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## **GOVERNANCE AND RESOURCES COMMITTEE**

### **Minutes of a meeting of the Governance and Resources Committee held at 6.00 pm on Thursday, 11 March 2021.**

Under Regulations made under the Coronavirus Act 2020, the meeting was held virtually. Members of the public were able to view the virtual meeting via the District Council's website at [www.derbyshiredales.gov.uk](http://www.derbyshiredales.gov.uk) or via our YouTube channel.

#### **PRESENT**

Councillor Sue Bull - In the Chair

Councillors Jacqueline Allison, Neil Buttle, David Chapman, Paul Cruise, Tom Donnelly, Steve Flitter, Alyson Hill, Susan Hobson, David Hughes, Michele Morley, Garry Purdy, Mike Ratcliffe, Peter Slack and Alasdair Sutton.

Paul Wilson (Chief Executive), James McLaughlin (Director of Corporate & Customer Services and Monitoring Officer), Tim Braund (Director of Regulatory Services), Giles Dann (Economic Development Manager) Karen Henriksen (Director of Resources), Mike Galsworthy (Estates & Facilities Manager) Jenny Williams (Internal Audit Consortium Manager), Jason Spencer (Electoral and Democratic Services Manager), Angela Gratton, Democratic Services Officer.

Gavin Barker (Mazars), John Pressley (Mazars)

#### **APOLOGIES**

Apologies for absence were received from Councillor Robert Archer (Councillor David Hughes attended as substitute).

#### **281/20 – MINUTES**

Governance & Resources Meeting – 14 January 2021

It was moved by Councillor Colin Swindell, Seconded by Councillor Michelle Morley and

#### **RESOLVED** (Unanimously)

That the minutes of the meeting of the Governance and Resources Committee held on 14 January 2021 be approved as a correct record.

## **282/20 – PUBLIC PARTICIPATION**

### **QUESTIONS from Peter Dobbs, a resident of Ashbourne on Item 14; Asset Management Plan – Site 1 Land at Henmore Brook Ashbourne**

**Q1** Would it be possible to clarify the rights of way for the footpath that extends beyond the gauging station and connects with the paved path behind Bernard Gadsby Close?

For some time this Council has been placing signs at both ends of this path behind St Oswald's Hospital (as partly shown in the map provided) informing the public that there is 'No through route'.

**Q2** What is the reason for placing these signs?

Every week hundreds of local walkers ignore the signs and make use of this path along an attractive part of the Henmore Brook. Nobody simply walks to the gauging station and back again.

The signs also inform the public that DDDC are working with Ash Com to create a through route.

**Q3** Would it be possible to have an update on progress in this area?

Frustrated by the lack of maintenance of the section of path beyond the gauging station, a local church group attempted to improve the path themselves using materials donated by local businesses.

**Q4** Does the Council have a view on such an approach?

**Q5** What does the Council see as the long term solution to this problem where a valuable asset to recreation in Ashbourne is not being managed effectively?

### **ANSWER**

Thank you for your question. The footpath running to the rear of St. Oswald's Hospital adjacent to Henmore Brook is a District Council owned concessionary path which ends just to the south west of the Environment Agency Gauging Station.

Since the development of Bernard Gadsby Close, a new footpath was created by the developers which runs from Mayfield Road to Clifton Road and a spur to this path leads to the boundary with the District Council land which is the subject of this question.

The section of land linking the 2 paths is uneven and waterlogged and would need capital works to make this suitable for public use. The signs are there to advise the public that there is currently no through route since the current informal cut-through is not suitable for public use. We are currently working with Ashcom on proposals to improve the whole route. Any works proposed on the path would need to be agreed with the District Council subject to appropriate licences and insurance arrangements being in place. We look forward to continuing to work with Ashcom on their proposals for improving this area.

## **283/20 – INTERESTS**

Councillor David Chapman declared an interest in Item 12 as a family member is an Officer of the Council.

## **284/20 – PROGRESS UPDATE ON THE 2020/21 INTERNAL AUDIT PLAN**

The Committee received a report detailing the progress made on the 2020/21 internal audit plan and the results of the internal audit review undertaken since the last meeting.

Three reports were issued all with a conclusion of “Substantial” Assurance. Four recommendations were made and agreed by management. One of the reports issued was on Climate Change in response to a previous request from Members.

Appendix 3 detailed the audits undertaken to date, audits in progress, audits it is hoped to complete by the end of March 2021 and audits unlikely to be completed. It can be seen that many areas within the plan will not be completed this year. Areas that have not been completed will be considered for inclusion in the 2021/22 internal audit plan on a risk basis.

Given the internal audit work completed to date this year and the work it is expected that will be completed by the end of March 2021 it is highly likely that a partially limited internal audit annual opinion will be necessary.

The Internal Audit Consortium Manager explained that moving forward it was important that there was sufficient internal audit resource available in order that independent assurance can be given to managers and Members in relation to Governance, risk management and control. This issue was addressed in a separate report and minuted on the next item.

Questions raised regarding the Climate Change report would be addressed once the new Climate Change Officer started and a Climate Change Working Group brought together to decide a framework.

It was moved by Councillor Garry Purdy, seconded by Councillor David Chapman and

**RESOLVED**  
(unanimously)

1. That the report be noted
2. That the likelihood of a partially Limited Scope annual audit opinion being given due to lack of progress on the 2020/21 plan be noted.
3. That the CIPFA guidance “Head of Internal Audit Opinions: Addressing the Risk of a Limitation of Scope” be noted.

The Chairman declared the motion CARRIED.

## **285/20 INTERNAL AUDIT RESOURCE CONSIDERATIONS AND THE 2021/22 OPERATIONAL PLAN**

The Committee received a report informing members that the current resource level of internal audit was not sufficient to be able to continue to provide adequate independent assurance on governance, risk and control processes and seeking approval to increase

resources to meet obligations. Approval was also requested for the proposed Internal Audit Operational plan for 2021/22 based upon an increased level of resources being approved.

### Internal Audit Plan 2021/22

Summary	Audit Current Resource	Audit Days Ideal Resource
Main Financial Systems	89	119
Other Operational Audits	31	119
Computer / IT Related	16	16
Corporate / Cross Cutting	42	72
Special Investigations & Contingency	15	15
Provision of financial advice	10	10
Fraud and Corruption	2	10
Non audit related	1	1
Management Service	30	30
<b>Grand Total</b>	<b>236</b>	<b>392</b>

It was moved by Councillor Susan Hobson, seconded by Councillor Tom Donnelly and

**RESOLVED**  
(unanimously)

1. That the requirement for additional audit resources be noted.
2. That subject to the approval of the draft revenue budget for 2021/22, authority delegated to the Director of Resources to increase audit resources sufficient to meet the Council's Internal Audit Operational Plan for 2021/22 and beyond.
3. That the internal audit plan based on an increased level of resource for 2021/22 be agreed.

The Chairman declared the motion CARRIED.

### 286/20 – EXTERNAL AUDIT PROGRESS REPORT

The committee received a report providing:

- an update on the conclusion of audit issues relating to the 2019/20 Statement of Accounts;
- an update on progress in the external auditors delivering their responsibilities for the audit of the 2020/21 Statement of Accounts;
- a summary of key national publications that may be of interest to Members.

The Committee also received an Audit Progress update from Gavin Barker, Mazars

It was moved by Councillor David Hughes, seconded by Councillor Michelle Morley and

- Resolved** (Unanimously) 1. That the “Audit Progress Report (February 2021)” from the External Auditor be noted

The Chairman declared the motion CARRIED.

## **287/20 – EXTERNAL AUDIT STRATEGY MEMORANDUM FOR THE 2020/21 ACCOUNTS**

The Committee received a report providing information about the external audit plan for the 2020/21 accounts

The committee also received an Audit Strategy Memorandum for the 2020/21 accounts – Appendix 1 from the Council’s external auditor, Mazars LLP, John Pressley from Mazars presented the Memorandum to Members.

The deadline for the completion of the audit relating to the 2020/21 accounts is 30 September 2021. The audit scope, approach and timeline were set out in Section 3 of the report at Appendix 1.

Significant risks and other key judgement areas were described in Section 4 of the report at Appendix 1. These included:

- Management override of controls
- Net defined benefit (pension) liability valuation
- Valuation of property, plant and equipment.

Councillor Bull thanked Gavin Barker and John Pressley for attending the meeting and for their hard work.

Gavin Barker and John Pressley left the meeting.

It was moved by Councillor Michelle Morley, seconded by Councillor Steve Flitter and

- RESOLVED** That the report be noted.  
(unanimously)

The Chairman declared the motion CARRIED.

## **288/20 – ARREARS FOR WRITE OFF**

The Committee received a report providing information about debtor write offs authorised by the Director of Resources under delegated authority in accordance with the Council’s Financial Regulations.

It was moved by Councillor Colin Swindell, seconded by Councillor Tom Donnelly and

**RESOLVED** That the report be noted.  
(unanimously)

The Chairman declared the motion CARRIED.

## **288/20 – RISK MANAGEMENT – CHIEF EXECUTIVE’S ANNUAL REPORT & UPDATED RISK MANAGEMENT POLICY AND STRATEGY**

The Committee considered a report describing the Council’s risk management processes and working practices, which ensure that risk management arrangements continue to be effective, timely and fit for purpose, providing the Council with the correct levels of insight and support in relation to its risk exposure and seeking approval of the District Council’s risk management arrangements and the Risk Management Strategy and Policy 2021-2023

The Chief Executive informed the Committee that the Strategic Risks were considered by relevant officers and documented within the Strategic Risk Register. Those risks identified and reported to the Corporate Leadership team in February 2021 were outlined in the report.

The strategic risk for “Resource Capacity and Capability” has been increased from “medium” to “high”. This reflects the additional workload and pressures resulting from the coronavirus pandemic, which has affected short term capacity to deal with key projects, explore new ventures and deliver all corporate plan priorities.

The strategic risk for “Cyber-Crime” has been increased from “medium” to “high”. This reflects a general increase in cyber-crime, with evidence of local authorities being targeted. While the Authority does have controls and mitigating actions in place, the likelihood of a cyber-attack has increased, taking the overall risk score from “medium” to “high”.

A new risk “Climate Change” has been added to the strategic risk register in 2020/21. The Council has recognised climate change as an existential risk and pledged to reduce the emissions from its own operations to net zero by 2030. Therefore it is appropriate for the Council to recognise the risks posed by climate change itself and the risks of failing to meet the target in relation to its own emissions.

The risk “EU Exit” has been deleted from the strategic risk register in 2020/21, as it is no longer relevant due to the UK concluding its formal exit from the EU.

Members asked if they could have regular updates on the Strategic and Operational Risks instead of just the annual report the Chief Executive informed Members a Quarterly review could be given.

It was moved by Councillor David Hughes seconded by Councillor Colin Swindell and

**RESOLVED**  
(unanimously)

1. That the report and risk management arrangements be approved.
2. That the Risk Management Strategy and Policy 2021 - 2023 be approved.

The Chairman declared the motion CARRIED.

Councillor Chapman had declared an Interest in Item 12 and left the meeting prior to discussion.

## **289/20 – COVID-19 ORGANISATIONAL AND EMPLOYEE IMPACTS**

The Committee considered a report summarising the organisational impacts arising from the Covid-19 pandemic and seeking approval for delegated authority to make payments to those employees who had been directly involved in the delivery of the corporate Covid-19 response due to significant additional hours worked or because they have been unable to take all of their contractual annual leave entitlement in 2020/21.

Councillor Swindell congratulated and thanked Officers for all the extra work they had been doing and was pleased to see the report

The committee asked the following questions and the Chief Executive responded:

1. Have staff been keeping a record of the time worked?
  - *Staff do keep records of time worked but stopped due to there being so much work*
2. Outside Covid staff put in time for other emergencies is this paid?
  - *Overtime is allowed for emergency work*
3. Is there a grievance procedure
  - *There is a process through HR and the Chief Executive*
4. The Extra hours payment is level 8 and above what about those staff below level 8?
  - *Below Level 7 staff qualify for overtime payments.*
5. Is staff welfare and Mental Health being looked after?
  - *We do need to be mindful, the Council does have a Mental Health Councillor, Mental Health Champions who provide information and organise events regarding well-being and mental health and Mental Health First Aiders who give help and guidance. We do encourage employees to take leave but staff have volunteered not to time off due to work load during the last year.*
6. What is additional income monitoring?
  - *Eg Detailed returns to Government*

It was moved by Councillor Colin Swindell seconded by Councillor Garry Purdy and

**RESOLVED**

1. That the Committee acknowledges the significant organisational impacts arising from the corporate response to the Covid-19 pandemic.
2. That authority be delegated to the Chief Executive to make extra hours payments to employees at Grade 8 and above, who have been directly involved in essential work to deliver the corporate response to Covid-19.
3. That authority be delegated to the Chief Executive to make exceptional payments, in full and final settlement by agreement, to employees who have been directly involved in essential work to deliver the corporate response to Covid-19 in lieu of their outstanding (full or part) 2020/21 contractual entitlement to annual leave

**Voting**

In favour	4
Against	0
Abstain	1

The Chairman declared the motion CARRIED.

**290/20 – FINANCIAL MANAGEMENT CODE**

The Committee received a report providing an overview of the Financial Management Code and the progress towards complying with its standards.

The FM Code establishes an approach based on six principles of good financial management:

- 1) **Organisational Leadership**  
Demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- 2) **Accountability**  
Based on medium term financial planning, driving the annual budget process, supported by effective risk management, quality supporting data and whole life costs.
- 3) **Transparency**  
At the core of financial management, using consistent, meaningful and understandable data, reported frequently, with evidence of periodic officer action and elected member decision making.
- 4) **Professional Standards**  
Promoted by the leadership team, with adherence evidenced.
- 5) **Assurance**

Recognised as an effective tool, mainstreamed into financial management, including political scrutiny and the results of both external audit, internal audit and inspection.

6) **Long-Term Sustainability**

At the heart of all local services' financial management processes, evidenced by the prudent use of public resources.

An annual report detailing issues of compliance with the FM Code will be brought to this committee alongside the Statement of Accounts in late autumn (each year, commencing in 2022, following the first full financial year of the FM Code's application)

It was moved by Councillor Colin Swindell, seconded by Councillor Steve Flitter and

**RESOLVED** That the report be noted.  
(unanimously)

The Chairman declared the motion CARRIED.

**291/20 – ASSET MANAGEMENT PLAN –LAND HOLDINGS REVIEW PHASE 1**

The Committee considered a report representing the first phase of an ongoing review of the Council's land and property assets in accordance with the Asset Management Plan. Phase 1 of the Land Holdings Review covers 6 sites across the District in which queries or expressions of interest had been received or land to be declared surplus to requirement or allocated for a particular purpose

Councillor Hughes proposed that Site No 3 be taken out of the decision whilst it was being assessed for other use which was agreed by Members but any recommendations would have to go back to Council to investigate and look at in the future.

It was moved by Councillor David Hughes seconded by Councillor Flitter and

**RESOLVED**

1. That the lease of Site 1 to the Environment Agency be renewed on the terms outlined in Appendix 1 of this report.
2. That Site nos. 2 be declared surplus to requirements and offered for sale by public auction on the terms outlined in Appendix 1 of this report.
3. That site numbers 4, 5 and 6 be allocated for Housing purposes.
4. That the District Council's legal and surveyors' costs in respect of sites 1 and 2 will be met either directly or by way of a buyers' premium.

**Voting**

In favour	10
Against	1
Abstain	4

The Chairman declared the motion CARRIED.

**292/20 – EXCLUSION OF THE PUBLIC AND PRESS**

It was moved by Councillor Colin Swindell, seconded by Councillor Tom Donnelly and

**RESOLVED**  
(Unanimously)

That in accordance with Section 100(a) of the Local Government Act 1972 the public and press be excluded because it is likely that the nature of the business to be transacted would result in exempt information being disclosed.

At this point the Committee excluded the public and press because in considering this item it contains information relating to any particular person including the Council and the business affairs of the Council.

**293/20 – MOTION TO CONTINUE**

It was moved by Councillor Garry Purdy, seconded by Councillor Tom Donnelly and

**RESOLVED**  
( Unanimously )

That, in accordance with Rule of Procedure 13, the meeting continue beyond 2 hours 30 minutes to enable the business on the agenda to be concluded.

The Chairman declared the motion CARRIED.

**294/20 – EXEMPT REPORT - LAND AT BAKEWELL ROAD, MATLOCK: PROPOSED CONVERSION OF MATLOCK MARKET HALL – VACANT POSSESSION ARRANGEMENTS**

The Committee considered a report seeking approval that a commercial settlement, on the terms outlined in paragraph 2.4 of the report, be agreed such, that an existing operator can vacate the Market Hall by agreement on or before 30th April

Members thanked Officers for bring the scheme forward and negotiating a commercial settlement and for keeping Members in the loop during the process.

It was moved by Councillor Peter Slack seconded by Councillor Garry Purdy and

**RESOLVED** That a commercial settlement on the terms outlined in paragraph 2.4 of this report be agreed such that the existing operator can vacate the Market Hall by agreement on or before 30th April 2021.

<b>Voting</b>	In favour	14
	Against	-
	Abstain	1

The Chairman declared the motion CARRIED.

**MEETING CLOSED – 8.38PM**

**CHAIRMAN**