

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

21 September 2017

* Councillor Gordon Jackson (Chairman)

* Councillor Jo Randall (Vice-Chairman)

* Councillor Alexandra Chesterfield

* Councillor Colin Cross

* Councillor Mike Hurdle

* Councillor Nigel Kearse

* Councillor Nigel Manning

Mrs Maria Angel

* Mr Charles Hope

* Ms Geraldine Reffo

* Mr Ian Symes

*Present

The Lead Councillor for Finance and Asset Management, Councillor Michael Illman was also in attendance.

The Committee stood in silent tribute to the memory of Honorary Freeman Bill Bellerby MBE, who had passed away on 19 September 2017.

CGS21 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

An apology for absence was received from Mrs Maria Angel.

CGS22 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS23 MINUTES

The Committee confirmed as a correct record the minutes of the meeting held on 27 July 2017. The Chairman signed the minutes.

CGS24 2016-17 AUDIT FINDINGS REPORT: YEAR ENDED 31 MARCH 2017

The Committee considered the Audit Findings report from the Council's external auditors (Grant Thornton), which set out their opinion on the Council's Financial Statements for 2016-17, and gave a conclusion on the Council's arrangements for ensuring value for money in the use of resources.

The Committee noted that the auditors had not found any misstatements that affected the primary financial statements or financial position of the Council. They had, however, found one misstatement, relating to the gross value and accumulated depreciation value of property plant and equipment stated in the disclosure notes of the accounts. As the net value of plant property and equipment, as shown in the balance sheet, was not affected, officers had chosen not to adjust the misstatement and would amend the records for the 2017-18 accounts. The auditors had also identified some improvements to disclosure notes, which had been amended for the final set of accounts.

The auditors proposed to give an unqualified Value for Money conclusion. Their recommendations relating to value for money were included in the action plan attached to their report. The recommendations related to the work of the newly formed Transformation Board and the profiling of the Council's capital projects.

The Chairman of the Corporate Governance and Standards Committee was required to issue a letter of representation on behalf of the Council to the auditors to provide assurance over the management framework operating at the Council and the disclosures in the accounts. A copy

of the proposed letter was attached to the Supplementary Information sheet circulated to the Committee at the meeting.

The Committee

RESOLVED:

- (1) That Grant Thornton's Audit Findings report attached as Appendix 1 to the report submitted to the Committee, and the management responses provided in the action plan (as set out in Appendix A to Appendix 1) be noted.
- (2) That the letter of representation, as set out in Appendix 2 to the report, be approved, and that the Chairman be authorised to sign the letter on the Council's behalf.

Reason for Decision:

To allow the external auditor to issue his opinion on the 2016-17 accounts.

CGS25 2016-17 AUDITED STATEMENT OF ACCOUNTS

The Committee considered the Audited Statement of Accounts for 2016-17. No changes had been made to the primary financial statements during the audit; although some items required changes to notes to those financial statements. Of the changes required, the majority were minor and presentational in nature. These had been outlined in the Audit Findings report. The Statement of Accounts appended to the report included the changes.

Comments from the Committee raised a number of mainly presentational queries, none of which affected the veracity of the Statement of Accounts.

The Committee

RESOLVED:

- (1) That the audited Statement of Accounts for 2016-17, as set out in Appendix 1 to the report submitted to the Committee, be approved.
- (2) That the Chairman of the Committee be authorised to sign the official copy of the accounts to state that they are approved.

Reason for Decision:

To comply with the Accounts and Audit Regulations 2015 to approve the statutory Statement of Accounts by 30 September.

CGS26 FINANCIAL MONITORING 2017-18 PERIOD 3 (APRIL TO JUNE 2017)

The Committee considered a report that set out the financial monitoring position for the period April to July 2017.

The report summarised the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for the period April to June 2017, with the outcome of budget monitoring on key services for the period April to July 2017 overlaid to form a hybrid report. Officers were projecting a reduction in net expenditure on the general fund revenue account of £560,823 (representing 1.26% of the Council's original net budget). This was the result of a combination of factors, which included an increase in interest on investments, reduction in employee expenditure across all services, higher than assumed levels of grant support and a reduction in the statutory Minimum Revenue Provision (MRP) charge to the General Fund to make provision for the repayment of past capital debt. This lower than budgeted MRP charge reflected a re-profiling of capital schemes, which also had a positive impact on the level of cash balances and assumed external borrowing costs, which had combined to produce higher than budgeted net interest receipts.

A surplus on the Housing Revenue Account, due to lower staffing and repairs and maintenance costs would enable a projected transfer of £8.76 million to the new build reserve and reserve for future capital at year-end. This transfer was £537,128 higher than budgeted.

Officers were making progress against significant capital projects on the approved programme as outlined in section 7 of the report. The Council was now expected to spend £76.1 million on its capital schemes by the end of the financial year.

The Council's underlying need to borrow to finance the capital programme was expected to be £52 million by 31 March 2018, against an estimated position of £87.7 million. The lower underlying need to borrow was a result of slippage on both the approved and provisional capital programme, as detailed in the report.

The Council held £144.1 million of investments and £250.3 million of external borrowing as at 30 June 2017, which included £193 million of Housing Revenue Account loans. Officers confirmed that the Council had complied with its Prudential indicators in the period, which were set in February 2017 as part of the Council's Treasury Management Strategy.

The Lead Councillor for Finance and Asset Management commented that the report reflected the Council's strong financial position, together with the ambitious Corporate Plan and capital programme demonstrating the Council's commitment to investing in the Borough.

In relation to the major service variations and, in particular, the higher net cost of £625,000 associated with The Village, the Committee noted that best projections for income forecasts provided by consultants at the beginning of the Village project had been based on unit rentals in the region of £400 per week with 90% occupancy, operating 364 days in the year. Unfortunately, those projections could not be achieved. More details on the financial performance of The Village project would be presented in separate reports to Overview and Scrutiny Committee on 14 November, Executive on 28 November and full Council on 5 December 2017.

Having considered the report, the Committee

RESOLVED:

That the results of the Council's financial monitoring for the period April to June 2017, and the update on key services for the period April to July 2017, be noted.

Reason for Decision:

To allow the Committee to undertake its role in scrutinising the Council's finances.

CGS27 GENERAL DATA PROTECTION REGULATION: GOVERNANCE ARRANGEMENTS

The Committee noted that the Data Protection Act 1998 currently regulated how the Council used and stored the personal data of its customers and staff. An EU Directive, the General Data Protection Regulation (GDPR) would replace the Data Protection Act. The GDPR sets out how organisations can collect and use personal data. The GDPR comes into force on 25 May 2018. Before then, the UK Parliament would pass a new law so that the GDPR applied in the UK.

The GDPR applied to organisations that provide goods or services to individuals in the EU. This included organisations outside the EU that want to provide goods or services within the EU. The GDPR (and the new law) would continue to apply in the UK after the UK leaves the EU.

The Committee received a report which set out the suggested governance structure to oversee the implementation and ongoing maintenance of GDPR within the Council.

The Committee

RESOLVED:

That the Governance structure and the Officer Project Board's approach to implementing the General Data Protection Regulation, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason for Decision:

To comply with the requirements of the GDPR by 25 May 2018.

CGS28 COUNCILLOR TRAINING AND DEVELOPMENT UPDATE

The Committee considered a report outlining the work undertaken by the Councillor Development Steering Group to date, including the feedback from councillors in respect of training events held during the year and the ongoing training and development programme. The report also outlined the work being carried out in terms of developing a dedicated microsite on the Council's website for prospective candidates that want to become a councillor, and the recent provision of an online e-learning management system for councillors.

The Committee

RESOLVED:

That the valuable work being undertaken by the Councillor Development Steering Group in developing a clear structured plan for councillor development that responds both to the Council's corporate priorities and councillors' individual training needs, be noted.

Reason for Decision:

To recognise the importance the Council attaches to councillors' training and development.

CGS29 WORK PROGRAMME

The Committee, having considered its updated work programme for the remainder of the 2017-18 municipal year,

RESOLVED:

That the updated work programme for 2017-18, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason for Decision:

To allow the Committee to maintain and update its work programme.

The meeting finished at 8.07 pm

Signed

Chairman

Date