

MINUTES
OF THE MEETING OF THE
GOVERNANCE SCRUTINY GROUP
THURSDAY, 20 FEBRUARY 2025

Held at 7.00 pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West
Bridgford
and live streamed on Rushcliffe Borough Council's YouTube channel

PRESENT:

Councillors A Edyvean (Chair), D Polenta (Vice-Chair), J Billin, T Birch,
S Calvert, H Om, N Regan, T Wells and G Wheeler

ALSO IN ATTENDANCE:

Max Armstrong - BDO (The Council's Internal Auditors)
Jennifer Norman – Forvis Mazars (The Council's External Auditors)

OFFICERS IN ATTENDANCE:

S Whittaker	Head of Finance
M Heald	Finance Business Partner
S Pregon	Monitoring Officer
E Richardson	Democratic Services Officer

APOLOGIES:

Councillors C Thomas

28 Declarations of Interest

There were no declarations of interest.

29 Minutes of the Meeting held on 28 November 2025

The minutes of the meeting held on 28 November 2024 were agreed as a true record and were signed by the Chair.

The Chair advised and the Group noted the change in the order of the items to be discussed on the agenda.

The Chair noted that the Council had had its Accounts signed off and thanked Officers and External Audit for their hard work.

30 Internal Audit Progress Report Q3

Mr Armstrong from BDO, the Council's Internal Auditors, presented the Internal Audit Progress Report Quarter 3 which reflected progress made for the year against the annual Internal Audit programme, recommended changes to the

programme and any significant recommendations to the audits.

Mr Armstrong informed Members of the Group of an update in professional standards for internal audit, being that in January 2024, the Institute of Internal Auditors published the new Global internal audit standards and that in December 2024, the Internal Audit Standards Advisory Board published Application Note Global Internal Audit Standards in the UK Public Sector.

Mr Armstrong confirmed that BDO had been involved in the consultation process for the new Application Note and were reviewing their processes to evaluate any changes or amendments needed but remained confident that their existing processes would meet the new requirements with minimal change.

Mr Armstrong referred Members of the Group to the summary review of the audit programme for 2024/25 and confirmed that seven of the nine reviews had been completed and that they were on track to complete the remaining two reviews by the deadline of June 2025.

In relation to the Carbon Management Action Plan and the Housing Benefits review, Mr Armstrong noted that BDO had provided a substantial assurance for the Carbon Management Action Plan design, with two medium assurances, being around how SMART the actions were and the monitoring of delivery of the actions. In relation to Housing Benefits he said that substantial assurance had been provided for the Control Design and Effectiveness with two low (housekeeping) findings over documentation and review and approval process of discretionary housing payments, with the Council having accepted and completed recommendations.

Councillor Om asked about the Cyber Security review and Mr Armstrong confirmed that findings had been presented to the last meeting of this Committee.

Councillor Polenta noted reference in the report to gas consumption in leisure centres being a high contributor to emissions and also that BDO did not provide assurance as to whether data provided was correct. Mr Armstrong explained that the scope of the review did not involve validation of data but related to governance and management and monitoring of data and activity by the Council. He confirmed that there were clear actions for various service areas, including leisure centres.

Councillor Birch asked for information about Co2 emissions from Bingham Arena. The Head of Finance said that she would feedback this request.

The Chair noted that Bingham Arena had been designed with Co2 emissions in mind to make it as efficient as possible and that the Council was currently looking to upgrade Cotgrave and Keyworth Leisure Centres to reduce their carbon footprints.

It was **RESOLVED** that the Governance Scrutiny Group considered the quarter 3 progress report for 2024/25 (Appendix A) prepared by the Council's Internal Auditor.

31 Internal Audit Strategy 2025/26

Mr Armstrong BDO presented the Internal Audit Strategy 2025/26 and asked the Group to review and approve the Strategy for BDO to start work on delivering it over the next financial year.

Mr Armstrong explained that BDO approached preparation of the Plan by looking at the Council's Strategic Plan from the previous year and the Council's risk management process and risk register. He said that the draft Plan was reviewed by the Executive Management Team and that he had met with all Directors individually.

Mr Armstrong referred Members of the Group to page 58 of the report which provided a summary of the nine audits in the Plan. He said that the Plan sought to provide core assurance over key processes and financial areas and some areas of future focus of the Council.

It was **RESOLVED** that the Governance Scrutiny Group reviewed and approved:

- a) the Internal Audit Plan 2025/26-2027/28 Appendix A
- b) the Internal Audit Charter, Appendix 1 of the Internal Audit Plan.

32 Risk Management Progress Report

The Head of Finance presented the Risk Management Progress Report which provided the Group with an update on the Council's risk activity since the last meeting on 19 September 2024. She said that the Council's Risk Management Group had met on 21 January 2025 to review risks on the register and to make recommendations.

The Head of Finance said that a Risk Management audit had been carried out in July 2022 by BDO and that the level of assurance given was a substantial rating for both design and operational effectiveness and that recommendations had been incorporated where necessary.

The Head of Finance explained that during 2023/24 BDO completed a desktop exercise evaluating risk descriptions following which and in line with best practice, the Council had revised some to make them clearer with the new descriptors being adopted into 2024/25 Service Plans.

The Head of Finance said that there were currently 38 corporate risks, with three new corporate and one new operational risk added. She explained that the three corporate risks related to local government reorganisation, which may result in some difficulty in recruiting and retaining staff, some break in service delivery and a risk to the Medium Term Financial Strategy given that it may not reach its five year term. She explained that the fourth operational risk related to a potential loss of housing benefit subsidy linked to potential supported housing providers but this was currently considered low risk.

Councillor Calvert asked about Rushcliffe Oaks Crematorium likelihood risk rating of two and the Head of Finance said that the business was still in its infancy and was in the process of developing a new customer base. She said that the Council carried out regular review of delivery against business case and confirmed that if the risk changed then the score would change also. She added that a report on Rushcliffe Oaks Crematorium had been presented to the Growth and Development Scrutiny Group and was included in quarterly budget reporting to Cabinet.

Councillor Polenta asked about loss of housing benefit subsidy and the Head of Finance said that accommodation was provided by a charity or registered provider who provided support and health care service for people who needed additional elements of care alongside providing the accommodation and due to the providers' status, the Council was not able to claim back 100% subsidy on the rent allowances for those residents.

It was **RESOLVED** that Governance Scrutiny Group

- a) reviewed the contents of this report; and
- b) considered and made recommendations on risks that, in particular, are new risks or have red alert status or any risks that are not identified.

33 **Capital and Investment Strategy Update Q3**

The Finance Business Partner presented the Capital and Investment Strategy update 2024/2025 report which summarised the capital and investment of the Council for the period 1 April to 31 December 2024.

The Finance Business Partner said that the UK economy was experiencing low growth, although Gross Domestic Produce had unexpectedly increased to 0.4% in December 2024. She said that economic growth was expected to reach 1.5% later in 2025 and it was expected that the Bank of England would cut interest rates in May, August and November of 2025.

The Finance Business Partner noted that inflation had risen to 3% in January but was expected to fall again and that unemployment had risen slightly but was expected to remain stable.

The Finance Business Partner referred to investment income and noted that interest receipts were higher than estimated due to larger investment balances and interest rates remaining higher for longer. She said that overall, the Council achieved an average interest rate of 4.69% in quarter 3.

Members of the Group were referred to Appendix A of the report which set out the Council's investment balances at the end of December 2024. The Finance Business Partner confirmed that the Council held a diversified portfolio to protect itself from interest rate risk and said that the Council continued to consider green investments compliant with its investment strategy.

In relation to diversified funds, the Finance Business Partner said that the current position could be seen in Appendix B, showing a drop in value. She

said that funds were volatile and affected by political and economic instability and that there was a statutory override in place until the end of March so that the impact of any loss did not impact on the revenue accounts. It was thought that MHCLG may be minded to end the statutory override thereafter but that the Council had mitigated risk by appropriations to the Treasury Capital Depreciation Reserve.

In relation to Capital, the Finance Business Partner said that the Council was predicting an underspend due to reprofiling and savings for some of its schemes. She referred Members of the Group to Appendix C for Prudential and Treasury Indicators and noted that the liability benchmark showed that the Council did not need to borrow over the medium term.

In relation to ratio of financing costs to net revenue streams, the Finance Business Partner referred Members of the Group to Table 3 and noted that interest receipts exceeded financing costs. In relation to net income from commercial and service investments to net revenue streams, she referred Members of the Group to Table 4.

In conclusion, the Finance Business Partner said the interest rates had remained higher than expected which had had a positive impact on returns but that slower economic growth in the UK and global events impacted negatively on some of the Council's investments. That the UK was also experiencing inflationary pressures which meant that the Bank of England would be reluctant to drop interest rates significantly which was good for investments but made borrowing more expensive, negatively impacting on consumer spending and slower economic growth.

Councillor Regan asked how the Council accounted for inflation, including on materials and labour, for capital expenditure not spent in the allocated year and rolled forward. The Head of Finance said that for specific schemes it would be calculated using recognised indices and that for slipped projects, as they were often only a few months behind schedule would not ordinarily be impacted, but that for a longer delay inflationary costs would be factored in. She said that capital appraisals included in the Annual Budget were revisited on an annual basis and any cost changes would be factored in.

The Chair noted that for some larger projects prices for labour and materials would be fixed ahead of time in the contract which mitigated against inflation.

It was **RESOLVED** that the Group considered the Capital and Investment Strategy update position as of 31 December 2024.

34 **Capital and Investment Strategy 2025/26**

The Finance Business Partner presented the Capital and Investment Strategy 2025/26 to 2029/30.

The Finance Business Partner took Members of the Group through the report and supporting information provided at Appendix A and Appendix B and highlighted some of the key information, including:

- Capital Prudential Indicators

- Minimum Revenue Provision Statement
- Treasury Management Strategy
- Commercial Investments

In conclusion, the Finance Business Partner said that the financial environment was facing uncertainty which brought risks, which were included in the Strategy, but that by setting and following prudential indicators and managing risk through setting investment limits and diversifying investments, the Council had set a robust capital investment strategy. She said that the Council's Treasury advisors, Arling-Close, endorsed the Council's proportionate approach to both its Treasury and commercial property investments.

Councillor Birch asked about the risk to investments and whether the Council had received any advice about the impact of geopolitical events. The Head of Finance confirmed that global events did impact on interest rates and said that Advisors looked at the wider economic environment and gave advice based on events taking place, such as advice about making investments, with constant monitoring taking place.

It was **RESOLVED** that the Governance Scrutiny Group scrutinised and recommended for approval by Full Council:

- a) The Capital Strategy and Capital Prudential Indicators and limits for 2025/26 to 2029/30 contained within Appendix A (paragraphs 4 to 15);
- b) The Minimum Revenue Provision (MRP) Statement contained within Appendix A (paragraphs 16 and 17) which sets out the Council's policy on MRP;
- c) The Treasury Management Strategy 2025/26 to 2029/30 and the Treasury Indicators contained within Appendix A (paragraphs 18 to 67);
- d) The Treasury Management Policy Statement for 2025/26 (Appendix B); and
- e) The Commercial Investments Indicators and limits for 2025/26 to 2029/30 contained within Appendix A (paragraphs 68 to 81).

35 **Amendments to the Constitution**

The Monitoring Officer presented the Amendments to the Constitution report which had been prepared following an annual review of the constitution. She explained that the Council had a statutory duty to keep its constitution under review to ensure that it was relevant, up to date and fit for purpose. She said that, as minimum, the Council must undertake a review of its constitution on an annual basis, which this report demonstrated compliance with. She noted that this was her first review of the constitution since joining the Council and that she brought her experience from elsewhere and also her review of best practice in neighbouring local authorities.

The Monitoring Officer referred Members of the Group to Appendix 1 which set out the proposed amendments, which followed on from feedback from Councillors, Officers and members of the public. She said that the first two

amendments related to matters of clarification, the first in respect of situations where the ombudsman were to consider complaints against the Council from members of the public and the second in relation to the scheme of delegation to Officers in respect of planning matters covered by the Local Development Order. She said that the remaining changes related to rules that governed Council meetings and were intended to assist with the efficient running of those meetings, and also to address accessibility issues in the current rules.

The Monitoring Officer said that subsequent to the publication of this report, the Council had received a report from the Local Government Association who had undertaken a review of the Council's last meeting held in December 2024. They had considered this good opportunity for the Council to review its arrangements for the running of Council meetings.

The Chair clarified that Members of the Group were asked to consider the proposals put forward in the Amendments to the Constitution report.

Councillor Birch said that he thought that opposition Councillors required tools to be able to provide scrutiny of the ruling Group and thought that recorded votes were a part of that. He said that opposition groups were disadvantaged and had the odds stacked against them and said that the proposal in relation to recorded votes was counter to democracy and transparency.

The Chair suggested that the Group focus on and consider the proposals one by one.

Citizen's Rights

The Chair suggested that the Council should have opportunity to review a complaint through its formal procedure before consideration by the Ombudsman. Councillor Birch asked whether the Council had time limits for completion of complaints. The Monitoring Officer confirmed that there set time periods for completion of the different stages of the complaints procedure. She confirmed that the amendment did not change the right for members of the public to complain to the Ombudsman, only that they would need to go through the Council's formal complaints procedure first as required by the Ombudsman. She confirmed that the Council's complaints procedure would need to be followed fully before the Ombudsman would consider a complaint.

Members of the Group agreed the change in relation to Citizen's Rights.

Note: Director Development and Economic Growth

The Chair said that this related to the Local Development Order (LDO). He noted that there was mechanism within existing process for Ward Members to submit their objections. Councillor Billin welcomed inclusion of the phrase 'as required under the LDO' in the wording of the additional text. The Monitoring Officer said that the change was to provide clarity that the existing delegation to the Director applied also to the LDO, to provide clarity as to who the decision maker would be. She explained that the Supplemental Planning Guidance could be any that applied to that particular application.

Members of the Group agreed the change in relation to Note: Director Development and Economic Growth.

Recorded Vote, paragraph 4.24.

Councillor Birch said that he thought recorded votes were a vital mechanism for opposition parties. He noted that different councils had differing requirements for how many Councillors were needed to support a request for a recorded vote but thought that what was important was to do what was right. He noted that his political Party had requested recorded votes regarding Bingham car parking and kerbside glass collection. He said that recorded votes were not about scoring political points but were about what was good for democracy and said that he had never requested a recorded vote gratuitously. He called for the number of people required to call for a recorded vote to be in line with the number of Councillors in the smallest political party.

The Monitoring Officer explained that the decision today was to agree what Members of the Group recommended be taken forward to Full Council for debate and approval. She confirmed that every Councillor had the right to request that the way they voted be recorded in minutes and added that as a council was only required to keep minutes for six years, the record of vote would not be recorded indefinitely. She said that she had benchmarked the proposal against other local councils and noted that two required fewer than five nominators and four required five or more.

Councillor Polenta said that during her time as a Councillor over the past two years she did not think that recorded votes had taken up a big chunk of meeting time and as such did not perceive them to be a problem. She recognised that this Group was not decision making but appreciated it being able to scrutinise and explore the proposal. She supported the proposal made by Councillor Birch for the number of requesters to be in line with the membership of the smallest Group and said that Full Council was a public space and the aim should be to have transparency and accountability.

In response to questions from Members of the Group, the Monitoring Officer said that a request for a recorded vote would be made at the point of voting, with the Chair then asking if there were the required number of supporters for the request.

Following discussion over the wording of 'or more', the Monitoring Officer suggested amending the wording to be 'at least five' rather than 'five or more'.

In response to discussion about changing the number of supporters required to trigger a recorded the vote, the Chair expressed reluctance to put forward an amended number and suggested that the Group vote on the number recommended by in the report.

Members of the Group did not agree the proposal, as amended to be 'at least five', in relation to Recorded Vote.

It was proposed that the number of requesters be changed to be two and Members of the Group did not agree the proposal.

It was proposed that the number of requesters be changed to be 'at least four' and Members of the Group agreed this proposal and for this amendment to be carried forward as the recommendation to Full Council.

Questions on notice at Full Council.

Members of the Group agreed the amendment.

Response

Members of the Group agreed the amendment.

Notice

Members of the Group agreed the amendment.

Scope, paragraph 4.40

Councillor Birch said that there could be value in bringing motions not within the remit of Council as they could lead to interesting discussions with an educational value and said that there was no financial impact on the Council in doing so. He said that having the facility to do this was valuable and good for democracy. He suggested that an annual limit could be set for the number of motions that could be brought regarding matters outside of the remit of Council. Councillor Polenta supported this proposal and said that the Council Chamber was the Councils' sovereign body and provided a direct link with residents and neighbourhoods. She said that the Council did not operate in a vacuum and was affected by wider events taking place and which could have an impact on residents.

The Chair said that proposals for Motions went to the Chief Executive for approval before being brought to Annual Council and referred to calls at the last Full Council for the meeting time to be extended past 10pm to debate business, which was an impact, and as such meeting time needed focus on matters relevant to the business of the Council.

The Monitoring Officer said that the amendment was proposed on the basis of feedback from Councillors and members of the public and was about deciding how, as a Council, it wanted to spend the time within Council meetings. She confirmed that the Chief Executive was the decision maker for acceptance of motions and that they were impartial and not political.

Members of the Group agreed the change in relation to Scope, paragraph 4.40.

Scope, paragraph 4.41

Councillor Birch said that he thought the word 'frivolous' was ambiguous and vague, and suggested it be removed.

The Monitoring Officer explained that that was current wording and she was not aware of anything being rejected on that basis. She said that it was

standard wording in most constitutions and was there to serve a purpose. She confirmed that the Chief Executive was apolitical and would take advice from the Monitoring Officer.

Members of the Group agreed the change in relation to Scope, paragraph 4.41.

Motions Not Moved

The Monitoring Officer said that the rationale for this addition was for instances where a motion had been put forward properly but was not dealt with within Full Council due to the meeting running out of time. She said the currently the motion would carry forward to the next Full Council meeting but due to there being some length of time between meetings, a motion may no longer be relevant. The suggestion was therefore that motions not heard would not be carried forward. She clarified that they could be resubmitted to the next meeting if wanted.

Councillor G Wheeler asked whether motions not heard and resubmitted could be considered with priority. Councillor Birch asked whether wording could be added that a motion not heard, be heard first at the next Council meeting. After discussion over possible additional wording, it was agreed that the recommendation, if not supported, should not be recommended for approval rather than adding additional wording to try to cover every eventuality.

Members of the Group agreed that the amendment in relation to Motions Not Moved was not supported by the Group.

Recorded Vote, paragraph 4.80

Members of the Group agreed the additional wording to be 'at least 4'.

Standing to Speak

Councillor Regan said that it would be unfair for someone with a disability to have to make a request every single time and thought that if they made the request once it should apply for future meetings and that they should not be disallowed to speak if they did not inform the Mayor prior to every meeting. Councillor Billin suggested amending the wording to say that a Councillor needed to give notice, rather than notifying the Mayor before the meeting.

The Monitoring Officer explained that the rationale had been to provide clarity to members of the public as to why a Councillor may be sitting down and dispel any misunderstanding that they may be less involved or more dispassionate. It was also to ensure that the protocol to stand was followed unless there was a valid reason not to do so. In relation to notifying the Mayor, she confirmed that this could be done just before the meeting and did not need to be in writing or made in advance. She said that she would incorporate wording to ensure that it was clear that someone with a disability need not to make a request at every meeting.

Members of the Group agreed the amendment in relation to Standing to Speak, incorporating wording to clarify that a request could carry over to future

meetings where applicable.

It was **RESOLVED** that Governance Scrutiny Group considered the proposed amendments to the Constitution at Appendix 1 to this report and recommended them with the agreed changes as detailed for adoption by Council.

36 **Work Programme**

The Head of Finance presented the Work Programme. She advised that two items were to be added to the Programme, being the External Audit Plan to the June meeting and the Statement of Accounts to the September meeting. She said that Members of the Group may wish to start the June meeting early due to the length of the agenda.

The Chair asked if it would be possible for a draft timetable of meetings to be circulated to Councillors to help Councillors plan their diaries. The Head of Finance agreed but noted that the meeting dates would be provisional and subject to change prior to them going to Annual Council in May for formal approval.

It was **RESOLVED** that the Governance Scrutiny Group approve the Work Programme as follows:

May/June 2025 (Date TBC)

- Internal Audit Progress Report Q4
- Internal Audit Annual Report
- Annual Fraud Report
- Annual Governance Statement (AGS)
- Capital and Investment Strategy Outturn
- Constitution Update
- Code of Conduct
- External Audit Plan

September 2025 (Date TBC)

- Internal Audit Progress Report Q1
- Risk Management Update
- Going Concern
- Capital and Investment Strategy Update Q1
- Statement of Accounts

Actions

Minute No.	Action	Officer Responsible/ Update
31.	Councillor Birch asked for information about Co2 emissions from Bingham Arena	Head of Finance to check if the information was available
37.	The Chair asked if a list of provisional Council and Committee	The timetable of provisional meeting

	meeting dates for 2025/26 could be circulated to Councillors ahead of them going to Annual Council in May	dates has been circulated to Councillors
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The meeting closed at 9.00 pm.

CHAIR