

Nottingham City Council

Nottingham City Governance Improvement Board

Minutes of the meeting held remotely via Zoom and livestreamed on the Council's YouTube Channel - <https://www.youtube.com/user/NottCityCouncil> on 9 December 2020 from 10.03 am - 11.36 am

Membership

Present

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

Absent

Councillor Rebecca Langton
Councillor Audra Wynter

Colleagues, partners and others in attendance:

Daniel Ayrton	- Business Development Manager
Nancy Barnard	- Governance and Electoral Services Manager
Mel Barrett	- Chief Executive
Beth Brown	- Head of Legal and Governance
Clive Heaphy	- Strategic Director of Finance
Malcolm Townroe	- Director of Legal and Governance

1 Apologies for Absence

Councillor Rebecca Langton – Personal Reasons
Councillor Audra Wynter – Leave

2 Declarations of Interest

In the interests of transparency the following interests were declared:

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
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

3 Appointment of Vice Chair

Resolved to appoint Peter Murphy as Vice Chair for the remainder of the Municipal Year.

4 Nottingham City Governance Improvement Board Terms of Reference

Resolved to:

- 1) recommend that Council amend the Terms of Reference to remove the Deputy Leader of the Council as a substitute as the Deputy Leader is already an appointed member of the Board; and**
- 2) note the Terms of Reference.**

5 Introduction from the Chief Executive of Nottingham City Council

Following a round of introductions Mel Barrett, Chief Executive, Nottingham City Council, introduced the issues under consideration covering the following matters:

- (a) The work being done in implementing the Action Plan in response to the Public Interest Report is now being carried out in the context of the Non-Statutory Review led by Max Caller. The review report has been received but not yet published and cannot therefore be discussed.
- (b) All recommendations made in the Public Interest Report were accepted and the Council agreed some additional recommendations.
- (c) The Action Plan is being implemented at pace and the progress that has been made to date will stand the Council in good stead to respond to the Caller Report.

Resolved to note the introduction.

6 Governance Improvement Programme - Progress Update

Malcolm Townroe, Director of Legal and Governance, introduced the report, covering the following points:

- (a) The report sets out progress to date against the Action Plan that was agreed by Full Council in August and then amended in November. Good progress has been made and the report seeks to provide assurance on that progress as well as outlining the work that is in train.
- (b) A report will be taken to Council in January requesting sign-off of the actions already achieved.

Daniel Ayrton, Business Development Manager, then gave a presentation, including the following points:

- (c) The programme has been split into four stages, some of which will run concurrently. Stage one, Programme Planning and Resourcing, is complete and the Research and Review Stage is underway with a review of appointments, terms of reference and best practice. The Proposals and Approvals stage will

commence in January when Council considers the progress report. The final stage will involve Adoption and Embedding which will include reviewing the actions taken.

- (d) Work has been undertaken clarifying the roles of the shareholder and the shareholder representative, with the shareholder for Council companies being the Executive.
- (e) A range of best practice has been reviewed including guidance from Lawyers in Local Government who have produced a Model Code of Practice on Councillor Directorships. Further consideration will be given to the involvement of Councillors on Boards.
- (f) Work on clarifying the Council's company structures has been undertaken confirming that shareholder representatives are in place for all companies. Further work is being done on the process for appointing and removing directors of company boards.
- (g) The review of Council companies examined company structures, councillor directorships and board effectiveness. It provided clarity on the current situation and identified a number of areas for consideration including matters relating to the appointment and make up of company boards, the compatibility of the numerous roles held by councillors and the training requirements of board members.
- (h) Training for company directors has been commissioned from external sources and some training has already been delivered. Strong training records will be kept going forward. HR colleagues are working on a competency framework and identifying crossover with areas that would be appropriate for all councillors, such as General Data Protection Regulations, as well as identifying more specialist areas for those in certain positions.
- (i) The terms of reference for the Overview and Scrutiny Committee, Audit Committee and Companies Governance Executive Sub-Committee have been reviewed with input from the Local Government Association and the Chartered Institute for Public Finance and Accountancy. The terms of reference for Commissioning and Procurement Sub-Committee have also been identified for review as a result of the work on the Action Plan.
- (j) A shareholder role description and competency requirements have been drafted for consultation with company chairs and training for the Shareholder Representative is proposed.
- (k) The Council's approach to risk management is also under review.
- (l) Next steps for the programme include:
 - i. a report to Audit Committee on the use of councillors as directors on Boards on 18 December 2020
 - ii. an overarching lessons learned report is being produced by 20 December 2020 covering the actions and review findings

- iii. Full Council meeting to consider the findings and recommendations of the lessons learned report on 11 January 2021.

During the subsequent discussion the following points were raised:

- (m) The need to review the Councillors on company boards is recognised but this will need to be a gradual process to avoid disruption.
- (n) The Council has responded positively to the Public Interest Report and has made a good start on implementing the Action Plan which will need to be integrated with the response to the Caller Review. The number of actions is challenging and could benefit from some prioritisation outside of deadlines to avoid a tick box approach and ensure focus lies on the actions that are most important.
- (o) The process needs to be transparent and accountable and therefore it is important that information is presented in as clear a manner as possible. Councillors need to be able to understand and own the process and to be able to focus on the areas of highest importance. There also needs to be an understanding of the impact of the actions taken to ensure they are achieving the desired outcomes.
- (p) There is a need for continuity on company boards to ensure the skills and knowledge obtained by Board Members are retained and put to use. Both a minimum and maximum term are under consideration.
- (q) Reports are being taken to other committees including Overview and Scrutiny and Audit Committees. All meetings are open to view on the Council's YouTube channel and minutes of the meetings published.
- (r) Future meetings can examine matters including considerations when decisions are made to become involved in a company and how risk is fully taken into account.

Resolved to note the report and to request that work is undertaken on the prioritisation of the actions and brought back to the next meeting.