The Chairman explained that the issue of school funding would be better placed with the Scrutiny Commission.

Councillor Laura Coyle emphasised the importance of putting the issue into perspective whilst drawing on the wider national context.

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Councillor Read, whilst quoting the financial resilience table within the report, queried whether the lowering of inflation and had a positive impact. Mr Holmes stated that there were still some suppliers that wished to be paid above the inflation rate and that due to some of the markets having low supply it made negotiation difficult.

The Governance Committee **RESOLVED** to approve the AGS.

### 28 Governance Committee Annual Report

The Committee considered a report (Agenda Item 11) concerning the Governance Committee Annual Report. Mr Holmes introduced the report.

Councillor Read queried the Portfolio Holder for the report and Mr Holmes noted that Councillor Iain Cottingham's portfolio was the best fit as it encompassed risk.

The Governance Committee **RESOLVED** to note the report.

### 29 Strategic Risk Register Q4 2023/24

The Committee considered a report (Agenda Item 12) concerning the Strategic Risk Register Q4 2023/24. Mr Bogos introduced the report.

The Governance Committee **RESOLVED** to note the report.

### 30 Exclusion of Press and Public

### 31 Strategic Risk Register Q4 2023/24

(Paragraph 3 – information relating to financial/business affairs of particular person)

(Paragraph 5 - information relating to legal privilege) (Paragraph 6 - information relating to proposed action to be taken by the Local Authority)

The Committee considered an exempt report (Agenda Item 13) concerning the Strategic Risk Register Q4 2023.

The Governance Committee **RESOLVED** to note the report.

*(The meeting commenced at 6.30 pm and closed at 7.55 pm)*

**CHAIRMAN** .....

**Date of Signature** .....