

Status of Report: Public

Meeting: Corporate Governance Committee

Date: 13 March 2019

Subject: Governance update

Report by: The Solicitor and Monitoring Officer

Author: Lauren Haslam

For: Discussion

Purpose

1. The purpose of this report is to advise the Corporate Governance Committee of the arrangements in place to support the corporate governance functions of the Service and the Combined Fire Authority (CFA) and to enable the Committee to monitor the effectiveness of these arrangements.

Recommendation

2. It is recommended that the Committee
 - a. notes the content of this report; and
 - b. agrees to receive an annual report, in March each year, on any activity generated by the application of the policies referred to in this report.

Executive Summary

3. This report gives an overview of the policies and procedures that the Service and CFA operates to ensure effective governance and in particular the policies on:
 - Conflicts of interest
 - Gifts and hospitality
 - Politically restricted posts
 - Whistleblowing
 - Anti-Fraud Bribery and Corruption

Background

4. In order to discharge its responsibilities, the CFA is responsible for putting in place a sound system of control including arrangements for governance of its affairs, and facilitating the effective exercise of its functions, including arrangements for risk management and audit. In this context, the CFA Articles place a duty on the Corporate Governance Committee to promote and maintain high standards within the CFA in relation to the operation of its Code of Governance and to monitor the effectiveness of officer arrangements for ensuring an adequate internal control environment and for combating fraud and

corruption.

5. The CFA operates a suite of policy and procedures as set out in the table below and the Committee's attention is drawn to the status of each of the policies and any activity over the preceding 12 months and planned activity. In June 2017, the County Council's Internal Audit function examined LFRS's policy, procedure and instances regarding the declaration of interests, gifts and hospitality and all actions identified have been completed. As reported to the Corporate Governance Committee in September 2018, substantial assurance has been given in relation to the recommendations.

Policy	Basis for Policy	Activity in 2018
Registration of Personal Interests	Officers Code of Conduct para 8(1) Service Code of Conduct for Directors Managers and employees [last reviewed May 2018]	<p>The operation of this policy was subject to an audit in 2018-19 and various recommendations were made which have been implemented and reported to the Committee.</p> <p>All LFRS staff have been written to by the Monitoring Officer in May 2018 to remind them of their obligations in relation to the registration of interests and the requirement to make appropriate declarations. This will be repeated every two years. Reminders will be instigated (via the intranet) at regular intervals of no less frequency than bi-annual.</p> <p>A register is maintained and reviewed by the Area Manger (Service Assurance) and the Monitoring Officer at regular intervals.</p> <p>This monitoring is enhanced through the National Fraud Imitative operated as part of the audit support to the CFA.</p>
Gifts and Hospitality	Officers Code of Conduct para 8(2) Service Procedure Gifts and Hospitality [last reviewed May 2018]	<p>The operation of this policy was subject to an audit in 2018-19 and various recommendations were made which have been implemented and reported to Committee.</p> <p>All LFRS staff have been written to by the Monitoring Officer in May 2018 to remind them of their obligations in relation to the declaration requirements. This will be repeated every two years.</p>

		<p>Reminders will be instigated (via the intranet) at regular intervals.</p> <p>A register is maintained and reviewed by the Area Manger (Service Assurance) and the Monitoring Officer at regular intervals.</p>
Politically Restricted posts	<p>Officers Code of Conduct para 3</p> <p>Service Code of Conduct for Directors Managers and employees [last reviewed May 2018]</p> <p>Politically Restricted Posts Procedure [last reviewed Oct 2013]</p>	<p>In line with the provisions of the relevant legislation¹ certain post holders have restrictions incorporated into their employment contract by operation of law so as to preclude them from standing for election to parliament or to a Council, acting as an election agent for a candidate, being an officer of a political party or canvassing on behalf of a party or candidate at election.</p> <p>A review of the application of these requirements will take place over the next 12 months by the Monitoring Officer.</p>
Whistleblowing	<p>Whistleblowing Policy and Procedure [last reviewed Jan 2019]</p>	<p>The policy has been reviewed recently. No significant changes have been made but it has been rewritten to make it easier to understand.</p> <p>No referrals have been made and it is not clear whether this is because issues are managed within normal management hierarchies or because of a lack of awareness of the policy.</p> <p>The Service promotes the existence of Protect (formerly Public Concern at work) the whistleblowing charity in its policy which is a recommended good practice.</p> <p>LFRS staff were advised (via the intranet) that the procedure is available It is intended to undertake promotion of the existence of the policy over the next 12 months.</p>

¹ Section 2 Local Government Housing Act 1989 and [Local Government Officers \(Political Restrictions\) Regulations 1990](#)

Anti -Fraud, bribery and corruption	Anti-Fraud and Corruption Strategy (para 6)	The CFA must guard itself against the possibility of fraud and corruption. To this end, it will devise systems and take specific measures that reduce its risk. In taking such measures however, due regard will be taken of the legal rights of individuals. The National Fraud Initiative (NFI) is an annual exercise that matches electronic data within and between public/private sector bodies to prevent/detect fraud. Four (4) instances were found as part of the data matching exercise, all occasions were for low levels of expenditure and well below the procurement thresholds of £5,000 (at that time) and have been addressed by the Service.
-------------------------------------	---	--

Members' issues

6. In addition to the above there are various requirements which affect members of the CFA which are managed through the Members Code of Conduct. There have been no complaints in relation to the operation of the Members' Code over the last 12 months.

7. The Committee on Standards in Public Life issued a report on its review into local government ethical standards in January 2019. The Committee accepted that the vast majority of councillors and officers maintain high standards of conduct but indicated that the current sanctions available are insufficient and that this damages public confidence in the standards system. The key recommendations in the report include:-
 - a) A new power for local authorities to suspend councillors without allowance for up to six months;

 - b) A right of appeal for suspended councillors to the Local Government Ombudsman;

 - c) A strengthened role for the Independent Person. A local authority should only be able to suspend a councillor if the Independent Person agrees there has been a breach and the suspension is appropriate. Independent persons should also be provided with legal indemnity;

 - d) The need for an updated model code of conduct in order to enhance the consistency and quality of local authority codes. The Committee found considerable variation in the length, quality and clarity of codes of conduct. This created confusion among members of the public, and among councillors who represented more than one tier of local

government. Many codes of conduct also failed to address adequately important areas of behaviour such as social media use and bullying and harassment;

- e) The current requirements for registering interests should be updated to include new categories of non-pecuniary interests covering unpaid directorships; trusteeships; management roles in a charity or a body of a public nature; and membership of any organisations that seek to influence opinion or public policy;
 - f) Authorities should maintain a standards committee to advise on standards issues, decide on alleged breaches and sanctions, or a combination of these. Independent members of decision-making standards committees should be able to vote.
8. The Report has been submitted to the Prime Minister and many of the changes recommended will require a change in legislation. A further report will be presented to the Corporate Governance Committee when the government makes clear its intentions in relation to any changes.

Report Implications/Impact

9. Legal (including crime and disorder)

The CFA has a duty under the Local Government Act 2000 and Localism Act 2011 to make arrangements to secure continuous improvement in the way in which its functions are exercised

10. Financial (including value for money, benefits and efficiencies)

There are no direct financial implications arising from this report. However as a result of the work carried out, assurance in relation to the CFAs governance and probity is provided.

11. Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)

Effective governance is required as part of effective risk management and to safeguard the CFA's interest.

12. Staff, Service Users and Stakeholders (including the Equality Impact Assessment)

All staff are subject to the requirements of the various policies and code above but there are no direct implications arising from this report of significance.

13. Environmental

None.

14. Impact upon “Our Plan”

The provision of a robust governance system assists effective and efficient management and governance and will assist the CFA in delivering its services.

Background Papers

CFA Constitution - <http://www.leicestershire-fire.gov.uk/wp-content/uploads/2019/01/llr-cfa-constitution.pdf>

Appendices

None.

Officers to Contact

Lauren Haslam
lauren.haslam@leics.gov.uk
0116 2323232

Mick Grewcock
mick.grewcock@lfrs.org
0116 2872241