



Rushcliffe  
Borough Council

**NOTES  
OF THE MEETING OF THE  
CORPORATE GOVERNANCE GROUP  
THURSDAY 3 DECEMBER 2015**

Held at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

**PRESENT:**

Councillors G S Moore (Chairman), R A Adair (Substitute for N A Brown), M Buckle, G Davidson, A M Dickinson, R Hetherington, A MacInnes, S C Matthews and J E Thurman

**ALSO IN ATTENDANCE:**

A Bush            KPMG

**OFFICERS PRESENT:**

A Goodman	Constitutional Services Officer
P Linfield	Interim Executive Manager - Finance and Commercial
K Marriott	Executive Manager – Operations and Transformation
J Wilkinson	Health and Safety Advisor

**APOLOGIES FOR ABSENCE:**

Councillor N A Brown

**19. Declarations of Interest**

There were none declared.

**20. Notes of the Previous Meeting**

The notes of the meeting held on Thursday 3 September 2015 were accepted as a true record.

Approval of the Statement of Accounts 2014/15 - In relation to the audit of payroll, cash and expenses, Mr Bush gave Members further clarification on the audit process.

**21. Annual Audit Letter**

The Group received the Annual Audit letter from the Council's External Auditors KPMG that summarised the progress of the audit for the financial year 2014/15. The letter reiterated the key conclusions from the 2014/15 Accounts and the Report to those Charged with Governance, both of which were considered by the Corporate Governance Group on 3 September 2015. The fees remained the same at £55,050 and there were no recommendations raised as a result of the audit work.

Mr Bush explained that under the terms of engagement with Public Sector Audit Appointments KPMG undertook prescribed work in order to certify the Council's Housing Benefit Grant Claim. He informed Members that this work was now complete and he had issued an unqualified conclusion. The Certification of Grants and Returns – Annual Report 2014/15 would be presented to the next meeting of the Group.

In response to questions on the audit fees for 2015/16, Mr Bush confirmed that there would be a reduction of 25% on the amount charged for this year.

The Chairman thanked Mr Bush and his team for their work on the audit.

It was AGREED that Corporate Governance Group note the receipt of the Annual Audit Letter.

## **22. Internal Audit Progress Report 2015/16**

The Interim Executive Manager - Finance and Commercial explained that following a company name change, Baker Tilly became known as RSM from 26 October 2015. He informed Members that in line with the audit plan, one report had been finalised since the last meeting of the Group, for the area of Transformation. He reported that the assurance level for the audit was green, the highest achievable and that there were no recommendations.

There were currently five audits at the work in progress or draft stage for the areas of Streetwise, Taxi Licensing, Building Control, Income and Debtors, and Member Services, which would be presented to the next meeting of the Group in February 2016.

It was AGREED that the Internal Audit Progress Report 2015/16 be noted.

## **23. Health and Safety Interim Report**

Members considered the Health and Safety Interim Report that set out the Council's occupational health and safety performance for the period 1 April 2015 to 30 September 2015. The report highlighted the key issues that elected Members needed to be aware of, including details of new policies that had been implemented as part of the control measures within the corporate health and safety framework. Furthermore, the report provided an indication of the effectiveness and success of the health and safety control measures the Council had in place, evidence of training delivered, progress towards meeting health and safety aims and objectives, and the number of accidents recorded.

The Health and Safety training needs of the Council's employees were identified in a number of ways including; Personal Development Reviews (PDR's), regular one to ones, team meetings and through the Executive Management Team. It was the role of the Health and Safety Advisor to ensure that training was consistent with the Council's duties and legal responsibilities.

All health and safety training needs that had been identified in PDR's for this year had been programmed in and would be completed by the end of the financial year.

The Health and Safety Advisor explained that the Council had four health and safety groups in place, the Executive Health and Safety Group, the Employee Health and Safety Group, Depot monthly meetings and the Legionella, Asbestos and tree Management Group, to ensure that there was a corporate approach to relevant issues.

The report stated that in line with its health and safety duties and responsibilities, the Council had a programme of policy review and implementation to support effective health and safety management. In accordance with the objectives agreed by the Group in June 2015, the launch event for the Bronze award for Nottinghamshire's Work Place Award Scheme had taken place in June. Workplace Champions had been recruited and health promotions including mental health awareness had taken place. Work had commenced on reviewing the Violence at Work Policy. A new policy on Workplace Substance Misuse (Drugs and Alcohol) had been drafted and was currently being considered by the Executive Management team, prior to a wider consultation with Unions and the Employee Liaison Group.

The Health and Safety Advisor informed Members that the number of reported accidents for employees and agency staff was lower than the figure for the same period in the previous years. However there had been an increase in the number of days off work as a result of an accident. All accident types had decreased except for strike against fixed object and manual handling, which showed a slight increase. During the six month period, four accidents had been reported to the Health and Safety Executive, as required by the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) legislation, as the employees concerned had over seven days off work.

The Group noted that as Streetwise Environmental Limited had become a social enterprise business the performance information in respect of health and safety was now reported to the Streetwise Board.

In respect of the accident figures for the leisure centres, there had been 205 accidents to members of the public over the last six month period compared to 227 for the same period in 2014/15, and 254 in 2013/14. Members were reminded that these facilities were privately managed and as such, responsibility for health and safety management lay with the companies delivering the facilities.

In response to questions on flooding and the training provided, the Health and Safety Advisor explained that it was a part of the agreement with Streetwise Environmental that they supported flooding incidents, however the Council provided the training for Streetwise staff. In relation to Control of Substances Hazardous to Health (COSHH), Members were informed that the Council only had a few employees that required this training. It had not been included in this report as the refresher training was only required every 3 years and none had been needed in the last six months.

The Chairman raised the issue of health and safety in relation to the Council's bin lorries, and in particular reversing procedures. The Health and Safety Advisor informed the Group that she worked closely with the Recycling2go department and often accompanied managers when carrying out spot checks on crews. Part of her role included both providing support to the Depot

management to deliver training and delivering training in person if required. Reports from Councillors and the public of any misconduct by crews were taken seriously and if required, additional training would be provided. Figures for recycling2go training were not included in the Health and Safety report as most of the training was carried out by the Depot as part of the tool box talks, completed on the job or as part of the induction process. All temporary staff had to complete an induction and training, and any accidents were included in the Council's figures. Due to the size of the bin lorries, Members expressed concern over the speed that some of the vehicles travelled. The Health and Safety Advisor agreed to investigate whether the Council's bin lorries were fitted with speed limiters.

**Action            the Health and Safety Advisor to investigate whether the Council's bin lorries were fitted with speed limiters**

In response to questions, the Health and Safety Advisor explained that in accordance with the driver's policy, it was the responsibility of an individual to inform the Council if they were unfit to carry out their duties. Heavy Goods Vehicle (HGV) drivers had a responsibility to inform the Driver Vehicle Licensing Agency if they are unfit to drive. Currently HGV drivers were subject to a medical every five years, however it was anticipated that this would be reviewed as a result of the events in Glasgow. The Council reserved the right to refer an employee to occupational health if they had concerns.

In respect of the new policy on Workplace Substance Misuse (Drug and Alcohol), Members were informed that the Council was one of the last authorities in Nottinghamshire to introduce the scheme, and as such had learnt from the best practice of others. The Health and Safety Advisor confirmed that Nottingham City Council was responsible for health and safety at the Garage and Building Control was the responsibility of South Kesteven District Council.

It was AGREED that the Group endorse the Six Month Health and Safety Update.

**24. Risk Management Review Update**

The Executive Manager – Operations and Transformation provided Members with an update on the progress made to implement the recommendations resulting from the audit in in 2014/15, since the last report to the Group in March 2015. She informed Members that the report also provided a summary of the activities associated with updating the Council's Risk register and work relating to emergency planning and business continuity functions.

The Risk Management Strategy provided the framework for managing risk and stated that the Corporate Governance Group be provided with updates on risk management arrangements as it was their responsibility "to oversee and scrutinise the effective management of risk by officers". The annual audit of risk management, completed in November 2014, confirmed that the Council continued to manage risk effectively and concluded that it had retained its Green status rating. There were three notable recommendations arising from the 2014/15 audit as follows:

- 'A Risk Assessment Form should be introduced to assist the Executive Managers and Lead Specialists with the risk assessment process.'
- 'As good practice, all the relevant staff should be provided with regular refresher training on risk management.'
- 'A formal assurance framework should be put into place and used by the Council to evidence the existence and viability of the sources of assurance upon which it places reliance in order to manage its risks and achieve its objectives.'

The Executive Manager – Operations and Transformation informed Members that all three recommendations had been addressed. As reported at the meeting in March 2015, the assurance framework and risk evaluation template had been implemented. Refresher training for all managers that were responsible for maintenance of risks had been completed on 21 August 2015 by the Council's insurer Zurich.

Throughout the year the Council's Corporate Risk Management Group had met on three occasions in order to oversee the management of risk across the organisation and review, where necessary, operational and strategic risks. These meetings ensured consideration was given to reviewing the risk register, amending or updating existing risks and ratings, verifying control measures and, where necessary identifying new risks. The process continued on from previous work to remove unnecessary risks that were low scoring; those with the lowest likelihood or impact and / or risks that had effective mitigation and were under control. Additionally a number of new risks had been identified that needed to be added to the register taking into account the changing nature of the Council's business and its priorities.

As a consequence of this continual review process, the number of corporate risks had been decreased from 29 to 28 and the number of operational risks had increased from 22 to 26, an overall increase of one since March 2015. The number of risks within the registers fluctuated throughout the year as active risk management was undertaken, however it was unlikely that they would rise significantly to the 73 risks on the registers before the 2013 review. Changing pressures facing local government and the proactive work of managers to identify risks as they emerged would continue to influence new risks added to the register and demonstrated the Council's aim to be proactive to mitigate risk. At the request of the Group the top scoring risks had be highlighted in the report, in addition to those added and removed.

In response to questions on risk CRR\_FC02 "Reduction in funding linked to New Homes Bonus", the Executive Manager – Operations and Transformation confirmed that this would be reviewed following the Government's Autumn Statement. The Interim Executive Manager – Finance and Commercial explained that this would be considered by Members as part of the Budget workshop process in January 2016. In respect of risk OR\_TR16 "Failure to secure vacant possession of Cotgrave precinct and associated risks to town centre regeneration", Members were informed that this would be the subject of a report to Cabinet later in December. In relation to risk CRR\_CG13 "Threat of

major successful cyber-attack”, the Council had internal controls, including 2 stage authentication and encryption, in place to prevent such an incident.

The Executive Manager – Operations and Transformation gave an update to Members on the work undertaken in respect of Emergency Planning, since the last report to the Group. She explained that Rushcliffe Borough Council’s emergency planning officer was provided by Nottinghamshire County Council as part of a Service Level Agreement. The roles and responsibilities within Nottinghamshire County Council’s emergency planning team were periodically reviewed to ensure that staff gained experience in each diverse area of work. From 1 April 2015, Karen Emery had taken over the role of supporting Rushcliffe Borough Council’s emergency planning and business continuity duties. This strategy had the benefit of strengthening the resilience of each organisation as more members of the emergency planning team would have a detailed knowledge of the structures and procedures in place within the Council.

The Executive Manager – Operations and Transformation informed Members that to encourage flood risk communities to prepare for emergencies a promotion on flood resilience stores had taken place. This initiative included providing guidance and a grant scheme for setting up a flood resilience store. The Council had received one application for funding from the government repair and renew severe weather grant scheme, which had closed on 5 December 2015. The Local Resilience Forum Mass Fatalities Group had obtained permission to use a site in the Borough for an emergency mortuary in the event the other pre-identified sites within Nottinghamshire were unavailable. Staff with the most suitable skills had been approached to join the Local Resilience Forum Mass Fatalities Group and eight had expressed an interest. Training on the details of the implementation plan for these staff had been scheduled for early 2016. The Corporate Emergency Plan and Corporate Business Continuity Plan had both been reviewed and updated in 2015. A document detailing the role of Elected Members in the event of a major incident and ways to assist their communities had been produced. The Local Resilience Forum flood response plan had been approved in July 2015 and 54 staff from across the Council’s service areas had received training on flood awareness. An exercise designed to test the Local Resilience Forum’s telecommunications plan and fall back options had taken place on 1 December 2015.

In response to questions in relation to the fire at the Arena site, Members were informed that schedule for completion of the works had only been delayed by three weeks and that site was jointly insured by the Council and the contractors. A report by an external project management company had confirmed that security at the site was reasonable at the time of the incident, however it had since been increased as it was now a fully operational building site.

Members enquired what security alert level was in place at the Council’s buildings and whether this had increased as a result of the recent attacks in Paris. The Executive Manager – Operations and Transformation explained that the Council’s buildings had been on high alert for the last few years as the Rushcliffe Community Contact Centre was based at West Bridgford Police

Station. The Emergency Planning Officer studied government releases on security and would issue a briefing note to Members if required.

The Group requested the next update on Risk Management to be presented to its meeting in April 2016 and that the Emergency Planning Officer be requested to attend to reinforce the report.

**Action            the Executive Manager – Operations and Transformation to provide an update on Risk Management to the meeting of the Group in April 2016 and that the Emergency Planning Officer be requested to attend to reinforce the report**

It was AGREED that the Corporate Governance Group

- a)     note the contents of the report, and
- b)     endorse the actions taken to review the risk management arrangements and implement internal audit recommendations

## 25.    **Treasury Management Six Month Monitoring Report**

The Interim Executive Manager – Finance and Commercial presented the Treasury Management Six Month Monitoring Report that, in line with the CIPFA Code of Practice, provided a summary of the transactions undertaken by the Council as part of the Treasury Management function. The report reflected how the Council had invested its money during the period 1 April to 30 September 2015, the rate of return and the Counterparties that had been used. He reminded Members that the Treasury Management Strategy Statement for 2015/16 incorporated the Annual Investment Strategy which outlined the Council's investment priorities as follows:

- Security of capital
- Liquidity of investments
- Optimising yield earned on investments

He informed the Group that in the first six months of 2015/16 the UK economy remained resilient, although growth showed signs of slowing. The CPI fell to -0.1% in April and then fluctuated between 0.0% and 0.1%. There was no change to UK monetary policy with official interest rates maintained at 0.5%. In respect of the economic forecast, the Bank of England base rate had remained consistent at 0.5%, with predictions that the first rise in interest rates being June 2016. The bank of England's projections for inflation remained unchanged with rates expected to gradually increase to around 2% over the next two years. Therefore as a result of a weak global economy and low inflation, it was expected that long term interest rates would remain low which would impact on the level of income that the Council received from its investments.

Currently interest earned up to 30 September 2015 totalled £189,000 with the total receipts for the year expected to be £310,000. The Council was achieving an average interest rate of 0.89% against a target of 0.60%. The investment balances at 30 September were £40.47 million, which was higher than had

been predicted due to slippage in capital expenditure scheme. The investment with Handelsbanken had exceeded the limit of £5 million due to interest received on 30 September. However notice to withdraw £1 million had been given on 10 September which reduced to investment to within the recommended limit.

In response to questions, the Interim Executive Manager – Finance and Commercial agreed to investigate the reasons why the amount invested with Standard Chartered appeared to exceed the recommended limit.

**Action        the Interim Executive Manager –Finance and Commercial to investigate the reasons why the amount invested with Standard Chartered had exceeded the recommended limit**

The Group queried the reasons behind the low take up in respect of the Funding Circle and questioned whether the rates were competitive. The Interim Executive Manager – Finance and Commercial explained that the scheme had been promoted and that the rates were competitive as they were lower than those for unsecured loans from banks.

It was AGREED that the Corporate Governance Group note the Treasury Management update position at 30 September 2015.

## 26. **Revenue & Capital Budget Monitoring 2015/16 – Quarter 2 Update**

The Group considered the report of the Interim Executive Manager - Finance and Commercial that gave details and explanations of significant variances against the profiled budget to 30 September 2015.

The Revenue budget monitoring reports indicated an underspend against the profiled budget of £521,000, with a projected favourable variance of £654,000 for the year. The Interim Executive Manager - Finance and Commercial informed Members that the underspend reflected a number of positive variances which included additional income from a number of major planning applications, better income returns on investments, the lack of current calls made on the contingency budget. The figure also included a projected £80,000 slippage on the use of the Growth Fund to support the Growth Boards, which was anticipated to be carried forward into 2016/17.

In respect of the Capital budget monitoring, the report indicated a net underspend of £612,000 to the end of September 2015, with a projected favourable variance of £2,815,000 for the year. The main key variations included £323,000 due to expected delays in relation to strategic acquisitions in Cotgrave, £599,000 for the Bridgford Hall refurbishment, £965,000 in relation to the Arena development, £100,000 for works to the Civic Centre, £409,000 underspend on Support for Registered Housing Providers, £45,000 from uncommitted landscaping work at Alford Road Play Area and the acceleration of £433,000 for the vehicle replacement programme. There was currently a variance of £500,000 in respect of the Funding Circle, as to date no capital loans had been agreed.

Members queried the variances between the budget amounts and the actual spend, and whether this was as a result of good management. The Interim



Executive Manager - Finance and Commercial explained that there had been some windfall items and that some areas, including income from planning fees, were hard to predict. In respect of the savings against employee costs and the effect on services, Members were informed that senior officers managed contraction and continued to deliver the same or improved services with fewer resources.

Members referred to the continuing underspend of £409,000 for Support for Registered Housing Providers and whether this should remain in the budget. The Interim Executive Manager - Finance and Commercial assured Members that the funds would be committed in the future as there was a demand for affordable housing.

It was AGREED that the Corporate Governance Group note the projected revenue and capital underspend positions for the year of £654,000 and £2,815,000 respectively.

## 27. Work Programme

The Group considered the report of the Service Manager – Corporate Governance that set out details of the proposed work programme for the municipal year 2015/16.

The Group AGREED the Work Programme as set out below:

Date of Meeting	Item
11 February 2016	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2015/16</li> <li>• Treasury Management Strategy 2016/17</li> <li>• Revenue and Capital Budget Monitoring</li> <li>• Certification of Grants and Returns – Annual Report 2014/15</li> <li>• Work Programme</li> </ul>
21 April 2016	<ul style="list-style-type: none"> <li>• External Audit Plan 2015/16</li> <li>• Internal Audit Progress Report 2015/16</li> <li>• Internal Audit Strategy 2016/17</li> <li>• Risk Management Update</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>

The meeting closed at 8.45 pm.

## Action Sheet

### Corporate Governance Group - Thursday 3 December 2015

Minute Number	Actions	Officer Responsible
20 Notes of the Previous Meeting	None	
21 Annual Audit Letter	None	
22 Internal Audit Progress Report 2015/16	None	
23 Health and Safety Interim Report	Investigate whether the Council's bin lorries were fitted with speed limiters	Health and Safety Advisor
24 Risk Management Review Update	a) provide an update on Risk Management to the meeting of the Group in April 2016, and b) the Emergency Planning Officer be requested to attend to reinforce the report	Executive Manager – Operations and Transformation  Executive Manager – Operations and Transformation
25 Treasury Management Six Month Monitoring Report	Investigate the reasons why the amount invested with Standard Chartered had exceeded the recommended limit	Interim Executive Manager – Finance and Commercial
26 Revenue & Capital Budget Monitoring 2015/16 – Quarter 2 Update	None	
27 Work Programme	None	

## Responses

Minute Number	Actions	Officer Responsible	Response
23 Health and Safety Interim Report	Investigate whether the Council's bin lorries were fitted with speed limiters	Health and Safety Advisor	<p>All the vehicles are speed restricted to 56 mph. The national speed limit for the vehicles increased this year from 40 mph to 50mph for single roads and remains at 60 mph for dual carriageways.</p> <p>All drivers regularly receive reminders regarding reputation, speed, seatbelts, use of phones etc.</p> <p>The Bartec system we use has a speed alert that flags up speeds over a certain speed if requested and we can also track every vehicle's speed every 15 seconds.</p> <p>A small number of Tacograhs are sent off randomly each month for an external verification.</p>
24 Risk Management Review Update	<p>a) provide an update on Risk Management to the meeting of the Group in April 2016, and</p> <p>b) the Emergency Planning Officer be requested to attend to reinforce the report</p>	<p>Executive Manager – Operations and Transformation</p> <p>Executive Manager – Operations and Transformation</p>	<p>This is on the agenda for 21 April 2016.</p> <p>Karen Emery will be attending that meeting</p>

25 Treasury Management Six Month Monitoring Report	Investigate the reasons why the amount invested with Standard Chartered had exceeded the recommended limit	Interim Executive Manager – Finance and Commercial	A response has been sent to Councillor Dickinson
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