

COUNCIL

WEDNESDAY, 27TH SEPTEMBER, 2017, 5.30 PM

SHIELD ROOM, CIVIC CENTRE, WEST PADDOCK, LEYLAND, PR25
1DH

AGENDA

- | | |
|---|-----------------|
| 6a Cabinet - minutes of the meeting on 6 September 2017 | (Pages 3 - 6) |
| 6b Scrutiny Committee - minutes of the meetings held on 25 July and 6 September 2017 | (Pages 7 - 14) |
| 6c Governance Committee - minutes of the meeting held on 13 September 2017 | (Pages 15 - 22) |

Heather McManus
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Council Councillors Michael Titherington (Mayor), John Rainsbury (Deputy Mayor), Jane Bell, Warren Bennett, David Bird, Renee Blow, Carol Chisholm, Colin Clark, Colin Coulton, Malcolm Donoghue, Bill Evans, Derek Forrest, Paul Foster, Mary Green, Michael Green, Claire Hamilton, Harry Hancock, Jon Hesketh, Mick Higgins, David Howarth, Cliff Hughes, Ken Jones, Susan Jones, James Marsh, Keith Martin, Elizabeth Mawson, Caroline Moon, Jacqui Mort, Peter Mullineaux, Barbara Nathan, Mike Nathan, Mike Nelson, Rebecca Noblet, Alan Ogilvie, James Patten, Margaret Smith, Phil Smith, Susan Snape, David Suthers, Caleb Tomlinson, Matthew Tomlinson, Karen Walton, Graham Walton, Ian Watkinson, David Watts, Paul Wharton, Jonathan Woodcock, David Wooldridge, Linda Woollard and Barrie Yates

The minutes of this meeting will be available on the internet at www.southribble.gov.uk

Forthcoming Meetings

6.00 pm Wednesday, 22 November 2017 - Shield Room, Civic Centre, West Paddock, Leyland, PR25 1DH

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DRAFT

MINUTES OF CABINET

MEETING DATE **Wednesday, 6 September 2017**

MEMBERS PRESENT: Councillors Peter Mullineaux (Chair), Colin Clark (Vice-Chair), Cliff Hughes, Jacqui Mort, Phil Smith and Graham Walton

OFFICERS: Heather McManus (Chief Executive), Mark Gaffney (Director of Neighbourhoods, Environmental Health and Assets), Denise Johnson (Director of Development, Enterprise and Communities), Susan Guinness (Head Of Shared Financial Services), Dave Whelan (Legal Services Manager/Monitoring Officer) and Dave Lee (Democratic Services Officer)

OTHER MEMBERS: Councillor Warren Bennett, Councillor Colin Coulton, Councillor William Evans, Councillor Derek Forrest, Councillor Paul Foster (Leader of the Opposition), Councillor Mary Green, Councillor Keith Martin, Councillor Caroline Moon, Councillor Barbara Nathan, Councillor Michael Nathan, Councillor Alan Ogilvie, Councillor Matthew Tomlinson, Councillor Karen Walton and Councillor Linda Woollard

PUBLIC: 3

27 Apologies for Absence

An apology for absence was submitted from Councillor Susan Snape (Finance).

28 Minutes of the Last Meeting

RESOLVED (UNANIMOUSLY): that the minutes of the meeting held on 27 July 2017 be approved as a correct record.

29 Declarations of Interest

The Director of Neighbourhoods, Asset Management and Environmental Health, the Director of Development, Enterprise and Communities, the Head of Shared Financial Services and the Legal Services Manager declared prejudicial interests in the Management Structure for Consultation item and indicated that they would leave the meeting during the discussion and voting thereon.

30 Management Structure for Consultation

(The Director of Neighbourhoods, Asset Management and Environmental Health, the Director of Development, Enterprise and Communities, the Head of Shared Financial Services and the Legal Services Manager declared prejudicial interests in this item as they were directly affected by the Senior Management Restructure, and left the meeting during the consideration thereof. Another Senior Officer (in the audience) that was directly affected by this also withdrew from the meeting.)

The Chief Executive addressed Cabinet explaining that as Head of Paid Service the council required her to put in place a management structure that would deliver to the corporate agenda set by Council. This agenda was detailed in the Council's Corporate Plan and Medium Term Financial Strategy.

The Council experienced a period of instability which impacted on staff morale and the Council's ability to govern. As agreed in the Transformational Strategy this journey started in 2017-18, by putting in place the building blocks necessary to achieve this shift in focus. This would include transforming services, finding ways to generate income to replace Government Grant, maintaining a skilled, healthy and motivated workforce and Council and having a robust and effective decision-making framework to support new ways of working.

The Chief Executive (Head of Paid Services) was now sharing thinking as illustrated in the appendices (formal consultation document) to the report for the wider views of members/officers and to allow her the opportunity to address any concerns. The consultation would close on 7 September 2017.

The Chief Executive (Head of Paid Service) responded to questions and comments from the Cabinet, members in the audience and the public.

The Chief Executive (Head of Paid Services) explained the roles/responsibilities of Statutory Officers, the Council's vision for shared services with Chorley Borough Council and the anticipated cost savings from the senior management restructure.

The Cabinet noted that this matter had been considered by the Scrutiny Committee held on 30 August 2017 and that the committee would be formalising its response to the Management Re-structure Consultation Document at the rising of this Cabinet meeting.

The Cabinet welcomed the consultation process and commented that reference should be made to "growth and opportunity" in recommendation 1.

RESOLVED (UNANIMOUSLY): that the following key themes and actions captured be supported:

1. To create a culture of continual improvement, growth and opportunity, a place where staff feel supported and proud to work.
2. To broaden and deepen the shared service relationship with Chorley Borough Council that serve two independent and sovereign councils.
3. To work in the spirit of the featured operating principles.
4. To present views on the append proposals in writing to the Head of Paid Services by 7 September 2017.
5. To recommend that the Head of Paid Services presents a Chief Officer (Leadership and Management) structure to Full Council for decision on 27 September 2017 (via Shared Service Committee as appropriate).

31 Communicating with Residents and Businesses

The Chief Executive presented the report.

With the next edition of Forward being due in early autumn, it was suggested that a cross party member working group was established to review all the options and to

make recommendations to Cabinet on the best way to communicate with residents and businesses in the future.

RESOLVED (UNANIMOUSLY): that a cross party member working group be established to review the way the Council should communicate with residents and businesses in the borough in the future as outlined in Appendix 1 to the report.

32 Statement of intent for Energy Company Obligation (ECO) Flexible Eligibility

The Cabinet considered a report on a scheme to assist some of the most vulnerable households in the borough in energy efficiency and reducing energy bills.

RESOLVED (UNANIMOUSLY): that consideration of the matter be deferred until the next scheduled meeting of Cabinet on 25 October 2017 to allow officers to provide further details and to explore other available options.

33 Cabinet Forward Plan

RESOLVED (UNANIMOUSLY): that the Forward Plan submitted under Section 22 of the Local Government Act 2000 be noted.

34 Worden Park Toilet Provision

The Cabinet considered a report to commit capital expenditure and accept the most economically advantageous tender for the proposed installation of new toilet facilities on Worden Park, Leyland.

RESOLVED (UNANIMOUSLY): that consideration of the matter be deferred until further options are explored within the framework of the current budget process of the Corporate Plan.

35 Exclusion of Press and Public

Not required as the consideration of the **Worden Park Toilet Provision** was contained to the Part 1 (Open Report), min. no. 34 above refers.

36 Worden Park Toilet Provision

This report was not considered as the discussion was contained to the Part 1 (Open Report), min. no. 34 above refers.

Chair

Date

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Scrutiny Committee

Meeting held at 6.00pm on Tuesday, 25th July, 2017 in Cross Room, Civic Centre, West Paddock, Leyland PR25 1DH

Present:-

Cllr M V Tomlinson (Chairman), Mrs C A Chisholm , Cllr M A Green , Cllr D Howarth , Cllr Mrs S Jones , Cllr K J Martin , Cllr Mrs B A B Nathan , Cllr M J Titherington (Mayor), Cllr Mrs K Walton , Cllr I D Watkinson , Cllr Mrs L R Woollard

In Attendance:-

Councillor Colin Clark – Cabinet Member for Corporate Support and Assets, Joanne Platt (Interim Corporate Improvement Officer), Darren Cranshaw (Scrutiny and Performance Officer) and Dianne Scambler (Democratic Services Officer)

Public Attendance:-

None

Officers:-

2

Other Members Present: Councillors Jacqui Mort, Susan Snape and Graham Walton

Minute No.	Description/Resolution	Action By/Deadline
10	Welcome The Chair welcomed Councillors David Howarth and Barbara Nathan who were attending their first meeting.	
11	Apologies for absence An apology for absence was received from Councillor Colin Coulton.	
12	Minutes of the Last Meeting The minutes of the Scrutiny Committee meeting held on 22 June were confirmed as a correct record for signing by the Chair.	
13	Declarations of Interests No declarations of interests were declared.	
14	Transformation Strategy 2017/18 The Chair welcomed Councillor Colin Clark, Cabinet Member for Corporate Support and Assets who was attending the meeting along with Joanne Platt, Interim Corporate Improvement Manager to present the Council's Transformation Strategy 2017-18. The Committee welcomed the Strategy being presented to	

Scrutiny prior to its consideration by Cabinet on 27 July for approval, but made a plea for future reports to be written in plain English to help promote a greater understanding of what the Strategy is aiming to achieve.

The Business Transformation Strategy and the Organisational Development Strategy had been merged into the one document as the two strategies were closely aligned. It was important that Council staff possessed the skills and capacity needed to drive through the transformation of the Council. The Member Development Champions, Councillors Jane Bell and Susan Snape supported this approach. Once the Strategy was agreed the Council would consult with stakeholders on its implementation.

As the adoption of new business models may require some upfront investment to allow the Council to act more quickly, a Transformation Fund was being requested for £500,000 from existing financial reserves. Bids to the funds will be dependent on the submission of a robust business case showing the return of investment over a period of no more than three years and a proportion of the savings achieved would be recycled into further investment projects.

Facing significant budgetary challenges, the Council needs to become financially self-sufficient by 2019-20 and the Medium Term Financial Strategy (MTFS) for 2017-20 sets out a target to achieve £300,000 efficiencies from business transformation by 2018, with a further reduction of £200,000 by April 2019. Although specific targets, it was accepted by the Council that the systems and processes needed had not yet been developed, the savings targeted for this year would be met from reserves. In response to members concerns, it was explained that these targets would be reviewed regularly and it was anticipated that they would be exceeded in subsequent years.

It is intended to hold a number of workshops in October to identify where savings can be made and all Core Managers have been asked to look at different ways of generating sustainable income across their service areas. The Committee noted the commitment to bring forward proposals for the Banqueting Suite and Worden Arts Centre to be utilised more by its residents that would in turn generate revenue for the Council.

The Chair commented on how important it was for members to engage in the transformation process and asked for the implications of the Strategy to be communicated more effectively to stress the

importance of the strategy's success. Online interactive services are undoubtedly the way forward and the Council is required to make best use of all social media.

The Committee welcomed the proposals for a more holistic approach to Organisational Development across the Council by ensuring that all officers and Councillors undertake the same training and agreed for Group Leaders to help drive this change through for members. Although many of the current Senior Management Team posts were Interim, this resource would only remain in place until a more permanent management structure was in place.

The Cabinet was confident that the current values of the authority; teamwork, integrity, learning organisation, positive attitude and excellence are embedded within the organisation and still relevant to its workforce. This was evidenced recently at the Chief Executive workshops. It was felt that these values could be retained and improved upon to help reshape the culture of the organisation and the Council will look to developing 'the South Ribble Way'. The Council will strive to be the Best Council, working cohesively towards the delivery of a single vision and priorities and five transformational aims have been identified.

Actions contained against each of the projects listed within the Transformation Strategy will be monitored against SMARTer (specific, measurable, achievable, and realistic, time bound) performance measures to ensure their delivery within the required timeframes and measurable Key Performance Indicators (KPI's) have also been identified that will monitor its success, along with staff surveys, sickness absence figures and job application statistics. The Council would look to obtaining relevant awards that will be identified from the onset and evidence collated when going through the process to avoid additional resources when applying.

The Chair thanked Councillor Colin Clark and Joanne Platt for attending the meeting and asked that they be kept informed of progress made.

RESOLVED:1. Scrutiny Committee welcomes the Strategy being presented to Scrutiny Committee prior to consideration by Cabinet.2. Asks that future reports are written in plain English to promote greater understanding of what the Strategy is aiming to achieve.3. Looks forward to consultation taking place with stakeholders on implementing the Transformation Strategy.4. Expresses concern at the delay and pace

	<p>of narrowing the budget deficit but accepts that plans are in place to reduce this deficit and are pleased to note the confidence shown that targets will be achieved.5. Welcomes the commitment to bring forward proposals for the Banqueting Suite and Worden Arts Centre to be utilised more and generate revenue for the Council.6. Consideration be given to SMARTer (specific, measureable, achievable, realistic, timebound) performance measures for monitoring the success of the Strategy.7. That the implications of the Strategy be communicated to all Members of the Council to press upon the importance of the strategy's success.8. A progress report be presented to the Committee in six months' time.9. Suggested word changes to the Strategy as follows:Aim 1 – add RewardAim 2 – add Resilient and Flexible</p>	
15	<p>Scrutiny Matters</p> <p>a) Scrutiny Task Group – Staff Morale</p> <p>The membership of the Task Group was confirmed as:Councillor Matthew Tomlinson (Chair) Councillor Colin Coulton Councillor Keith Martin Councillor Karen Walton</p> <p>A report on the findings and recommendations would be brought to the next Scrutiny Committee meeting in August.</p> <p>b) Cabinet Forward Plan</p> <p>The Committee noted the Cabinet Forward Plan.The Chair identified the Leisure Review and Review of Fees and Charges as items that the Committee may be interested in looking at in future.</p>	
16	<p>Lancashire County Council Health Scrutiny Committee – 24 July 2017</p> <p>The Chair encouraged the Committee to read a report on the Lancashire Trust Hospital Foundation Trust – Recruitment and Retention and Mobilisation of Chorley and South Ribble Emergency Department and Urgent Care Centre that had been considered by the Health Scrutiny Committee at Lancashire County Council.</p>	
17	<p>Joint Strategic Needs Assessment Workshop – 12 July 2017</p> <p>Councillor Martin reported that he and Councillor Titherington had attended the workshop on the JSNA and encouraged scrutiny members to look at the assessment for South Ribble.</p>	
18	<p>North West Employers Scrutiny Network</p>	

	<p>Councillor Titherington provided feedback on the Regional Network he chaired on 6 July. A report from Oldham Council on Commercialisation had recently been circulated to all Members of the Scrutiny Committee. Given the item considered at the meeting, Councillor Titherington asked all Members to look at the document.</p> <p>The next meeting of the North West Employers Scrutiny Network was in November. The date would be circulated to all members and the Committee were encouraged to attend.</p>	
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7.00pm

..... Chairman

Published on Thursday, 27th July, 2017

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DRAFT

MINUTES OF SCRUTINY COMMITTEE

MEETING DATE **Wednesday, 6 September 2017**

MEMBERS PRESENT: Councillors Matthew Tomlinson (Chair), Colin Coulton (Vice-Chair), Michael Green, Keith Martin, Barbara Nathan, Karen Walton, Ian Watkinson and Linda Woollard

CABINET MEMBERS: Councillor Colin Clark (Deputy Leader and Cabinet Member for Corporate Support and Assets), Councillor Clifford Hughes MBE (Cabinet Member for Strategic Planning and Housing), Councillor Jacqueline Mort (Cabinet Member for Public Health, Safety and Wellbeing), Councillor Phil Smith (Cabinet Member for Regeneration and Leisure) and Councillor Graham Walton (Cabinet Member for Neighbourhoods and Streetscene)

OFFICERS: Darren Cranshaw (Scrutiny & Performance Manager) and Dave Lee (Democratic Services Officer)

OTHER MEMBERS: Councillor Warren Bennett, Councillor Paul Foster (Leader of the Opposition), Councillor Mary Green, Councillor Caroline Moon, Councillor Michael Nathan and Councillor Alan Ogilvie

PUBLIC: 1

18 Apologies for Absence

Apologies for absence were received from Councillors Carol Chisholm, David Howarth, Susan Jones and Mick Titherington.

19 Declarations of Interest

The Scrutiny and Performance Manager declared a prejudicial interest in the Management Re-structure Consultation Document item and indicated that he would leave the meeting during the discussion and voting thereon.

20 Management Re-Structure Consultation Document

(The Scrutiny and Performance Manager declared a prejudicial interest in this item as he was directly affected by the Senior Management Restructure, and left the meeting during the consideration thereof.)

Further to minute no. 14 (30 August 2017), the committee considered its draft response to the Management Re-structure Consultation Document.

The committee was grateful to the Chief Executive for consulting the Scrutiny Committee on the future management structure of the Council. This was particularly pleasing as it was a key recommendation from the Scrutiny Review of Licensing.

The committee noted that the Chief Executive's attendance at the last meeting of the Scrutiny Committee (held on 30 August 2017) to give a presentation and answer questions had been very useful.

A discussion ensued on the 6 draft recommendations. In respect of Recommendation 2 the committee accepted the significant reassurance from the Chief Executive that there would be a number of officers to offer additional support to the Scrutiny function. The committee therefore suggested that this recommendation should be amended to seek further assurances about the support for both Scrutiny and Governance functions under either of the proposed new structures.

During the course of the meeting, the Scrutiny Committee also agreed the following minor amendments –

Recommendation 4, first line, the word “developed” be replaced by “implemented”.

Recommendation 6, first line, the deletion of the words “Consideration be given to ...” and be replaced by “The Council moves to...”.

RESOLVED (unanimously): that based on the information provided, the Scrutiny Committee recommends that –

1. Further consideration and information is provided on the justification and potential implications of sharing the statutory roles of the Section 151 Officer and the Monitoring Officer with Chorley Council.
2. Requests further re-assurance about the future officer support for the Scrutiny and Governance functions and that the proposals going forward clearly outline the officer support to be provided under the new management structure.
3. Clarity be provided on the selection process for the posts that are not statutory officer appointments to ensure it is fair and there is equality of opportunity.
4. Plans are implemented to ensure those not successful in applying for the new roles in the structure are provided with the necessary support.
5. A support programme for those appointed to the new structure be put in place to help them manage the transition and ‘step up’ to the challenge.
6. The Council moves to developing a shared services strategy outlining both council's vision for shared services and a review of the governance arrangements of the shared services partnership, including harmonizing employee terms and conditions.

21 Final Report from the Scrutiny Review of Staff Morale

Further to minute no. 17(a) (30 August 2017), the committee received the final report from the Scrutiny Review of Staff Morale Task Group.

RESOLVED (unanimously) that the committee endorses the task group's findings/recommendations.

Chair

Date



DRAFT

MINUTES OF GOVERNANCE COMMITTEE

MEETING DATE Wednesday, 13 September 2017

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

OFFICERS: Heather McManus (Chief Executive), Mark Gaffney (Director of Neighbourhoods, Environmental Health and Assets), Dave Whelan (Legal Services Manager/Monitoring Officer), Caroline Elwood (Interim Corporate Governance Manager), Susan Guinness (Head Of Shared Financial Services), Lee Hurst (Principal Systems & Financial Accountant), Garry Barclay (Head of Shared Assurance Services), Dawn Highton (Principal Auditor (South Ribble)) and Dianne Scambler (Democratic and Member Services Officer)

OTHER MEMBERS AND OFFICERS: Councillor Colin Clark (Deputy Leader and Cabinet Member for Corporate Support and Assets), Councillor Jacqueline Mort (Cabinet Member for Public Health, Safety and Wellbeing), Councillor Phil Smith (Cabinet Member for Regeneration and Leisure), Councillor Susan Snape (Cabinet Member for Finance), Councillor Keith Martin, Councillor Caroline Moon, Denise Johnson (Director of Development, Enterprise and Communities) and Jane Blundell (Principal Management Accountant)

PUBLIC: 0

18 Apologies for absence

An apology was received from Councillor David Bird.

19 Minutes of the Last Meeting

RESOLVED: That the minutes of the Governance Committee held on 28 June 2017 be confirmed as a correct record for signing by the Chair.

20 Declarations of Interests

No declarations of interest were received.

21 Lateness of reports

The Chair, committee members and several other Councillors who were in attendance at the meeting expressed their concern about the number of late reports that they had received for this agenda and received assurances from the Chief

Executive that measures would be put into place to prevent this from happening in the future.

22 Annual Governance Statement

The Interim Monitoring Officer presented the Council's Annual Governance Statement (AGS) for 2017 that provided assurance on the standards of corporate governance across all the Council's priorities and activities.

Following recent discussions with the External Auditors, amendments had been made to the draft AGS that was considered by the Committee at its meeting in June. A number of suggested changes were designed to improve the clarity and strengthen content. Principal changes included an explanation of the interim management arrangements, additional detail relating to Mary Ney's review of licensing and a paragraph relating to the staff survey.

Members asked for further information on the cross party Budget Working Group and the delivery of political awareness training to officers. A request was also made for the Committee to have sight of the proposed restructuring of the Democratic Services team when available. Members commented that this team was instrumental in supporting all Councillors and considered it appropriate that they were consulted.

Clarity was also sought on when the new Borough and Council Vision and priorities and new Corporate Plan for 2018-21 had been agreed and how this decision had been communicated to Elected Members.

Assurances were given that lessons learnt from the recent Licensing Review and Scrutiny recommendations would be shared across the authority and improved ways of working implemented.

It was acknowledged that a great deal of work had been undertaken over the last 12 months to strengthen and improve the Council's governance arrangements. Members welcomed the amendments to the AGS and were happy with the improvements already made but sought assurances that this good work would continue to ensure that good governance was embedded across the authority and seen to be complied with.

As work was still continuing on the Statement of Accounts that may generate additional amendments to the AGS it was RESOLVED: that the Chair be granted delegated power to agree any additional amendments to the Annual Governance Statement should that prove necessary.

23 External Audit - 2016/17 Audit Findings and Progress Report

The Committee received a report of the External Auditor on their audit findings for the authority for the year ending 31 March 2017 that highlighted key matters arising for the Council's financial statements and appreciation of the finance team and associated officers for their assistance during the audit.

The External Auditors confirmed that the audit was substantially complete subject to a few procedures to be finalised. A small number of disclosure changes that the Council had made had not affected its financial position and, as indicated within the report, the external audit had not identified any significant issues in relation to the significant and other risks identified in the audit plan. Based on their review of the Council's Narrative Report and Annual Governance Statement, they were satisfied that they were consistent with the audited financial statements and the Auditor intended to issue an unqualified opinion on the financial Statements on 30 September 2017.

However, to the disappointment of Members it was reported that the Auditor intended to issue a qualified opinion for its Value for Money conclusion. Whilst acknowledging that improvements had taken place during 2016/17, the VfM conclusion took into consideration the whole year. The current improvement plan was only in place from December 2016 and since that time the Council had been subject to a number of reviews, including the Peer Review which took place in March 2017 that had highlighted a number of issues to be addressed. The report highlighted those significant risks identified that included work relating to Medium term financial planning and Improvement plan. An Action Plan was included at Appendix A to the report and the Committee asked to be provided with regular updates.

As the External Audit was still not yet finalised, the work on the Statement of Accounts was still progressing. This was mainly due to the Committee meeting earlier in the month although there was a general acceptance that the process needed to be tightened to meet the early deadlines next year.

RESOLVED: That the Report be noted.

24 Audited Statement of Accounts

The Committee received a report that sought approval of the audited Statement of Accounts (SOA) for its publication by 30 September under the requirement of the Accounts and Audit (England) Regulations 2015. Once approved the signed Statement would be published on the Council's website.

At the time of writing the report the External Auditor had not fully completed their audit but the appointed Auditor expected to issue an unqualified opinion on the 2016/17 Statement of Accounts; a qualified Value for Money Conclusion and recommend a number of minor adjustments. No adjustments had been made that impacted upon the out-turn position of the Authority that was reported to Committee in June. Any further changes identified would be presented to Members of the Governance Committee at a training session ahead of its approval and signing before 30 September.

The draft Statement of Accounts 2016/17 and Letter of Representation were appended to the report.

The Statutory Finance Officer reported that the unaudited SOA for 2016/17 was completed on 19 May 2017 and had every confidence that the Authority would be successful in preparing to meet the new challenging deadline.

RESOLVED: That delegated authority be given to the Chair of Governance Committee to sign off the finalised Statement of Accounts 2016/17, Letter of Representation and Annual Governance Statement.

25 Budget Management Report as at 30 June 2017

The Committee received a report that provided an update on the Council's overall financial position compared to the financial plan for the first quarter of the 2017/18 financial year.

The report showed the financial position as at 30 June that had been set out in accordance with the year-end Statement of Accounts, over Directorate rather than

cost type. The report also showed an initial projected out-turn where budget variances are known to be permanent.

The financial performance to date showed that the Council is performing well and that the financial risk profile in respect of Business Rates Retention (BRR) has currently moved in a favourable direction. There is greater confidence that the Lancashire Pooling Agreement will continue, however, there is also an assumption that the outstanding BRR appeals totals will not undergo significant change during the remainder of the year. The two factors would be monitored closely.

The Capital Programme showed project spend to date, forecasted spend to be achieved by the end of the year and projects that may be re-phased into future years. The re-phasing of the Capital Programme would be reviewed when future investment in ICT has been mapped as part of work currently being done as part of the Business Transformational change programme and as part of setting the budget for 2018/19 that will support the Corporate Plan and Priorities. It was also expected that the next Budget Management Report would be able to update Members on the outcome of the City Deal Resource Review.

Members sought further details on the Council's ways of using virements, efficiency savings relating to the restructuring of the Environment and Neighbourhoods directorate and planning application fees for larger developments. Members also commented that it was important for them to understand the way in which financial decisions are taken by officers and asked for this detail to be communicated more effectively.

RESOLVED: That the report be noted.

26 Internal Audit Progress Report

Members received a report that advised of the progress and outcomes made on the South Ribble and Shared Services Internal Audit Plans for the period April to July 2017. The report also gave an appraisal of the Internal Audit Services' performance to date.

A snapshot of overall progress in 2017/18 was provided, indicating which audits had been completed and their control rating, those still in progress and those yet to start. Information on time planned and actually spent was also provided.

Since its implementation in April 2017, the Internal Audit have delivered training on the new risk management system GRACE to 64 South Ribble and Shared Services officers. The Chair commented that he too had received training and encouraged all other Members of the Committee to undertake this offer. It was recognised that it would be a challenge to fully implement GRACE as it would mean a cultural change for some manager and so it was agreed with the Senior Management Team that Internal Audit would provide support with the development and enhancement of key risk registers that included:

Corporate Risk Register
Corporate Plan Projects, and
Key Partnerships

Members noted that all the Internal Audit Plans were on target to be achieved. A table contained within the report highlighted the main pieces of work being undertaken during the period, together with any issues that had been identified.

The Chair on behalf of the Committee commended the work being undertaken by the Internal Audit team.

RESOLVED: That the report be noted.

27 Approach to Property and Asset Investment

The Committee received an interim report that provided details of a revised approach to property and asset investment at the Council. The council have identified investment in property and assets as a source of income to support delivery of the Medium Term Financial Strategy (MTFS) and a borough Investment Fund of £3.82m has been established to support this venture.

Cabinet is now considering the engagement of a property consultancy with specialist capability in investment management. This consultancy will support the Council in the development of an alternative Strategy and future acquisitions.

Details of the proposed scope and timeline for engaging the specialist property consultant was outlined within the report including the reporting deadlines for both Governance Committee and Cabinet. Appointment costs will be determined through the procurement process and included in any resulting Property Acquisition proposal financial model and business case.

Members were pleased to see the new approach being considered by Cabinet but had concerns that the process would take some considerable time to implement and would delay exploring opportunities for investment. Officers had every confidence that they would be able to appoint by January 2018 when the report goes to full Council for approval.

Although it was acknowledged that the Council already employs staff with property and investment knowledge it was accepted that this approach needed more specialist advice in order to achieve the levels of income expected.

RESOLVED: The Committee were pleased with new approach to date and looked forward to receiving a more detailed report at its next meeting on 29 November 2017.

28 Treasury Management Activity - Mid Year Review 2017/18

The Committee received a report on Treasury Management performance and compliance with prudential indicators in the financial year 2017/18 to the end of July.

Members were advised that the Prudential Indicators for 2017/18 will be revised when the Treasury Strategy for 2018/19 to 2020/21 is presented to Council in February 2018.

An update on economic matters and commentary on interest rate forecasts was presented. The average daily investment total for the period 31 July 2017 was £31.841m at an average rate of 0.53%. This exceeded the target of 0.13%, and the earnings rate of 0.25% for 2017/18 suggested by Capita. The interest receivable

budget for the year should be exceeded, the forecast being £116,000 compared to the budget of £69,000.

CIPFA are currently consulting on changes to the Treasury Management Code and Prudential Code and the Committee were appraised that there were no significant issues for this Council.

Members were also informed that the IFRS 9 Financial Instruments will be adopted in the Code of Practice on Local Authority Accounting in the UK 2018/19. On adoption, certain investment types could involve annual gains or losses which would have an impact on Council resources.

The Committee requested this documentation to be included in the training session to be delivered on the revised Statement of Accounts to help give them a better understanding of the forthcoming changes. It was also noted that investments with other Local Authorities provided a better rate of return than some banking establishments and this would need consideration in preparing the 2018/19 Treasury Management Strategy.

RESOLVED: That the report be noted.

29 Review of Constitution - Contract Procedure Rules

The Committee received a report following recommendation from the Governance Working Group that provided Members with the opportunity to comment on proposals to amend the Council's Contract Procedure Rules, together with the financial threshold for key decisions undertaken by the Cabinet, prior to their submission to Council for approval at its meeting in September 2017.

The Council's Contract Procedure Rules are a key part of the Council's Constitution and deal with the rules, processes and procedures for the procurement of contracts on behalf of the Council with a diverse range of suppliers and contractors. The rules are designed to protect the public purse by demonstrating value for money together with appropriate safeguards to ensure objectivity in the awarding of contracts and a copy of the proposed amended rules were appended to the report.

Members were asked in particular to note the proposed change to procurement thresholds that would bring them in line with a number of neighbouring authorities including Chorley, Lancaster, Wyre and Fylde with respect to the £100k threshold being raised from £75k,

Less than £20,000 – low value procurement
£20,000 to £100,000– Intermediate value
Over £100,000 – high value

Members shared the view by officers for the higher threshold to be increased to £100,000, however, they asked for further reasoning to be given on why the lower threshold had also been raised from £10,000 to £20,000 and asked for this to be clarified ahead of a decision by Council.

The Committee also asked for clarification of the arrangements associated with the payments of invoices that did not match the original purchase order and what

measures were in place to prevent officers for payments of additional unauthorised work above the order value.

RESOLVED: That the Governance Committee recommends full Council to agree to the amendments in the Constitution relating to Contract Procedure Rules and Key Decisions subject to the provision of further comparators for the proposed increase of the low value threshold from £10,000 to £20,000.

30 Review of Constitution - Council Terms of Reference and Members

The Committee received a report that provided Members with the opportunity to comment on the amended proposals for the Terms of Reference for full Council, including the role of Mayor and Elected Members, within the Constitution, prior to submission to the Council for approval at its meeting in September 2017.

The new draft Terms of Reference for full Council appended to the report had been rewritten to update and make more comprehensive the existing terms of reference. This included a review of the Policy Framework documents at section 4. If approved, the important plans and strategies would then guide the work of Cabinet as part of the Budget and Policy Framework and would replace Articles 2, 4 and 5.

The Governance Committee Working Group had considered the proposed Terms of Reference at its meeting on 29 August and Members were pleased to note that most of their suggested changes had been included.

Members asked for further information at the meeting in relation to Council policy relating to casino licences, those functions not assigned to a specific meeting under the local choice rule and virement limits as part of the Financial Procedure Rules. In response to a question from the audience Members were informed that a report on access to information would be brought to a future meeting of the Committee.

Further clarification was sought as to how the Council's Constitution would deal with the constitutional changes surrounding the proposed joint senior management arrangements that was due to be determined at Council later on the month, particularly in relation to the appointments of the statutory officers. The Chief Executive gave assurances that this level of detail would be contained within the Council report on Shared Services.

RESOLVED:

1. That the Governance Committee recommend full Council to approve the amended Terms of Reference for full Council, including the role of Mayor and Elected Members with the Constitution.
2. That a report on access to information be brought to a future meeting of the Committee.

31 General Licensing Committee and Licensing Act 2003 - Review of Constitution and Introduction of Member Panels for Hearings of the General Licensing Committee

The Committee received a report that provided Members with the opportunity to comment on proposals for a review of the Constitution in relation to the General Licensing Committee and Licensing Act Committee that included revised Terms of Reference for both Committee's and as part of revising the General Licensing

Committee's Terms of Reference, the introduction of a new and more streamlined system for hearings.

If agreed, taxi licensing Hearing Panels would be heard by a Sub Committee Panel consisting of five members, drawn from the membership of the General Licensing Committee. To ensure consistency of approach, the Panel hearings would be chaired by either the Chair or Vice Chair of the Licensing Committee and the rest of the membership would be filled on a rota basis to ensure that all members continue to play a positive role in the practical work of the Committee. The membership would also be allocated in accordance with political balance.

Members of the Governance Committee commented that they were pleased that the Hearing Panels would consist of five members rather than three that had previously been suggested. However, the Committee agreed to let the General Licensing Committee debate and form a recommendation that the Governance Committee would then recommend to Council.

RESOLVED: That the final decision be delegated to the Chairman and Vice Chairman to recommend the wording for approval to the Council meeting on 27 September subject to any comments/views being made by the Licensing Committees on 19 September.

Chair

Date