

DRAFT

MINUTES OF GOVERNANCE COMMITTEE

MEETING DATE **Wednesday, 31 January 2018**

MEMBERS PRESENT: Councillors Alan Ogilvie (Chair), James Patten (Vice-Chair), David Bird, Margaret Smith and Karen Walton

OFFICERS: Garry Barclay (Head of Shared Assurance Services), Jane Blundell (Deputy Section 151 Officer), Lee Hurst (Principal Systems & Financial Accountant), Dave Whelan (Legal Services Manager/Monitoring Officer), Dawn Highton (Principal Auditor (South Ribble)), Joanne Platt (Interim Corporate Improvement Manager) and Dave Lee (Democratic Services Officer)

OTHER MEMBERS AND OFFICERS: Councillor Clifford Hughes MBE (Cabinet Member for Strategic Planning and Housing), Councillor Keith Martin, Councillor Jacqueline Mort (Cabinet Member for Public Health, Safety and Wellbeing), Councillor Phil Smith (Cabinet Member for Regeneration and Leisure), Tracy Boustead (Interim HR and OD Officer), Darren Cranshaw (Scrutiny & Performance Manager), Heather McManus (Chief Executive), Mark Hodges (Partnership Development Manager) and Jonathan Noad (Planning Manager) also Simon Hardman (Grant Thornton PLC) and Mark Heap (Grant Thornton PLC)

PUBLIC: 2

40 Apologies for absence

An apology for absence was received from Councillor Paul Foster.

41 Declarations of Interest

There were no declarations of interest.

42 Minutes of the Last Meeting

RESOLVED (Unanimously):

That the minutes of the meeting of the committee held on 29 November 2017 be approved as a correct record and signed by the chairman.

In respect minute 39, the Committee was informed that the Council had been working through the selection of an appropriate procurement partner/expertise to help deliver the strategy. The timescales of the selection process were in line and the delivery of that project was still on course.

43 Treasury Management Activity - update to 31 December 2017

The Committee considered a report of the Deputy S151 Officer on Treasury Management performance to the end of December 2017 and updates on other issues relevant to Treasury Management activity.

The mid-year review of the Treasury Strategy and Treasury Management activity required by the Code of Practice for Treasury Management was presented to the Governance Committee's meeting on 13 September 2017. This provided updated information in respect of Treasury Management activity, and issues relevant to Treasury Management.

During the discussion the Committee commented on areas which included –

- A new report to provide members with a high level summary of the overall capital strategy and to see how the cash resources of the authority have been apportioned between treasury and non-treasury investments
- The interest earning benchmark and the actual investment return
- Further details be provided on Capita Group's sale of Capita Treasury Solutions Limited (operating as Captia Asset Services) to the Link Group
- Appendix 1 to the report – due for an update as part of the budget process and consideration would need to be given to the maximum limits
- Appendix C to the report – PWLB rates would have to be monitored, in particular with the investment in leisure

RESOLVED (Unanimously):

That the report be noted.

44 Budget Management Report as at 31 December 2017

The Committee considered a report of the Deputy S151 Officer on the third quarter of the Council's overall financial position. This forecast the projected outturn to 31st March 2018 in comparison to the 2017/18 original budget.

The approved revenue budget set by the Council in February 2017 was £13.182m, with a budgeted transfer from general balances of £0.300m.

At the commencement of the meeting the Deputy S151 Officer informed the meeting that under Property Lease in the report the one-off charge in 2017/18 and the ongoing annual increase in rental should read £9,000.

During the discussion the Committee commented on areas which included –

- Of the Staffing saving (under the Revenue Expenditure) of £261k only £161k was on a recurring basis with the remainder met from staffing savings through vacancies, general turnover and reduced hours
- The forecast rental income was £42k lower than the original budget forecast for the year
- An increase in planning application fee income of at least £180k was forecast for the full year however this was based on the current assumption of upcoming major applications received and therefore was not certain and subject to variation
- Congratulated the Building Control Team which have achieved higher income

than forecast

- Returns on investments and comparatives for the previous reporting period
- Additional income (car parking) was forecast to be achieved by the end of the financial year
- Business Rates Retention (BRR)
- Main capital projects which have been re-phased into 2018/19 (in line with the Corporate Plan)
- Net City Deal payments
- Further details be provided on the re-phased scheme into 2018/19 in respect of St Mary's churchyard wall, Penwortham

RESOLVED (Unanimously):

That the report be noted.

45 External Audit - Update Report/Closure of Annual Accounts 2017/18 - plans to achieve the new deadline

The Committee considered a report of the Deputy S151 Officer on the progress of the preparation for the closure of accounts 2017/18 following the request of the Governance Committee in November 2017. The report also presented the external audit Progress Report and Sector Update from Grant Thornton along with their Certification Letter for the Housing Benefit Subsidy claim.

The Committee was informed that the internal plan would take us to 31 May 2018 when the Council had to produce the accounts together with the working papers which would be approved by the responsible Finance Officer. Ultimately external audit would then formally commence the work on the accounts from 1 June 2018. External audit would undertake preliminary audit work (ie risk analysis) prior to this.

The Chair welcomed Mark Heap and Simon Hardman from the Council's External Auditors, Grant Thornton.

The External Auditors presented their progress report and provided a brief explanation on the Sector Update.

The progress report included information relating to the following:

- Financial Statements Audit
- Value for Money
- Details of workshops/network events
- Meeting the deadlines (challenges, completion of the VfM conclusion work, response timeframe etc)

In respect of looking at the requirements of the General Data Protection Regulation (GPDR), it was reported that a number of officers were working on this and further details would be provided to the Committee.

RESOLVED (Unanimously):

That the report, the Shared Financial Services Closure of Accounts Timetable (Appendix A to the report), the contents of the external auditor's progress and

update (Appendix B to the report) and the contents of the external auditor's Certification Letter (Appendix C to the report) be noted.

46 2nd Internal Audit Interim Report as at 29th December 2017

The Committee considered a report of the Head of Shared Assurance Services on the progress made on the South Ribble and Shared Services Internal Audit Plans for the period August 2017 to December 2017.

In respect of further details of the Risk Register/Plan relating to South Ribble City Deal it was reported that this would be circulated to the Committee.

RESOLVED (Unanimously):

That the report be noted.

47 Member and Officer Protocol

The Committee considered a report of the Interim Corporate Improvement Manager on the draft Member and Officer Protocol.

The interim Corporate Improvement Manager informed the meeting that Unison had been involved in the development of the protocol and their responses to this had been circulated to the Committee.

During the discussion the Committee commented on areas which included –

- Consideration should be given to making the protocol more specific in respect of members' sanctions
- The wording be looked at in relation to consultation with ward representatives on major issues (ie practices of planning applications)
- Policy/management of confidential information should be made clearer
- Clarification/ratification of draft minutes of Cabinet/Committees to full Council
- Issue of criticism/legitimate challenge of Cabinet Members questioned at full Council

RESOLVED (Unanimously):

That –

1. the draft Member and Officer Protocol shown at Appendix 1 to the report be agreed and that this now be recommended to Council for approval.
2. it be recommended to Council that all members of the Council and all Tier 1 – 4 officers and any other officers whose posts are politically restricted be required to sign the Protocol to signify their acceptance of its contents and their commitment to their adherence to the Protocol.
3. it be recommended to Council that the Member and Officer Protocol becomes a formal part of the Council's revised Constitution.

48 Minutes Protocol

The Committee considered a report of the Legal Services Manager / Interim Monitoring Officer on the protocol for the production of the minutes of meetings of the Council, Cabinet and various Committees, to be used by the staff in the Democratic Services Team.

There was a general consensus amongst members that the protocol should be supported.

The Committee was informed that once the document had been finalised this would be publicised on Councillor Connect and forwarded to all members.

RESOLVED (Unanimously):

That the Minutes Protocol be noted.

49 Appeals Committee - Terms of Reference

The Committee considered a report of the Legal Services Manager / Interim Monitoring Officer on the proposed Appeals Committee Terms of Reference.

RESOLVED (Unanimously):

That the draft Appeals Committee Terms of Reference at Appendix A to the report be agreed and that this now be recommended to Council for approval.

50 My Neighbourhood Area Procedure Rules & Terms of Reference

The Committee considered a report of the Legal Services Manager / Interim Monitoring Officer on the proposed the proposed My Neighbourhood Area Procedure Rules and Terms of Reference.

RESOLVED (Unanimously):

That the My Neighbourhood Area Procedure Rules and Terms of Reference be agreed and that this now be recommended to Council for approval.

Chair

Date