

**NOTES**  
**OF THE MEETING OF THE**  
**CORPORATE GOVERNANCE GROUP**  
**THURSDAY 1 DECEMBER 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, A M Dickinson, A J Edyvean, S J Hull, A MacInnes, D G Wheeler (substitute for Councillor M Buckle)

**ALSO IN ATTENDANCE:**

K Waddoups                      KPMG

**OFFICERS PRESENT:**

A Hall-Wright	Financial Services Manager
P Linfield	Executive Manager - Finance and Corporate Services
K Marriott	Executive Manager - Operations and Transformation
V Nightingale	Constitutional Services Officer
J Wilkinson	Health and Safety Advisor

**APOLOGY FOR ABSENCE:**

Councillor M Buckle.

**19. Declarations of Interest**

There were none declared.

**20. Notes of the Previous Meeting**

The notes of the meeting held on Thursday 8 September 2016 were accepted as a true record.

**21. Internal Audit Progress Report 2016/17**

Ms Waddoups presented the first progress report for 2016/17. She stated that 47% of the Plan had been completed. Two plans had been finalised and both had received a positive opinion. The report regarding risk management had only received four low priority findings which had been agreed by managers and mitigating actions put into place. The report in respect of disabled facilities grants received one medium priority which related to the length of time taken to notify land charges of adaptations over £5,000. KPMG were satisfied with the mitigating action taken by managers.

The Group queried if the Plan would be completed by the end of the year as only 47% had been completed. Ms Waddoups stated that she was confident that it would and explained that timing was different this year due to the proposed move to the new offices. Following a question, Councillors were informed that the reports on the Human Resources policies and IT had been

delayed as staff were undertaking extra work to ensure that the move to the Arena was successful and that all policies were updated to reflect the new working arrangements.

Councillors queried the length of time taken for managers to reply to a draft report and were informed that normally responses were within ten days, although this could be longer if there were any queries.

AGREED that the Corporate Governance Group noted Internal Audit's first Progress Report for 2016/17 (Appendix A).

## **22. Health and Safety Six Monthly Report**

The Health and Safety Advisor gave a presentation which outlined the progress made on the goals set for this year. She said that the Council had been awarded the Nottinghamshire's Workplace Health Bronze Award; the Noise at Work policy had been reviewed and updated; she was assisting Streetwise in two of its high risk areas and had agreed an audit of 'hand held vibration' and COSHH early in the new year; also she had assisted with advice on health and safety elements of the office move to the Arena.

Councillors were informed of the various training that had been held and the number of staff attending. It was noted that the number of staff undertaking the fire safety and workstation assessment e-learning packages had reduced as this only needed renewing every three years, however, because of the move to the new office staff would be requested to complete these packages. Following a question, the Group was informed that staff sessions were being held at the new offices before the official move and that evacuation procedures would be part of these; also the e-learning package would show a plan of the Arena and the evacuation routes. A new ways of working document was being published on the Council's intranet and this included information on evacuations. Staff would be expected to familiarise themselves on their first day in the new building. With regards to members of the public officers were working with Parkwood Leisure to enable evacuations to be run smoothly and any planned drills would include the leisure staff as well. In response to a question regarding the Civic Centre and the use of the evac chairs when the Council had moved out, the Group was informed that the Council's responsibility was to its workforce and that other tenants and businesses remaining in the Civic had responsibility for their own evacuation procedures.

In relation to Drug and Alcohol training Councillors were informed that critical roles had been identified and that the training was to ensure that managers were confident in their ability to spot any potential signs that a member of staff was under the influence. Following a question, the Health and Safety Advisor explained that the Council undertook a 10% random sample of staff in critical roles and that there could also be a with cause test. At present the policy's parameter was that someone had to be under the legal limit for alcohol. However, officers were pleased to say that everyone tested had returned a zero rating. The Executive Manager - Operations and Transformation said that a decision would be taken by the appropriate manager if anyone's test showed a positive return.

The Health and Safety Advisor informed Councillors of the number and types of accidents that had been reported. She stated that the numbers were comparable with those for the previous two years and that there were no significant trends. With regard to the number of days lost due to accidents she stated that this fluctuated every year, although the average for the last four years was 34 days. This year two incidents had been reported under the RIDDOR regulations. In respect of members of the public there had been eight accidents, six of which related to play injuries at Rushcliffe Country Park. Following a question, the Group was informed that accidents at leisure centres was scrutinised by the Performance Management Board as part of their consideration of the contract.

AGREED that that the Corporate Governance Group had considered the six month health and safety update giving due regard to the information presented.

### 23. **Risk Management Review Update**

The Executive Manager - Operations and Transformation presented the report that updated the Group on the progress made since the meeting on 21 April 2016 and also provided a summary of any activities associated with updating the Council's risk register and work relating to the Council's emergency planning and business continuity functions. She said that the Council's auditors had made four low priority recommendations which had all been addressed.

With regards to the risk register the Group was informed that the risks classified as red had remained the same. She stated that officers were mindful of these risks which included changes to Government policies, the re-evaluation of the top business rate payers, reduction in government funding, risk and return from the Asset Management Strategy and the inability to demonstrate a five year housing supply. Following a question it was agreed to circulate how the risks were rated.

Councillors were informed of two risks that had been reviewed and moved and eight new risks that were proposed to be included. These were:

- Potential inflationary pressures, with volatility over prediction for budget - linked to Brexit
- Inability to draw down Growth Deal 2 funding within specified timescales
- Potential delay of handover of new building at the Arena
- Failure to implement Paperlite working practice for Members
- Delivery of social rented affordable housing
- Reputational risk to the council following adverse media coverage
- Potential delay for exchange or completion of contracts for the sale of the Civic Centre
- Potential delay over completion and handover of Bridgford Hall

The Executive Manager - Operations and Transformation highlighted the reasons why these had been proposed and gave examples. It was agreed that once these risks had been considered against the matrix and scored officers would circulate the results to the Group.

With regard to emergency planning Councillors were informed that all the continuity plans had been reviewed prior to the office move. They were told that IT would be switching off all systems at 4.00 pm on 16 December and would be working over the weekend to ensure that everything worked when the office opened on 19 December. The Executive Manager - Operations and Transformation said that due to recent flooding in Gotham officers were working with the community to obtain a flood resilience store. She said that a number of exercises had been undertaken over the last six months to test the continuity plan including staff's ability to find the correct information out of hours and with the Contact Centre on loss of phones. Councillors were informed that the Contact Centre had had an issue on 30 November but, due to the emergency plan, had been able to set up mini contact centres at the Civic Centre and several community hubs to deal with the issue. Following a question, officers stated that a previous exercise carried out over a weekend had highlighted that staff without access to the Council's virtual private network had difficulties accessing the information requested of them; staff were reminded that all the documents were contained on a government website (resilience direct) to avoid this issue.

Following a question regarding funding from the Local Enterprise Partnership Councillors were informed that £6.3 million had been approved, however to draw this down local authorities had to show that they were able to "start on site the next day", this included all planning permissions and procurement, and a value for money assessment. The Council had received £1.8 million for the employment units at Cotgrave. For the sites at Cotgrave Town Centre, land north of Bingham and RAF Newton officers were currently working on the value for money assessments. The issues for these sites was timing as any delays could jeopardise the Council's ability to draw down the funding as the Local Enterprise Partnership had to spend the money in 2017/18.

Following a discussion on information security it was agreed that the Chief Information Officer should attend when the Group next considered risk management.

The Group discussed the recent publicity the Council had received, especially on social media, concerning the adoption of a Designated Public Place Order and how the Council had directed people to the FAQ's to try to rectify the misconception. The Council also highlighted the work of The Friary and how the Council's Recycling2go teams would be collecting unwanted tinned items to take to The Friary. Members welcomed this initiative.

AGREED that the Corporate Governance Group

- a) noted the contents of the report
- b) considered the actions taken to review the risk management arrangements and implement internal audit recommendations
- c) considered the work of the Emergency Planning Officer.

#### **24. Proposals for a Comprehensive Review of the Constitution**

The Executive Manager - Operations and Transformation presented a report which outlined a timetable for a robust review of the Constitution. It was noted

that the Corporate Governance Group had a responsibility to monitor and make recommendations for a review of the Constitution which would have to be approved by Cabinet and Council. The report highlighted the changes that had been made to the Constitution over the last twelve years, which person or committee had responsibility for the different sections and the light touch that had just been undertaken to ensure that the Constitution reflected the current staff structure and recent legislation.

The Group discussed the three main concerns raised by Councillors during the recent review. These were public speaking, which would be considered as part of the planned peer review of Planning in February 2017; the use of 1<sup>st</sup> class travel which was part of the Independent Remuneration Panel's remit and the position of Leader of the Opposition that could be included in the review.

The Executive Manager - Operations and Transformation stated that there was a second option whereby the Group could establish a task and finish group that could consider the key aspects over the next twelve months. Officers stated that the Group needed to consider the impact of the review on the substantive business of the Group. Officers stated that if the Group felt that a task and finish group would be more beneficial a report outlining the terms of reference for the task and finish group could be presented at the Group's next meeting.

The Chairman stated that he had discussed this issue with the Chief Executive and had felt that the original proposal would take too much time. He felt that a more focussed group would be the better option and on this basis he had consulted with certain members of the Group to see if they would take on the challenge. He proposed to the Group that the membership of the task and finish group should be Councillors Beardsall, Buckle, Edyvean and MacInnes and that they should be assisted by the Monitoring Officer and appropriate officers. The Group agreed that this was the better option.

AGREED that the Corporate Governance Group approve the setting up of a task and finish group of four members with the Monitoring Officer to oversee the review of the Constitution and that this review should be presented to the Corporate Governance Group before being presented to Cabinet and Council for final approval. The Chief Executive would be involved where appropriate.

## **25. Annual Audit Letter 2015/16**

The Executive Manager - Finance and Corporate Services presented the Annual Audit Letter to the Group. He said that this had been discussed at the Group's last meeting and identified that the Council had a clean bill of health and was able to demonstrate its value for money for the year. The auditors had highlighted the loan to Nottinghamshire County Cricket Club and they felt that further consideration should be given to the partnership. As a result the Council, Nottinghamshire County Council and Nottingham City Council meet regularly to review the projects and the progress made against the budgets. He informed the Group that the Treasury Management report and the Revenue and Capital budget monitoring will reference this loan further for members of the Group.

The Group noted that the document included the Auditor's fee and were pleased to note that this had significantly reduced over the last few years.

Following a question officers agreed to put the audit letter on the financial pages of the Council's website.

AGREED that the Corporate Governance Group noted the receipt of the Annual Audit Letter.

## **26. Treasury Management Update – Mid Year Report 2016/17**

The Financial Services Manager presented the mid year report regarding treasury management for 2016/17. She explained how the economic background and forecast impacted on the Council's investments. Over the last six months the Brexit result had affected the UK economy which had begun to grow but was now in a decline; also the Bank of England's base rate inform the interest receipts the Council could expect which was at present 0.25%, however, there was a possibility this could reduce to zero in the near future, which would affect future returns. The Group was informed that the return on the investments during the first six months had been higher than expected and that by the end of the year the actual receipts could be £15,000 higher than forecasted; this was mainly due to the Council being able to invest more than anticipated due to expenditure being incurred later than predicted.

The Financial Services Manager highlighted the investments and how the risks were reduced due to a diverse portfolio. She also pointed out how the Council was investing in shorter timescale investments as this produced a higher rate of return. Councillors' attention was drawn to the prudential indicators and how the budgets had been re-profiled. It was noted that this area was fraught with difficulties and officers stated that any significant variations would be reported to the Corporate Governance Group. The Executive Manager - Finance and Corporate Services explained to Councillors that more short term investments were made in order that the Council could manage its financing of projects.

Following a question regarding terminology officers explained that investments on 'call' could be released overnight and that 'on-going' investments had no end date.

With regard to investments in property funds officers explained that the Council received a greater dividend from property as these were normally longer term.

AGREED that Members noted the Treasury Management update position at 30 September 2016.

## **27. Revenue and Capital Budget Monitoring 2016/17 – Quarter 2 Update**

The Executive Manager - Finance and Corporate Services presented the budget monitoring report for Quarter 2. He stated that the underspend of £5.4 million on the capital programme was due to profiling and the timing of projects. The Group was informed that £2.8 million allocated to the Land

North of Bingham would be reprofiled into 2017/18d; also the Nottinghamshire County Cricket Club loan had reduced from £2.7 million to £1.3 million.

The Group was informed that the Edwalton Golf Courses had had a particularly bad year and that the Council was investing £75,000 into capital projects to help improve the usage of the facility.

With regards to the revenue budget there was a projected saving of £442,000 which was due to efficiency savings and managers being prudent. He explained that there had been a restructure in the financial services section and that vacant positions had now been deleted from the establishment which had made savings for this year.

The Group welcomed the healthy state of the Council's accounts.

AGREED that the Corporate Governance Group noted:

- a) the projected revenue and capital budget positions for the year of £442k in efficiency savings and £5,473k from capital scheme re-phasing; and
- b) the accelerated budget provision in relation to Edwalton Golf course to enhance the facilities (specifically the toilets and showers).

## 28. Work Programme

The Group considered and agreed its work programme. It was noted that following the Group's discussion regarding the Constitution that this item would be included on the programme for the Group's next meeting. The Group queried when it would receive another update report on the performance of The Point; officers agreed to include it within the Quarter 3 revenue report.

Date of Meeting	Item
9 February 2017	<ul style="list-style-type: none"> <li>• Terms of reference for Constitution Review task and finish group</li> <li>• Internal Audit Progress Report 2016/17</li> <li>• Treasury Management Strategy 2017/18</li> <li>• Revenue and Capital Budget Monitoring</li> <li>• Certification of Grants and Returns – Annual Report 2015/16</li> <li>• Work Programme</li> </ul>
11 May 2017	<ul style="list-style-type: none"> <li>• External Audit Plan 2016/17</li> <li>• Internal Audit Progress Report 2016/17</li> <li>• Internal Audit Strategy 2017/18</li> <li>• Risk Management Update</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>

Date of Meeting	Item
September 2017	<ul style="list-style-type: none"><li>• Statement of Accounts 2016/17</li><li>• External Auditors Annual Governance Report 2016/17</li><li>• Review of Constitution – report of the task and finish group</li><li>• Treasury Management Outturn 2016/17</li><li>• Revenue &amp; Capital Budget Monitoring</li><li>• Work Programme</li></ul>

The meeting closed at 9.00 pm.



## Action Sheet

### CORPORATE GOVERNANCE GROUP - THURSDAY 1 DECEMBER 2016

Minute Number	Actions	Officer Responsible
20. Notes of the Previous Meeting	None	
21. Internal Audit Progress Report 2016/17	None	
22. Health and Safety 6 Monthly Report	None	
23. Risk Management Review Update	<p>a) Officers to circulate the method taken to rate identified risks</p> <p>b) Officers to circulate the results of rating the proposed new risks</p> <p>c) The Chief Information Officer to be invited to attend the next meeting the Group consider risk management</p>	Executive Manager - Operations and Transformation
24. Proposals for a Comprehensive Review of the Constitution	A report detailing the terms of reference for the task and finish group to be included on the Group's next agenda	Executive Manager - Operations and Transformation
25. Annual Audit Letter 2015/16	Officers to place the Annual Audit Letter on the financial pages of the Council's website	Executive Manager - Finance and Corporate Services
26. Treasury Management Update – Mid Year Report 2016/17	None	
27. Revenue and Capital Budget Monitoring 2016/17 – Quarter 2 Update	None	
28. Work Programme	<p>a) The Constitution task and finish group terms of reference to be included in the work programme for the next meeting.</p> <p>b) Officers to include an update report on the performance of The Point; within the Quarter 3 revenue report</p>	<p>Constitutional Services</p> <p>Executive Manager - Finance and Corporate Services</p>