

Nottingham City Council

Nottingham City Governance Improvement Board

Minutes of the meeting held remotely via Zoom on 20 January 2021 from 10.03 am - 11.50 am

Membership

Present

Councillor Sally Longford (Chair)
Councillor Nicola Heaton
Councillor Rebecca Langton
Councillor David Mellen
Councillor Anne Peach
Councillor Andrew Rule
Councillor Sam Webster
Councillor Audra Wynter
Mark Edgell
Peter Murphy

Absent

Colleagues, partners and others in attendance:

Daniel Ayrton - Business Development Manager
Nancy Barnard - Governance and Electoral Services Manager
Clive Heaphy - Strategic Director of Finance
Malcolm Townroe - Director of Legal and Governance

7 Apologies for Absence

Mel Barrett, Chief Executive, Nottingham City Council – Personal Reasons

8 Declarations of Interest

In the interests of transparency the following interests were declared:

Councillor Rebecca Langton – Director of Nottingham City Homes and Director of Nottingham Futures
Councillor David Mellen – Director of Blueprint
Councillor Anne Peach – Director of National Ice Centre
Councillor Sam Webster – Member of the Nottingham Revenues and Benefits Board
Councillor Audra Wynter – Director of Nottingham City Transport
Mark Edgell – employed by the LGA which, in partnership with government, has formed Local Partnerships
Peter Murphy – employed by Nottingham Business School at Nottingham Trent University, Research Consultant for Nottinghamshire Fire and Rescue Service and employed by the Research Excellence Framework for 2021
Malcolm Townroe – Company Secretary for Enviro-Energy

9 Minutes

The Committee agreed the minutes of the meeting held on 9 December 2020 as a correct record and they were signed by the Chair.

10 Governance Improvement Programme - Progress Update and Lessons Learnt

Councillor David Mellen introduced the report covering the following points:

- (a) The report has been presented at Council and has been considered by the Companies Governance Executive Sub-Committee and Audit Committee.
- (b) Steady progress is being made against the Report in the Public Interest (the PIR) but the Caller Report has subsequently been published and there is some overlap between the two. Further work will be undertaken on how the work arising from the two reports can be best carried out following advice from the Chair of the Government appointed Improvement Board.

Daniel Ayrton, Business Development Manager, Nottingham City Council, then gave a presentation covering the following points:

- (c) The Programme is now in the Research and Review stage. Feedback from the previous meeting has been taken on board and the recommendations are now grouped for ease of understanding. From December, 37 due recommendations are marked complete, 6 partially complete, and none incomplete.
- (d) Headlines include the completion of the Robin Hood Energy Review, the agreement of the Lessons Learned Report, the adoption of a new Member/Officer Protocol, 26 of 30 Councillor Directors having received training with training for the remaining four planned and additional support having been brought provided by CIPFA and the LGA.
- (e) Partially completed actions included the full delivery of training to councillor directors, the clarification of roles of Overview and Scrutiny Committee and Audit Committee and training in these roles, and the tenure of Councillors as Directors of Boards.

During the subsequent discussion the following points were raised:

- (f) The actions have been marked as completed but further work will need to be done to ensure they have the desired impact.
- (g) Four-year terms are being considered for Councillor Directors with a maximum tenure of nine years.
- (h) The Audit Committee will play a greater role in managing risk with items in the Council's risk register, including company risks, feeding into its work. Companies Governance Executive Sub-Committee is also meeting all companies and reviewing risks when they attend so any issues can be identified early.
- (i) Recovery for the City Council needs to be seamless with the improvements arising from the PIR and the Recovery and Improvement Plan merging.
- (j) Precision and clarity of language, as well as the way information is presented, will be important when providing information to the new Improvement Board.
- (k) Company specific training will be delivered to all Directors and companies will be involved in this. A register is being kept of all councillor training which can be reported on.

Resolved to note the report.

11 Director Training and External Support to the Governance Improvement Programme

Daniel Ayrton, Business Development Manager presented the report explaining that it sought approval from the Board for £15,000 to be spent with Local Partnerships, £15,000 to be spent with CIPFA, and £23,000 to be spent on external training to support governance improvement work. During the subsequent discussion the following points were raised:

- (a) It is important to spend on good quality member training to ensure that councillors have the required skills to challenge management and to support them in the significant responsibilities they take on. The use of recognised organisations will provide additional assurance to those outside the Council on the quality of that training.
- (b) Clive Heaphy, Strategic Director of Finance confirmed that the spend will be funded from in-year underspends and has been included in the draft budget for next year.
- (c) The importance of building up the internal training capacity and delivering an ongoing programme of councillor training was highlighted.

Resolved to:

- (i) note the update on internally delivered training to Councillors serving as directors of Council companies,**
- (ii) approve expenditure of up to £15,000 on external support from Local Partnerships as outlined in the body of the report and delegate authority to spend to the Director of Legal & Governance in consultation with the Strategic Director of Finance,**
- (iii) approve expenditure of up to £15,000 on external support from the Chartered Institute of Public Finance and Accountancy (CIPFA) as outlined in the body of the report and delegate authority to spend to the Strategic Director of Finance.**
- (iv) approve further expenditure of up to £23,000 on externally delivered specialist training for Councillors serving as company directors as outlined in the body of the report, and delegate authority to spend to the Director of Legal & Governance in consultation with the Director of Strategic Finance and Director of Human Resources & Customer.**

12 Role of the Shareholder Representative

Malcolm Townroe, Director of Legal and Governance, presented the report which asked the Board to approve a draft Role Description for the Shareholder Representative. In drafting the Role Description the views of the Companies Governance Executive Sub-Committee and the views of Shareholder Representatives were taken into account.

During the subsequent discussion the following points were put forward for consideration:

- (a) Move the final two points listed under Key Purpose (The Shareholder Representative will be appointed by the Company Governance Sub-

- Committee or the Chief Executive and will not be a Company Director, and The Shareholder Representative will be directly accountable to the Chief Executive) to the section on Duties,
- (b) Include an additional responsibility making shareholder representatives are responsible for their own continuous improvement and should work collectively on this and to improve the relationship between companies and the Council,
 - (c) The distinction between the shareholder representative and the client roles should be emphasised in order to avoid conflicts of interest between the two,
 - (d) The relationship between the shareholder representative and the Section 151 Officer should be made more explicit,
 - (e) Under Duties, the phrase “challenge to avoid risks to the Council and our shareholding” should be reworded to refer to minimising or mitigating risk.

Resolved to:

- (i) approve the current version of the Shareholder Representative Role Description as an interim version while it is amended by the Director of Legal and Governance to reflect the comments outlined above, and**
- (ii) share the amended version with Governance Improvement Board members either at a formal meeting or via email for comment before and then take on to Companies Governance Executive Sub-Committee for formal approval if necessary.**