

**NOTES  
OF THE MEETING OF THE  
CORPORATE GOVERNANCE GROUP  
TUESDAY 28 JUNE 2016**

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

**PRESENT:**

Councillors G S Moore (Chairman), K P Beardsall, N A Brown, M Buckle, A M Dickinson, A J Edyvean, S J Hull, A MacInnes, S C Matthews,

**ALSO IN ATTENDANCE:**

A Ali RSM

**OFFICERS PRESENT:**

N Carter	Service Manager – Finance and Commercial
P Linfield	Executive Manager - Finance and Corporate Services
K Marriott	Executive Manager - Transformation and Operations
V Nightingale	Constitutional Services Officer
J Wilkinson	Health and Safety Advisor

**APOLOGIES FOR ABSENCE:**

There were no apologies for absence

**1. Declarations of Interest**

There were none declared.

**2. Notes of the Previous Meeting**

The Chairman welcomed the new members of the Group and his new Vice Chairman, Councillor MacInnes. It was noted that Councillor Davidson had stood down for the year, whilst he was the Mayor.

The notes of the meeting held on Thursday 21 April 2016 were accepted as a true record.

Members discussed the effectiveness of scrutiny in relation to the Council's 'paperlite' scheme. The Chairman had asked, at the last meeting, that Internal Audit analyse the level of scrutiny following the introduction of 'paperlite' to ensure that it remained at a good level. The Executive Manager - Transformation and Operations stated that the Group had also requested that it be put on the Council's Risk Register, in order that the reviewed. She said that the other Scrutiny Group's would be asked for their comments as well. Mr Ali stated that a large number of local authorities had moved to using electronic devices rather than paper and that despite initial hiccups most were continuing with the initiative. He confirmed that, as part of the Governance review, Internal Audit would be considering best practice and would report back. Following a question the Executive Manager - Transformation and Operations stated that the new Council Chamber would have power sockets

built into the floor to enable Members to recharge their devices during the meeting. There would also be audio visual equipment built in.

### 3. **Annual Governance Statement 2015/16**

The Executive Manager - Finance and Corporate Services presented the Annual Governance Statement for 2015/16. He stated that the Council was required to produce this document and by reviewing it the Corporate Governance Group scrutinised the Council's governance arrangements. Members were informed that there was a framework guidance set for the production of the Statement by CIPFA<sup>1</sup> and SOLACE<sup>2</sup> which the Council followed, however, as each authority was different there were elements of the Statement that were Rushcliffe specific. He said that this Statement would be published alongside the Council's Statement of Accounts and that both documents would be signed off by Council in September. It was recognised that the document was only a draft as the review of the accounts could have an impact on it. Members were assured that the document was also considered by the External Auditors.

The Group was that the Statement contained the three themes from the Council's new Corporate Strategy and that it outlined the financial challenges that the Council would be facing in the future. It was recognised that this would need to be amended following the result of the recent EU Referendum. The document outlined the £1.19 million shortfall up to 2020/21; and it outlined the transformation programme that would deliver service efficiencies. Other elements of the Statement focussed on training, communication, the statutory roles and the review of the Council's effectiveness. Following a comment it was agreed that each scrutiny group should have its own statement.

The Executive Manager - Finance and Corporate Services stated that Section 4 was very important as this outlined the significant governance issues. He said that the External Auditors had pointed out the risks during the year including comments on value for money.

Finally, Members were informed that the Statement was signed off by both the Leader and the Chief Executive.

Members queried the inclusion of a Combined Authority in the document and asked if this was still relevant following the result of the EU referendum, as one of the benefits had been that authorities would be able to access significant funding streams through the EU. The Executive Manager - Transformation and Operations stated that there had been clear views expressed by Cabinet and Council and there had been no change. She said that the Nottinghamshire Leaders were holding meetings, and there was a possible meeting of Nottinghamshire and Derbyshire Leaders in July. She explained that the devolution deal was more than just accessing EU funding and was about the skills agenda, education, transport, early years and the Department of Works and Pension. Members agreed that it should still be included in the document until more information was known.

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<sup>1</sup> CIPFA = Chartered Institute for Public Finance and Accountancy

<sup>2</sup> SOLACE = Society of Local Authority Chief Executives

Following a question regarding the possible pension shortfall, the Executive Manager - Finance and Corporate Services agreed to include a reference to Local Government Pension Scheme although it was recognised that this was a national issue.

Members queried the collaborative arrangements and were informed that the Council had signed up to a tripartite agreement and that Gedling Borough Council and Newark and Sherwood District Council were the Council's first choice to collaborate but this did not preclude the Council from making other agreements.

AGREED that the Corporate Governance Group had reviewed and approved the 2015/16 Annual Governance Statement as attached as Appendix A to the report.

#### **4. Internal Audit Annual Report 2015/16**

The Executive Manager - Finance and Corporate Services presented the Internal Audit's Annual Report for 2015/16. In accordance with the Public Sector Internal Audit Standards, the Head of Internal Audit, which services were provided by RSM, had to provide an annual opinion and the Executive Manager - Finance and Corporate Services was pleased to inform Members that the Council had received an adequate and effective framework for risk management, governance and internal control, which was the highest level of the four opinion options available. 17 reviews had been undertaken and awarded a rating based on the 'Red, Amber, Green' system with each receiving a 'green' assurance.

Mr Ali explained that RSM was one of the largest providers of Internal Audits for the private sector. He explained that the company met with managers to pull together an audit plan, which is then approved by the Corporate Governance Group. Each audit is carried out and progress reported to the Group throughout the year. Members were informed of the two final audits undertaken for 2015/16, these were for Payroll and Monitoring of Exception Reports. Members were informed that a positive opinion had been given for both. Managers had been presented with the actions and had agreed implementation dates. It was noted that the action to remind staff and Members in respect of gifts and hospitality had not yet been completed and would be considered until it was fully implemented. Following questions, Members were informed that articles had been included in both Staff and Members' Matters and that the policy was contained in the Constitution.

In conclusion, Mr Ali stated that the Council had received a good opinion and was in the top 10%. The Executive Manager - Finance and Corporate Services stated that it had been a challenging year and that it reflected well on the Council that it had still received a good rating. Councillor Moore commended the staff for their hard work.

AGREED that the Corporate Governance Group noted the Internal Audit's final Progress Report in relation to 2015/16.

## 5. **Health and Safety Annual Report 2015/16**

The Executive Manager - Transformation and Operations introduced the Annual Health and Safety Report that set out the Council's occupational health and safety performance for 2015/16. She explained that the full report was available on the Internet and on the Members' Extranet and that Members would receive a presentation on the salient points. The Group was informed that the report did not include any statistics regarding the leisure centres as these were scrutinised by the Performance Management Board.

The Health and Safety Advisor gave a presentation which outlined the progress made against the goals set, training, accidents by number and type, injuries and the number of days lost to the Authority and the objectives for 2016/17.

She explained that the Council was working towards the bronze award for the Workplace Health Scheme. Members were informed that this had been launched in July 2015 and a number of initiatives had been undertaken, these included 'Know your number' about blood pressure, bmi, weight etc, to a fun stair challenge which monitored the number of stairs climbed by individuals and compared this to well recognised buildings and mountains, ie Mount Everest, Sydney Harbour Bridge, Empire State Building. Training had been held for the Health Champions on smoking cessation and mental health awareness. The Health and Safety Advisor explained that all the information would be collated in July and sent for examination, she was hopeful that the result would be known in July.

Other goals had included reviewing the next three priority policies and the development of a Workplace Substance Misuse (Drugs and Alcohol) policy which had gone live on 1 June 2016. Following a question, Members were informed that training had been provided for people to undertake the tests, which were similar to those undertaken by the Police. It was also noted that the driving limits were being used as the standard. Members were informed that safety critical roles had been identified and that random testing would be carried out monthly on operatives of these roles, officers using their own vehicles would also be tested but not as frequently, and finally any member of staff could be tested if there was a 'with cause' expression from a manager. Members welcomed the introduction of the policy as they felt that it would increase the safety of the Council's officers.

With regard to accidents the Health and Safety Advisor stated that the number of incidents was comparable to 2014/15 and lower than previous years. It was noted that, due to the mild winter, there had been fewer slips and trips incidents. The Group was informed that there had been the highest number of days lost due to accidents, however, this statistic did fluctuate; Members were informed that there were, on average, 129 days lost. Members queried the number of staff affected and was informed that there were nine staff injured and that there had been a raft of injuries. The Health and Safety Executive were informed of all accidents as required by RIDDOR, including what had been put in place to reduce the risk, and had not investigated any.

In respect of accidents to members of the public Members noted that there had been 22 incidents at Rushcliffe Country Park, officers explained that these

were mainly due to bike and scooter accidents. Following a question, officers stated that the Council had not been sued for compensation, however, she explained the timescales involved. The Executive Manager - Transformation and Operations explained that all staff at the Country Park were first aid trained and that the equipment was well maintained and inspected. Also as the Country Park was staffed, unlike other parks, this made it easier for incidents to be reported. Members queried the number of accidents at leisure centres and the Health and Safety Advisor stated that this was part of the scrutiny by the Performance Management Board, however, there was approximately 416 accidents which was deemed to be average; although when compared to the number of public attending it was low. Members asked for the Edwalton Golf Courses accidents to be included in the data; officers agreed that this would be included in future reports.

In conclusion, the Health and Safety Advisor highlighted the objectives for 2016/17 including reviewing and updating the Noise at Work policy, audit Streetwise on two of its high risk areas, providing health and safety advice on the move to the new offices and submitting the portfolio for the bronze award for the Workplace Health Scheme.

AGREED that the Corporate Governance Group:

- a) had considered the detailed information contained within the Annual Health and Safety Report,
- b) had noted the significant progress made against the health and safety goals and objectives previously agreed by the Group for the financial year 2015/16; and
- c) endorsed the proposed health and safety objectives for 2016/17 as set out in the report.

## 6. **Review of the Constitution 2016**

The Service Manager – Finance and Commercial presented a report outlining the proposed changes to the Council's Constitution. He explained that it had been decided to have a light touch review to ensure that the Constitution was brought up to date with legislative changes and was aligned to the present Corporate Structure.

The Service Manager – Finance and Commercial gave a presentation which outlined the changes to the document and the timescale for approval. He stated that Part 1 gave a summary and explanation of the Council and this had been amended to reflect the change to the number of Councillors. Part 2 contained the Articles of the Constitution. There were no proposed changes to Articles 1, 5, 6, 10 and 15. Article 2 was again amended to reflect the number of Councillors and the number of Wards. It was also proposed to update the key roles of Councillors to include their community leadership and advocacy responsibility. Minor amendments had been proposed to Articles 3 and 4, for example the Community Strategy had been changed to Corporate Strategy and Local Development Plan Documents had been amended to Local Plan Documents.

Members were informed that Article 7 had been updated to reflect the current Cabinet structure. Members pointed out that Business Continuity had been deleted from the list of responsibilities and asked that this be included as it was felt to be extremely important to the running of the Council. Officers agreed to ensure that this was not removed. The Service Manager – Finance and Commercial explained that Article 8 had been amended to update job titles and to reflect the current structure. The section on the Local Development Framework Group had been amended to reflect its work following the adoption of the Local Plan Part 1. Article 9 had been changed to include the addition of associated legislation. Members stated that Article 9 had not been included in the appendix to the report.

The Group was informed that Article 11 had been amended to include appointments to joint committees. It was acknowledged that the Council could enter into arrangements in the future on issues such as health or the devolution deal and therefore it was prudent to future proof the Constitution. Members queried the second bullet point of 11.3 as it was felt that Council did not require Cabinet's agreement. Article 12 had been amended to reflect the current structure and to clarify the roles of the Chief Executive, S151 Officer and the Monitoring Officer. Officers' role in supporting decision making had been included in Article 13. Article 14 had been amended with regard to the sealing of documents, it was felt that the current arrangements were not always practical and that this would make the process more streamlined. Article 16 was amended to show that electronic versions of the document would be provided and not paper copies. Following a question, it was confirmed that the Constitution would be included on the Council's website, as it already was.

With regard to Part 3 of the Constitution Members were informed that amendments had been made to reflect the Council's current structure and to update the areas of responsibilities for the Executive Managers. The Service Manager – Finance and Commercial informed the Group that Table 1 of Appendix 2 which related to the convictions of hackney carriage or public hire drivers would be amended following its consideration of the issue by Council on 30 June 2016.

With reference to Part 4 Members were informed that this had been amended

- to include the statutory officers in respect of a call for an extraordinary meeting
- to update the petitions scheme to delete the statutory scheme which had first been introduced in 2009 but removed in the 2011 legislation
- to amend the financial regulations in relation to contracts and submitting tenders
- update the financial regulations to reflect the current structure, and
- officer employment, as agreed at Council in June 2015.

Following questions, the Service Manager – Finance and Commercial stated that there had been three petition schemes and that this had been reduced to one, also the tender process had needed to be updated to allow for electronic tendering.

Members discussed the use of first class travel by officers and Members and how its use should be defined in the Constitution. Officers explained that this had been part of the discussions by the Independent Remuneration Panel and would be included in the next budget workshops. Members felt that the cost between 1<sup>st</sup> class and 2<sup>nd</sup> class travel should be met by the individual. Officers agreed to investigate the use of 1st class travel.

The Group discussed the possibility of allowing members of the public to speak at Council and Development Control Committee meetings. It was acknowledged that the majority of parish councils and Nottinghamshire County Council already had public speaking opportunities. Members believed that the public felt marginalised because they could not address Councillors in a meeting and therefore were disengaged with the Council. The Group felt that, by allowing public speaking, it would make the system more transparent. With regards to transparency it was also pointed out that some Members were unaware of discussions at Member Groups and that these should be included on the Members' Extranet.

Members felt that the Constitution was an important document and that officers should reconsider the document as a whole and ensure that there was a consistent approach. Members gave examples of inconsistencies such as capitalisation, typographical errors, job titles and page numbering. Also references to the Audit Commission were still included although they no longer existed. Members requested that the document should have a comprehensive index and that, as it would be placed on the Council's website, it should be bookmarked.

Members felt that they could not support the recommendation as they did not feel that a light touch approach was appropriate. Members requested that officers should reconsider the document and present it back to the Group at its meeting on 8 September before it was presented to Cabinet or Council. It was important that the Group saw a final draft and that there were not areas of doubt. This was an important task for the Group and therefore to validate their integrity they could not support the Constitution in its present state.

## **7. Future External Audit Procurement**

The Executive Manager - Finance and Corporate Services explained to the Group that following the closure of the Audit Commission, through the Local Audit and Accountability Act 2014, transitional arrangements had been in place for the appointment of external auditors. Subsequently the Secretary of State had extended these arrangements to include the audit of the accounts for 2017/18. He explained that when these arrangements came to an end on 31 March 2018 there were three options available to the Council. These were:

- Stand Alone Appointment
- Joint Auditor Panel
- Sector Led Body

Members were informed that the stand alone appointment would probably incur the most costs and that it could be difficult to appoint a number of suitable independent people; the joint auditor panel would be with other local

authorities and this was being examined by other officers; however, the Executive Manager - Finance and Corporate Services stated that he was recommending that the Council opted for a Sector Led Body. He stated that the Local Government Association was working on developing a Sector Led Body and that the Council had been asked to submit a non-binding expression of interest.

Following a question, the Executive Manager - Finance and Corporate Services stated that the costs were an unknown quantity at the moment, however, Rushcliffe was a low risk authority and he would expect the fees to reflect this.

The Group was happy to support the recommendation as recommendation (a) was only an expression of interest and that it still allowed for flexibility.

AGREED that Members supported the proposals:

- a) To submit a non-binding expression of interest in opting-in to the Local Government Association (LGA) Sector Led Body (SLB) approach to the procurement of future external audit contracts; and
- b) To recommend to Full Council to opt-in to the LGA's SLB approach to the procurement of future external audit contracts.

## **8. Corporate Governance Group Annual Report 2015/16**

The Chairman presented the Group's Annual Report for 2015/16. He felt that this had been a difficult year for the Group and the Council with the loss of two of the senior management team. He thanked the Executive Manager - Finance and Corporate Services and his staff for their professional and excellent work. He said that the Annual Report reflected the Group's hard work during the year.

The Executive Manager - Finance and Corporate Services said that the Report was a useful reference document for new members of the Group and it highlighted the standard items and the one-off issues that are considered by the Group.

AGREED that the Corporate Governance Group approves the report and forwards it on to Council for consideration.

## **9. Work Programme**

The Group considered, and agreed, its work programme. It was noted that, at the meeting on 8 September, Members would consider a number of issues, including the Statement of Accounts, Treasury Management Outturn and the Constitution.

Following a question Members were informed that the Treasury Management training would be later in the year, possibly in December. It was agreed that this was an excellent presentation and that all Members of the Corporate Governance Group should attend, although it was open to all Members.



AGREED that the Group agrees the work programme as set out in the report.

The meeting closed at 9.30 pm.

## Action Sheet

### CORPORATE GOVERNANCE GROUP - TUESDAY 28 JUNE 2016

Minute Number	Actions	Officer Responsible
3. Annual Governance Statement 2015/16	A reference to the Local Government Pension Scheme be included in the Statement	Executive Manager - Finance and Corporate Services
5. Health and Safety Annual Report 2015/16	The number of accidents at Edwalton Golf Courses to be included in future reports.	Health and Safety Advisor
6. Review of the Constitution 2016	<ul style="list-style-type: none"> <li>a) Business Continuity to be included in the list of responsibilities for Cabinet members</li> <li>b) Table 1 of Appendix 2 to be updated following the Council meeting on 30 June 2016</li> <li>c) Officers to investigate the use of 1<sup>st</sup> class travel</li> <li>d) Typographical errors, job titles and page numbering be amended</li> <li>e) A comprehensive index be included in the document, and it be bookmarked for the internet</li> <li>f) Be referred back to the Group in September.</li> </ul>	Service Manager – Finance and Commercial
9. Work Programme	<ul style="list-style-type: none"> <li>a) Include the review of the Constitution for the meeting on 8 September 2016;</li> <li>b) Change the item to Treasury Management Outturn</li> <li>c) Officers to arrange the Treasury Management Training.</li> </ul>	Constitutional Services  Constitutional Services  Executive Manager - Finance and Corporate Services