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## **GOVERNANCE AND RESOURCES COMMITTEE**

**Minutes of a Meeting held on Thursday 29 June 2017 in the Council Chamber, County Hall, Matlock at 6.00pm**

### **PRESENT**

Councillor Jacquie Stevens - In the Chair

Councillors Deborah Botham, Sue Bull, Albert Catt, Ann Elliott, Steve Flitter, Chris Furness, Alyson Hill, Neil Horton, Angus Jenkins, Jean Monks, Garry Purdy, Mike Ratcliffe, Lewis Rose, OBE, Colin Swindell, John Tibenham and Joanne Wild.

Dorcas Bunton (Chief Executive), Paul Wilson (Corporate Director), Sandra Lamb (Head of Corporate Services), Karen Henriksen (Head of Resources), Mike Galsworthy (Estates and Facilities Manager), Jenny Williams (Internal Audit Consortium Manager), Nick Blaney (ICT Manager), Jim Fearn (Communications and Marketing Manager) and Jackie Cullen (Committee Assistant).

Mr John Cornett – Director, KPMG.

Councillor Joyce Pawley attended as an observer and as Member Representative for the Communications and Marketing Hub.

### **APOLOGIES**

Apologies for absence were received from Councillors Tony Millward, BEM and Mark Salt. Councillors Sue Bull and Ann Elliott attended as Substitute Members.

### **56/17 – MINUTES**

It was moved by Councillor Jacquie Stevens, seconded by Councillor Colin Swindell and

**RESOLVED**  
(unanimously)

That the minutes of the meeting of the Governance and Resources Committee held on 23 March 2017 be approved as a correct record.

The Minutes were signed by the Chairman.

### **57/17 – EXTERNAL AUDIT FEE LETTER FOR 2017/18**

The Committee received a report that provided information about the proposed fees for external audit for the financial year 2017/18. A copy of the letter from KPMG was attached

as Appendix 1 to the report.

The planned audit and certification fees for 2017/18 were tabled in the report, along with a comparison to the previous year's fee.

It was noted that the scale fee for the certification of housing benefit grant claims had not yet been published.

It was moved by Councillor Lewis Rose OBE, seconded by Councillor Albert Catt and

**RESOLVED** That the "Annual audit fee 2017/18" letter from the External Auditor  
(unanimously) be noted.

### **58/17 – ANNUAL GOVERNANCE STATEMENT 2016/17**

The Committee considered the Annual Governance Statement (attached as Appendix 1 to the report) which reported publicly on the extent to which the District Council had complied with its own code of governance. The report sought approval for the Annual Governance Statement for 2016/17, which was consistent with the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government", and met the requirements of the Accounts and Audit Regulations 2015.

The Key issues were tabled on page 36 of the Statement, together with an action plan to show how they would be addressed.

It was moved by Councillor Mike Ratcliffe, seconded by Councillor Steve Flitter and

**RESOLVED** 1. That the Annual Governance Statement for 2016/17 is approved.  
(unanimously) 2. That the significant governance issues, and the action plan to address them, be noted.

### **59/17 – INTERNAL AUDIT REPORTS CONCLUDED TO DATE UNDER THE 2016/17 OPERATIONAL AUDIT PLAN**

The Committee considered the internal audit reports produced in respect of the 2016/17 Internal Audit Plan, attached as Appendix 1 to the report. Appendix 1 also showed a summary of the Overall Audit Opinion of the audit and the number of recommendations made / agreed where a full response had been received, analysed between High, Medium and Low priority. The internal controls examined in accordance with the classifications were tabled in the report.

It was noted that 5 reports had been issued: 3 with a good opinion, 1 with a satisfactory opinion and 1 with a marginal opinion, as set out in the report. No reports were issued with an unsatisfactory or unsound opinion. 15 recommendations had been made, 14 of which had been agreed and were being implemented.

It was confirmed that there were no issues arising relating to fraud that needed to be brought to the Committee's attention.

It was moved by Councillor Lewis Rose OBE, seconded by Councillor Steve Flitter and

**RESOLVED** That the findings and conclusions of the internal audit reviews are  
(unanimously) noted.

## **60/17 - INTERNAL AUDIT ANNUAL REPORT 2016/17**

The Committee considered a report that:

- Presented a summary of the internal work undertaken during 2016/17 from which the opinion on the internal control environment was derived;
- Provided an opinion on the overall adequacy and effectiveness of the Council's control environment including any qualifications to that opinion;
- Drew attention to any issues that required inclusion in the Annual Governance Statement;
- Compared work actually undertaken with that which was planned, and summarised performance;
- Commented on compliance with the Public Sector Internal Audit Standards (PSIAS);
- Confirmed progress against the internal audit action plan that was developed following an external review of internal audit;
- Commented on the results of the internal quality assurance programme;
- Confirmed the organisational independence of internal audit;
- Reviewed the performance of the Internal Audit Section against the current Internal Audit Charter.

The Internal Audit Plan for 2016/17 was approved by the Governance and Resources Committee on the 24th March 2016. Overall 96% of planned audits were completed during the year. Only 1 audit was not completed (data protection) as a decision had been made by the Internal Audit Consortium Manager and the Head of Resources to defer this audit due to a consultant being engaged to review the council's data protection procedures. The resulting action plan was in the process of being implemented.

It was noted that there were no issues relating to fraud arising from the reports detailed in Appendix 1.

The performance indicators for the Internal Audit Section were tabled in the report, together with issues arising. It was acknowledged that the full impact of BREXIT was also unknown and may lead to further risks for the Council.

During 2016/17 a self- assessment was undertaken to review compliance with the Public Sector Internal Audit Standards. Quality control procedures had been established within the internal audit section as set out in the report, which had ensured conformance with the PSIAS, and the results confirmed that there were no significant areas of non-compliance. Furthermore, in October 2016 the Internal Audit Consortium was subject to an external review to ensure compliance with the Public Sector Internal Audit Standards. The review concluded that the Consortium was compliant with and in places exceeded the requirements of the PSIAS, but a number of recommendations were made to further enhance the service provided by the Consortium. The progress made against that action plan so far was detailed at Appendix 2 to the report.

The Audit Charter was last reported to and approved by the Governance and Resources Committee in June 2016, and based on the information provided in the report it was considered that the requirements of the Charter had been met during the year.

It was moved by Councillor Albert Catt, seconded by Councillor Chris Furness and

**RESOLVED**

(unanimously)

1. That the Internal Audit Annual Report for 2016/17 be noted.
2. That the progress made in respect of implementing the action plan arising from the external review of internal audit be noted.

**61/17 – CYBER RISK**

The Committee considered a report providing information relating to the Council's arrangements for dealing with cyber risk, following a presentation by the external auditor in March 2017 when Members requested that a report outlining the Council's arrangements be brought to a future meeting of the Governance and Resources Committee.

It was reported that Public authorities were now the number one target for cyber attacks in the UK, and the increase in global connectivity meant that cyber incidents, including data breaches, were becoming more frequent. The WannaCry Ransomware attack, which took place on 12 May 2017, affected institutions across the world and had a significant impact in the NHS. Further information relating to this attack was set out in Appendix 1 to the report.

The Council's existing actions and controls were listed in the report and were explained in more detail in Appendix 1 to the report. The responses to the "Key Questions" posed by the external auditor were set out in Appendix 2 to the report.

It was moved by Councillor Lewis Rose OBE, seconded by Councillor Mike Ratcliffe and

**RESOLVED**

(unanimously)

That the report is noted.

**62/17 - LAND HOLDINGS REVIEW**

The Committee considered a report that covered 6 sites across the District in which expressions of interest or requests to vary leases or covenants had been received. Following detailed consideration of planning, legal and estate management factors, recommendations were made regarding whether the sites should be sold or leases or covenants lifted and the terms which would apply.

An appraisal of each site had taken place comprising advice on any planning constraints, legal restrictions and maintenance liabilities plus an assessment of any health and safety risks. The results and recommendations were summarised in Appendix 1 to the report, together with plans of each site. Where it was recommended that a site be sold, the relevant Local Council and Ward Members had been consulted, although with regard to site 5 (Land at Dig Street, Ashbourne) it was noted that Ashbourne Town Council had been consulted only very recently and as such, comments had been received by the Ward Member after publication of the Agenda.

In each case of disposal the purchaser would be responsible for making any necessary planning application at their cost to enable their desired use of the site. It was noted that the decision at the meeting was entirely without prejudice to any future decisions on such applications by this Council as Planning Authority.

It was noted that the Wards Affected should include Matlock All Saints, and not Matlock St Giles.

It was decided to deal with Recommendations 1, 2 and 4 together, and Recommendation 3 separately.

It was moved by Councillor Lewis Rose OBE, seconded by Councillor Steve Flitter and

- RESOLVED** (unanimously)
- 1 That the interested parties in respect of sites 1 (land at 5-11 Bank Road Matlock) and 2 (land on Bakewell Road/Imperial Road Matlock) be informed that their request to purchase the freehold are declined for the reasons indicated in Appendix 1 of this report.
  - 2 That a new lease is granted in respect of site 3 (CAB offices in Matlock Town Hall) and a variation of the lease in respect of site 4 (land at Watery Lane, Ashbourne) is agreed as indicated in Appendix 1 of this report.
  - 4 That the Creation Agreements suggested by Derbyshire County Council in respect of the sections of the White Peak Cycle Loop comprising site 6 (land between Matlock and Rowsley) are agreed.

It was moved by Councillor Lewis Rose OBE, seconded by Councillor Albert Catt and

- RESOLVED**
- 2 That the covenant in respect of site 5 (land on Dig Street, Ashbourne) is lifted and the revised disposal terms are noted.

**Voting:**

<b>For</b>	13
<b>Against</b>	4
<b>Abstentions</b>	0

The Chairman declared the motion carried.

### **63/17 – AGRICULTURAL BUSINESS CENTRE – NEW LEASE ARRANGEMENTS**

The Committee considered a report to approve the terms of a new 25 year lease agreement for the operation of the Bakewell Agricultural Livestock Market to replace the existing market licence agreement.

The Bakewell Agricultural Livestock Market was currently operated under the terms of a licence agreement made between the District Council and the partners of Bagshaws on 20<sup>th</sup> May 1998 and was expressed for a period of 21 years. It was therefore approaching renewal. The terms of the current licence were summarised in the report.

In March 2015 the Corporate Committee delegated authority to the Corporate Director to enter into formal discussions with Bagshaws to negotiate the terms of a new lease agreement for the Agricultural Livestock Market operation (Minute 302/14). The purpose of the negotiations was to offer Bagshaws security of tenure and transfer operational risks

whilst also proposing new terms and conditions for the operation of the ABC Livestock Market, according to the principles listed in the report.

Agreement had now been reached between the respective parties (subject to the approval of this Committee) for Bagshaws to enter into a new 25 year lease arrangement for the operation of the Bakewell Agricultural Livestock Market in general accordance with the heads of terms as set out in the report, together with the responsibilities transferring to Bagshaws.

It was moved by Councillor Lewis Rose OBE, seconded by Councillor John Tibenham and

**RESOLVED** That a new lease for the operation of the Bakewell Agricultural  
(unanimously) Livestock Market to Bagshaws LLP, be approved in accordance with the heads of terms outlined in the report for a period of 25 years.

### **64/17 – REQUEST FOR ADDITIONAL POST IN FINANCIAL SERVICES TEAM**

The Committee considered a report seeking approval for an additional post of Senior Accountant for a fixed period of two years.

The current structure of the Financial Services Team was shown in Appendix 1 to the report and had existed for a number of years. Since the current structure was established the Financial Services Team has had to respond to increased pressures, and following a Finance STEP Review carried out in March 2017, it was considered essential to “review organisational structure and roles within it with a view to modernising and reducing dependency on singleton roles, strengthening resilience and possibly creating some carer progression”. A further review suggested improvements in financial management that required additional input from the financial services team, as set out in the report.

A review of the structure of Financial Services and the job descriptions had now taken place, and the proposed new structure was shown in Appendix 2 to the report.

It was moved by Councillor Chris Furness, seconded by Councillor Jean Monks, and

**RESOLVED** That approval is given to the appointment of an additional Senior  
(unanimously) Accountant on Grade 9 for a fixed period of two years.

### **65/17 – CORPORATE SIGNAGE**

The Committee considered a report on upgrading the Council’s signage across the Derbyshire Dales.

The District Council adopted its current Communications and Marketing Strategy in September 2014, and the second annual update, including an Action plan to run from September 2016 to August 2017, was approved by this Committee on 22 September 2016.

A priority was to replace 15 welcome signs, mainly on A roads on the Derbyshire Dales border, most of which were shabby in appearance. The Communications & Marketing Hub had benchmarked how other local authorities presented themselves and noted that some used their welcome signs as an opportunity to attract local sponsorship, as illustrated in the report. The Hub agreed that the profile of any potential sponsor was an important

consideration requiring sensitivity to ensure the Council's reputation was protected. It was envisaged that Partners would need to meet strict sponsorship protocol rules and the nature of the business should also support the Council's Corporate Priorities. The Council's Sponsorship Protocol was attached as Appendix 2 to the report, for information.

The use of "Statement" signs in the Council's larger parks and memorial plaques on park benches was also put forward, as detailed in the report.

Councillor Joyce Pawley, Communications & Marketing Hub Member Representative, commented as follows:

"I have read through this report and am in agreement that it reflects the suggestions of the Communications & Marketing Hub."

It was moved by Councillor Albert Catt, seconded by Councillor Chris Furness and

**RESOLVED**  
(unanimously)

1. That the Communications and Marketing Hub's proposal to attract sponsorship to new welcome signs be approved on the understanding that sponsors meet strict sponsorship protocols and their business profile supports the District Council's Corporate Priorities.
2. That the Communications & Marketing Hub's proposal to incorporate small information plaques into existing wooden benches in the Council's main parks is approved, to create greater awareness of what the parks have to offer and the Council's responsibility for them.
3. That a new, easy maintenance, approach to memorial plaques is approved, enabling the Council to promote subscriptions to existing wooden benches in our parks; the plaque and bench to be maintained for a specified number of years by the Council, with the plaque provided by the subscriber to our specification.

## **66/17 – MEMBER DEVELOPMENT WORKING GROUP**

Councillor Neil Horton left the meeting at 8.15pm during discussion of this item.

The Committee considered an update on the work of the Member Development Working Group and recommendation for an on-line training module relating to Data Protection awareness.

An amendment to the Code of Conduct for Derbyshire Dales District Council had been approved by the Committee in January 2017, whereby failure to attend may be a breach of the Code.

Attendance at training in Planning and Ethics was an annual requirement for all Councillors, and Data protection was also classified as mandatory training for all Councillors and employees. At the time of writing this report, 12 Councillors had yet to indicate their date preference for Planning and Ethics training and a reminder had been sent by the Member Representative.

It was recommended that deadlines be set for the training requirements to be met. The deadline in respect of Planning and Ethics was set as 31 July 2017, and that for Data Protection was amended from 31 July to 31 August 2017. This training was provided as an online training session and was available for all Councillors to complete in their own time and pace via their iPad.

Earlier this year, the Joint ICT Service issued the first ICT Survey for Councillors. The summary responses were attached at Appendix 1 to the report and the resulting action plan at Appendix 2 to the report.

Councillor Alyson Hill, Member Representative, commented as follows:

“Mandatory training is so important for us as Councillors to do our job well, and for the public to have confidence in us. I personally recommend the data protection module as an online resource as it allows more freedom for Councillors to undertake learning at a time and pace of their choosing.”

It was moved by Councillor Garry Purdy, seconded by Councillor Sue Bull and

- RESOLVED**  
(unanimously)
1. That the update on attendance at the mandatory Planning and Ethics training is noted.
  2. That a final planning and ethics session is arranged by the end of July 2017 to enable all Councillors to satisfy the mandatory training requirement.
  3. That all Councillors be required to complete the on line training module on Data Protection awareness by the end of August 2017 in order to satisfy the mandatory training requirement.
  4. That the findings of the Members’ ICT Survey are noted and action plan agreed.
  5. That the Joint ICT Service be requested to run the questionnaire on an annual basis.

## **67/17 – JOINT CONSULTATIVE GROUP: MINUTES OF 20 JUNE 2017**

It was moved by Councillor Albert Catt, seconded by Councillor Garry Purdy and

- RESOLVED**  
(unanimously)
- That the Minutes of the Joint Consultative Group meeting held on Tuesday 20 June 2017 be received.

**MEETING CLOSED – 8.34PM**

**CHAIRMAN**