

**AUDIT (GOVERNANCE) SUB-COMMITTEE**

**24 November 2016**

Attendance:

Councillors:

Cutler (P)

Ashton (P)  
Huxstep (P)

Stallard  
Weir (P)

Others in attendance who addressed the meeting:

Councillors Godfrey (Leader), Bell and Burns

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1. **DISCLOSURES OF INTERESTS**

Councillors Huxstep declared a disclosable pecuniary interest in respect of items under consideration which may have a Hampshire County Council involvement due to his role as a County Councillor. However, as there was no material conflict of interest, he remained in the room, spoke and voted under the dispensation granted on behalf of the Standards Committee to participate and vote on all matters which might have a County Council involvement.

2. **MINUTES**

RESOLVED:

That the minutes of the previous meeting held on 19 July 2016 be approved and adopted.

3. **GOVERNANCE REVIEW - PROGRESS REPORT**

(Report AUD179 (GOV) refers)

The Independent Review Report of Silver Hill Informal Policy Group was coordinating the actions arising from the recommendations made by the Independent Review of Silver Hill. Item 11 of the Table of Proposed actions, attached as Appendix 1 to the Report, was the relevant item for the consideration of those matters within the remit of this Sub - Committee.

The Corporate Director (Professional Services) explained that items in blue and italics in the Appendix to the Report (fifth iteration updated on 15/11/16) were indicated as complete.

The Sub – Committee reviewed each of the headings.

Item 1 - The Council must express a definite idea of what it wants to be developed at Silver Hill...A sub-committee of and reporting to Cabinet should be charged with being the guardian of this vision.

Report noted.

Item 2. The Council must ensure it has the necessary professional and commercial skills... to achieve the vision.

Report noted.

Item 3 - The Council must consider whether and, if so, why it has been hostile to competition.

The Council was appointing an officer to undertake strategic procurement and would be in post in 2017.

Item 4 – The Council must not re-procure external advisors without involving internal specialists, and relevant Members.

Lead Members for projects were now identified in committee reports, and the reports were available for inspection on the website.

Item 5 – A register should be kept of all external advice obtained which should be available to all Members and the public unless a particular piece of advice is required to remain confidential.....

Exempt Reports would be reviewed every 12 months to test if the information could be made public.

Item 6 – The Council must look at other projects to see whether outcomes are at risk in a similar way to Silver Hill.

Audit Committee had endorsed the Risk Register as complete.

Item 7 – The Council must... review its public engagement strategy. New strategies need to be written on press and PR.

The Communications Strategy would be taken to Cabinet on 17 March 2017. It was agreed that the advice of the LGA on this matter would be shared with members of the Sub - Committee.

It was agreed that the diaries of Cabinet members and those of the Corporate Management Team should not be made public, as this was impractical.

Item 8 – The Council must implement in full the LGA and Local Partnerships recommendations.

The implementation of the LGA recommendations was on track.

Item 9 – New strategies must be written on...project management and risk management (including a transparent and effective risk register).

It was noted that Audit Committee would monitor this.

Item 10 - The Council must consider how it will improve communications, both externally and internally.

Report noted.

Item 11 – The Council must carry out a governance review to create a new constitution and ways of working for the new Council from May 2016.

It was noted that a Corporate Peer Review was now being explored and that Neil Clarke and Heather Wills from the Local Government Association were present to provide support.

11 (a). The roles and responsibilities of Members of the Council and senior officers. Is it a Member led authority? Are delegations to officers correct? Are the statutory officers at the right level in the Council in order to exercise their functions properly? How is it best to re-establish trust between Members and officers

Report noted and this was a matter for discussion at this meeting.

11 (b). A protocol on the writing of committee reports to include paragraphs identifiably written by internal specialists, open recommendations and options, an emphasis on all reports being in the public domain unless there are specific reasons why any element of the report should remain confidential, and Lead Members seeing and contributing to early drafts.

The Protocol had been introduced and this item was complete.

11 (c). A reconsideration of whether annual elections are in the best interests of the Council in efficiently conducting its business.

The Report was noted and it was commented that the issue of elections could be reconsidered at the time of the next boundary review. This review could also reconsider the effect of elections by thirds and its implications for the management of major projects, which should be kept under review.

11 (d). Spelling out the role of the opposition and its place in the Council

The Report was noted and that, together with Councillors Hiscock and Learney, the Chairman had attended training on being an effective opposition, and this action was now complete.

- 11 (e). Developing the overview and scrutiny function to be supported in the future by dedicated staff and specialist training. Involving the Centre for Public Scrutiny in order to ensure best practice.

The Centre for Public Scrutiny would be attending the 12 December 2016 meeting of The Overview & Scrutiny Committee.

- 11 (f). Improving the gifts and hospitality register so that it applies equally to Members and senior officers and ensuring regular reports in relation to it are submitted to Audit Committee.

This item would now become part of the Review of the Code of Conduct and would be considered in 2017 by the Standards Committee. A Member enquired whether the disclosure of membership of outside bodies could also be considered at that time.

- 11 (g). Establishing a transparent and effective system to police conflicts of interest

The Report was noted.

Item 12 – The Council must ensure sufficient Member training on the new Constitution.

The Chairman commented that there should be a distinction between Member Training and Briefings, with consideration of the quality of Member training and its delivery.

The officers clarified that this item related to a programme of training in advance of the Constitution's review and that the Independent Review of Silver Hill Informal Scrutiny Group would be taking a slightly broader view on this subject.

RESOLVED:

That the information contained in the report be noted.

4. **PRESENTATION FROM NEIL CLARKE FROM THE LGA ON GOVERNANCE**

The Chairman welcomed to the meeting Heather Wills (Principal Advisor London, South East) and Neil Clarke from the Local Government Association (LGA).

It was noted that the LGA had supported the City Council on an action plan following the Silver Hill Independent Review Report, which had covered topics such as the role and responsibilities of officers; was the Council a Member led Authority and on matters of trust etc.

The Chairman stated that the Sub-Committee was interested to learn how the City Council compared with others on governance and how it stood at present on such matters.

Mr Clarke stated that he had 12 years experience as leader of Rushcliffe Borough Council and 30 years in total as a Councillor. He was a peer with the Local Government Association and Chair of The District Councils' Network, which was part of the LGA.

Mr Clarke asked the meeting for an update on the actions that had been taken on the recommendations of the Independent Review Report and to explore the issues raised in the report further. The meeting entered into a broad discussion on governance.

The Group firstly discussed whether structural changes in governance were required, such as the rewriting of the Constitution and analysing the ability to deliver major projects.

With regard to major projects, the Chairman commented that the policy of generating income to the Council was a good idea but the Council had not yet been successful in achieving it, which had led to a negative public perception and defensiveness by the Council. Other Members added that projects had not achieved sufficient public buy-in and there was a role for an Engagement Policy. The Council had recently embarked on the Central Winchester Regeneration Informal Policy Group (CWRIPG), which was taking a fresh approach to project management and had a work programme that included considerable public and stakeholder consultation and involvement of the Winchester Town Forum to achieve public buy-in.

Mr Clarke asked if there was sufficient expertise within the officers to undertake major projects and if this presented a problem.

Members commented that the approach of the CWRIPG to deliver major outcomes had been a turning point and that each major project had been allocated a project manager and a lead Member. The Council had also commenced a process to appoint a Procurement Officer.

The meeting discussed the outcomes of the Silver Hill schemes that had not proceeded and whether this had affected public confidence in the Council, and the perception of whether the Council was Member led. Mr Clarke asked if there was considerable "public power" and how this had manifested itself.

Some Members commented that Winchester's public were in many cases very interested in the Council's work; they were often from a professional background and were of the opinion that their views had not been listened to. The public had the ability to voice their concerns strongly, through organised marches and through the press, and therefore an approach to public engagement was essential. The public engagement approach of the CWRIPG and the Bar End Forum, which were community led, were helping to address this.

Heather Wills observed that there was a role for Members when there was opposing views to a council project and Mr Clarke added that gaining public trust was an area for a Member led authority. A Member led authority would have information on the options available for a project and Members would be visible in taking the lead and not the officers.

It was noted that on this point each project now had a lead Member.

Mr Clarke continued by asking the meeting about accountability for decision making, taking ownership of a project and community leadership in the context of a political environment where Members had to stand for election.

Members stated that the approach of the CWRIPG and the involvement of the Winchester Town Forum were assisting in defining the ownership of a project. Members themselves had to be engaged in order to achieve buy-in. Members had to be involved in the consultation process at each stage to provide confidence and to be able to promote it.

The meeting discussed the issues that arose from the composition of the Council, comprising Members from the Town wards of Winchester and those representing the rural district. For example, it was commented that none of the members of the current Cabinet were from the town area.

Mr Clarke stated that this was a common situation and it was important to achieve good whole district decisions and for Cabinet not to act as Ward Members. As a leader of the community, the message of the benefits of a project should be put across and that the Council's Public Relations Team should be heavily engaged in promoting and selling the benefits. Consideration should be given as to how the public would have confidence in the decision and outcome. A question to ask was whether the process needed to be more entrepreneurial and business like.

Mr Clarke continued by raising the issue of training and development in decision making so that the process of making decisions was understood. This included an understanding of the role of officers and Members inside and outside of the organisation.

A Member stated that at committee meetings, when she had sat in the public gallery, the public sometimes did not fully understand the difference in roles between Members and officers, and this was also the case when the Council employed an expert advisor to provide advice at meetings.

The Chairman added that the role of Members and officers was important in considering whether the Council's structures were correct, which could result in re-consideration of the changes that were required to the Council's Constitution. For example, a workshop could be held to consider the role that Members wished to play and whether the existing structures and culture prevented this from happening. This might include a review of the Constitution and reviewing committee systems.

Mr Clarke stated that a review of the Training and Development Programme could consider the role of councillors in forming policy. It could also include an audit of a Members' skills, including their professional knowledge, which could be of assistance to the officers. It was important that Members 'worked with' officers rather than seeking to undermine their decisions and an enhanced understanding of Member and officer roles would be beneficial in this respect.

Heather Wills stated that the LGA would prepare a note on the meeting with an opinion on how the LGA could offer assistance, which would feed into the Peer Challenge early in 2017.

The Chairman, on behalf of the meeting, thanked Heather Wills and Neil Clarke for their attendance.

The meeting commenced at 4.00pm and concluded at 6.00pm.

Chairman