COUNCIL MEETING

SUMMONS

You are hereby summoned to attend a meeting of Bassetlaw District Council to be held on THURSDAY, 26TH SEPTEMBER 2013 at 6.30PM in The Town Hall, WORKSOP, for the purpose of transacting the business on the agenda.

Queen's Buildings, Worksop, S80 2AH
Interim Chief Executive

Dated 18th September 2013

AGENDA

1. APOLOGIES

2. DECLARATIONS To receive Declarations of Interest by Members and Officers (pages 5-6)

Members are also reminded of the requirements of Section 106 of the Local Government Finance Act 1992 that they should declare and not vote on specified matters if they are two months or more in arrears with their Council Tax payments.
3. MINUTES To approve as a correct record the Minutes of the Meeting held on 27th June 2013. (pages 7-16)

4. COMMUNICATIONS To receive such communications as the Chairman and Chief Executive desire to lay before the Council.

5. QUESTIONS BY THE PUBLIC To answer questions of which notice has been given in accordance with Rules of Procedure Number 10.

None

6. QUESTIONS BY MEMBERS To answer questions of which notice has been given in accordance with Procedure Rule Number 11.

7. MOTIONS To consider motions of which notice has been given in accordance with Procedure Rule Number 12.

Proposed by Councillor I J Campbell and seconded by Councillor A Chambers:

“This Council calls upon the Government to keep the East Coast Mainline in public hands and not to re-privatise.

We recognise that the rail network is vitally important to the UK’s economic and social livelihood as well as a greener and more sustainable future and is key to economic regeneration and job creation across the country.

Retford, and indeed the wider Bassetlaw area, is dependent on the East Coast for leisure and business growth, our residents and businesses deserve a rail line that has continuity, stability and a good service record.

With two failed franchises, the Government needs to leave the East Coast in public ownership and use our line as a template for others.”

Proposed by Councillor S A Greaves and seconded by Councillor G J Wynne:

“This Council calls upon the Government not to privatise Royal Mail. If the Royal Mail is privatised then a service that many Bassetlaw residents and businesses take for granted will be cut. The daily delivery service could stop – meaning some rural areas will only see their postperson a few times a week. The price of a stamp could go up, local post offices could close and private companies might start charging much more to deliver to rural areas. People will be left isolated, UK businesses will be affected and jobs will be at risk.”

8. REFERRALS

(a) Audit and Risk Scrutiny Committee – 20th June 2013 – Minute No. 15(a) – Local Code of Corporate Governance (pages 17-36)
(b) Cabinet – 9th July 2013 – Minute No. 35(a) – Sheffield City Region Inter-Authority Agreement (Key Decision No. 412) (pages 37-56)

9. REPORT(S) OF THE DIRECTOR OF CORPORATE SERVICES AND MONITORING OFFICER

(a) Independent Remuneration Panel (pages 57-59)
(b) Appointments to Council Committees – 2013/14 Municipal Year (pages 61-62)
(c) Filming of Public Meetings (pages 63-65)
(d) Amendments to the Council Constitution (pages 67-68)
10. REPORT(S) OF THE DIRECTOR OF RESOURCES AND INTERIM CHIEF EXECUTIVE

(a) Polling District and Places Review (pages 91-95)
(b) Audit and Risk Scrutiny Committee – Annual Review of Audit Work Programme 2012/13 (pages 97-100)
(c) KPMG ISA 260 Annual Governance Report and Statement of Accounts for 2012/13 (Key Decision No. 373) (pages 101-119)

(See separate publication ‘Statement of Accounts Annual Governance Statement 2012/13’)

Exempt Information Items

The press and public are likely to be excluded from the meeting during the consideration of the following items in accordance with Section 100A(4) of the Local Government Act 1972.

11. ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS TO BE URGENT
AGENDA ITEM NO. 2

DECLARATION OF INTEREST

COMMITTEE ………………………………………………………………………………………………………

DATE …………………………………………………………………………………

NAME OF MEMBER : ……………………………………………………………………………………………

Type of Interest

1. Disclosable Pecuniary
2. Non Pecuniary

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<th>Agenda Item No.</th>
<th>REASON *</th>
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Signed

Dated

Note:

* When declaring an interest you must also state the nature of your interest.

Completion of this form is to aid the accurate recording of your interest in the Minutes. The signed form should be provided to the Minuting Clerk at the end of the meeting.

A nil return is not required.

It is still your responsibility to disclose any interests which you may have at the commencement of the meeting and at the commencement of the appropriate Agenda item.
DECLARATION OF INTERESTS

HOW TO USE THIS FORM

There are now only two types of Declaration of Interest:

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<tr>
<th>Disclosable Pecuniary Interests</th>
<th>Action to be Taken</th>
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<td>Details can be found in the Councillors Code of Conduct which is contained in the Council’s Constitution (a summary is printed below)</td>
<td>Must disclose to the meeting - existence of the interest - the nature of the interest - withdraw from the room - not seek improperly to influence a decision on the matter</td>
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<td>Must disclose to the meeting - existence of the interest - the nature of the interest - not seek improperly to influence a decision on the matter</td>
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Upon receipt of the attached form you will need to enter the name and date of the Committee and your own name. By looking at the Agenda you will no doubt know immediately which Agenda Items will require you to make a Declaration of Interest.

Fill in the Agenda Item number in the first column of the form.

Enter the subject matter and any explanations you may wish to add in the second column.

In the third column you will need to enter either if you are declaring a disclosable pecuniary interest, or a non pecuniary interest.

The form must then be signed and dated. Please remember that if during the actual meeting you realise that you need to declare an interest on an additional Agenda Item number please simply amend the form during the meeting.

The form must be handed into the Committee Administrator at the end of the meeting.

NB. The following is a summary prepared to assist Members in deciding at the actual meetings their position on INTERESTS it is not a substitute for studying the full explanation regarding INTERESTS, which is contained in the Council’s Constitution and the Code of Conduct for Councillors, which is legally binding.

Members and Officers are welcome to seek, PREFERABLY WELL IN ADVANCE of a meeting advice from the Council’s Monitoring Officer on INTERESTS.

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<th>Disclosable Pecuniary Interests</th>
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<td>May relate to employment, office, trade, profession or vocation carried on for profit or gain</td>
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<td>May relate to corporate tenancies</td>
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<td>May relate to securities</td>
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<td>May relate to any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the Council</td>
<td>Must disclose to the meeting - existence of the interest - the nature of the interest - not seek improperly to influence a decision on the matter</td>
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<td>May relate to any person from whom you have received a gift or hospitality with an estimated value of at least £25</td>
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A Member may also have a non pecuniary interest where a decision in relation to that business might reasonably be regarded as affecting wellbeing or the wellbeing of other council tax payers, or ratepayers or inhabitants in the electoral division or ward, as the case may be, affected by the decision.

(Note – there are special provisions relating to “Sensitive Interests” which may exclude the above provisions in certain circumstances.)
BASSETLAW DISTRICT COUNCIL

Minutes of the Meeting held on Monday, 27th June 2013 at Retford Town Hall

Present: Councillor S. Fielding (Chair)

Councillors
B. A. Bowles  J. W. Ogle
H. M. Brand  G. A. N. Oxby
I. J. Campbell  C. Palmer
R. B. Carrington-Wilde  D. G. Pidwell
D. Challinor  D. Potts
A. Chambers  J. Potts
C. Entwistle  A. Rhodes
J. Evans  J. B. Rickells
G. Freeman  J. M. Sanger
M. T. Gray  J. C. Shephard
S. A. Greaves  A. Simpson
F. Hart  M. Storey
K. H. Isard  K. Sutton
S. Isard  T. Taylor
J. A. Leigh  S. Toms
R. Leigh  C. Troop
S. May  J. White
A. Mumby  G. J. Wynne

Officers in attendance: J Hamilton, M Hill, M Ladyman, N Taylor, R Theakstone and S Wormald.

(Meeting opened at 6.35pm.)

(The Chairman welcomed all present to the full Council Meeting and read out the Fire Alarm/Evacuation Procedure. Members of the public were asked if anyone wanted to film the meeting (or part thereof) in accordance with the Department for Communities and Local Government’s recent guidance; however, no-one responded.

14. APOLOGIES

Apologies for absence were received from Councillors B Barker, A Battey, H Burton, P Douglas, M Gregory, B Hopkinson, D R Pressley, M W Quigley, T Raffety and C Wanless.

15. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

(a) Members

Councillors H M Brand, M T Gray, F Hart, A Mumby, G A N Oxby, J C Shephard, K Sutton and T Taylor declared non-pecuniary interests in Agenda Item No. 8 – the second Motion, as they are all School Governors; they remained in the meeting.

(b) Officers

There were no declarations of interest by officers on matters to be discussed at the meeting.
16. **MINUTES OF THE MEETING HELD ON 15TH MAY 2013**

**RESOLVED** that the Minutes of the meeting held on 15th May 2013 be approved, subject to the amendment at Minute No. 5 to read “**RESOLVED that Councillor G Freeman be appointed Vice-Chairman of Bassetlaw District Council for the 2013/14 Municipal Year.**”

17. **COMMUNICATIONS**

**Chairman’s Communications**

The Chairman updated Members on the Armed Forces Week:

- The flag had been raised at both Retford and Worksop Town Halls at 10am on 24th June;
- She had attended the launch events of the national event in Nottingham, the culmination of which takes place on 29th June;
- A magnificent display of war-time memorabilia had been held at Retford Town Hall today; and
- A similar display will be held at Worksop Town Hall tomorrow.

**Leader’s Communications**

The Leader also commented on the Armed Forces events, and reported that, in recent weeks, he had:

- Met with the Doncaster Bassetlaw Hospital Trust;
- Attended the inaugural meeting of the Sheffield City Region Transport Body;
- Met with representatives of local schools regarding careers advice, getting ready for work, etc;
- Met with the new Neighbourhoods Inspector for the District;
- Held numerous meetings with Members and officers; and
- Met with the Chief Executive of the Prince’s Trust in London this week.

The Leader handed over to the Cabinet Member for Finance to update Members on the recent Spending Review Announcement; however, apart from a further 10% cut in funding, Councillor J Evans said that she would update Members when more information is available, particularly with regard to Council Tax issues.

**Chief Executive’s Communications**

The Interim Chief Executive updated Members on:

- The Start Up Britain initiative for enterprises, for which an event will be held in Worksop on 9th August;
- A congratulatory letter had been received from the Department for Communities and Local Government on the Council’s work on Neighbourhood Plans, with Bassetlaw being one of the first hundred local authorities to support such Plans; and
- Bassetlaw’s car parks had been awarded the ‘Safer Park’ mark.

18. **PETITION**

Parish Councillor R Carlin of East Markham Parish Council presented a petition, in accordance with Rules of Procedure Number 14, which contained 2,781 signatures:
“Bassetlaw District Council Cabinet has made the decision that the Parish Concurrent Grant is to be initially reduced and then discontinued. We feel that this creates inequality and an imbalance between town and rural communities. This would inevitably result in double taxation for the rural parishes to retain existing services.

We would like the Bassetlaw District Council to give further consideration to this issue and to review their decision. We feel a debate at full Council would be appropriate followed by a public consultation and Council Inquiry. We would like Bassetlaw District Council to address the matter and redress the imbalance.”

Councillor J W Ogle proposed that the petition be accepted and this was seconded by Councillor M T Gray.


**RESOLVED** that the petition be received but that the actions requested be not supported.

Councillor S A Greaves proposed that:

“The Council acknowledges the petition received and asks that Cabinet gives due consideration to the comments and observations made in the course of debate in determining the 2014/15 Council Budget.”

Councillor G J Wynne seconded this proposal.

**RESOLVED** that the petition be received and Cabinet gives due consideration to the comments and observations made in the course of the debate in determining the 2014/15 Council Budget.

19. **PUBLIC QUESTION TIME**

There were no questions by the public of which notice had been given in accordance with Rules of Procedure Number 10.

20. **QUESTIONS BY MEMBERS**

Nine questions were asked by Members in accordance with Rules of Procedure Number 11.

**From Councillor J Potts:**

To Councillor White, there is an empty allotment site in my Ward which is an eyesore and used for fly-tipping, on which I would like to see affordable housing built. Does the Council agree with me and what plans does it have for the future of this site and also for the former school site?

**Reply by Councillor J White:**

It is agreed that we need more affordable housing. As part of our regeneration plans we want to build on such sites in the years to come and are consulting with the County Council.

**From Councillor K H Isard:**

To Councillor Greaves, it is now nine months since you took the Site Allocations document out of the Planning office, have you returned it yet?
(Although a similar question had been asked at the 20th December 2012 Council Meeting, it was deemed to be outside the six-month period by the Monitoring Officer.)

Reply by Councillor S A Greaves:

I did not take the document away at all, it is still there, there is no need to return it.

Supplementary question from Councillor K H Isard:

To Councillor Greaves, you did suspend progress with the document. Whilst the document has been withdrawn from Council proceedings, have you discussed it with Bassetlaw’s MPs and when will officers be allowed to progress with the document?

Reply by Councillor S A Greaves:

It is not the case that work has been suspended, work is on-going by officers. It is reasonable to discuss public information with whoever I choose. A timetable for the document will be put forward and further announcements will be made.

Further supplementary question from Councillor K H Isard:

To Councillor Greaves, this is not yet a public document, and will only be so once it has gone to Cabinet, after which it will be published for consultation. It has been pulled from a number of Cabinets and I believe that this is due to intervention by Councillor Greaves?

Reply by Councillor S A Greaves:

The Forward Plan is a matter for my Cabinet colleagues and I am the Chair of Cabinet. The information is for public consumption and can be discussed by Members. I will support the view of the public, unlike the former Chair of this Authority.

From Councillor I J Campbell:

To Councillor J Leigh, Bassetlaw’s leisure centres have been managed by BPL for three years now, what are the benefits for the working people of Bassetlaw?

Reply by Councillor J A Leigh:

These are difficult times and we are seeing leisure facilities closing across the country, but I am pleased to say that Bassetlaw has increased its usage of its leisure facilities. We have a good partnership with BPL and aim to increase participation, customer satisfaction and value for money, and these have all been achieved with BPL. For example, at Kilton Forest Golf Course, we have developed the site considerably, including the clubhouse, and membership has increased. There is now junior coaching, we have planted over 6,000 trees and a new fairway opened today. At Bircotes Leisure Centre, we have refurbished the changing rooms, and increased memberships and activities. At both Retford and Worksop Leisure Centres, activities and memberships have increased, and new mezzanine floors are to be built at both to accommodate further facilities. Although the Council is paying initially for the floors, the cost will be recouped through the partnership. We are working with disabled groups so that they can participate fully in the activities.
From Councillor C A Palmer:

To Councillor Leigh, it is now several months since the hugely successful Bassetlaw Games have concluded, what is the on-going legacy?

Reply by Councillor J A Leigh:

Yes, the Bassetlaw Games were a resounding success and to have a legacy was always our intention. 50,000 people were engaged with the Games, such was the catalyst for participation. Coaches were needed and 60+ were trained during the Games. Triathlon and fencing are now new sports to the area, and handball is being played in schools. Clubs for these are being developed and we have given some funding, and also advice and guidance through the Sports Development Unit. Sports activities will be held throughout the summer months as part of the “Road to Rio”, with the first ever triathlon in Bassetlaw taking place on 1st August, which is attracting people nationally.

From Councillor F Hart:

To Councillor Leigh, last Sunday a fun/community day was held in Harworth near Bircotes Leisure Centre which was open throughout the day, but we had to pay £140-150 to BPL to use the toilet facilities, even though they were open all day – disgusting!

Reply by Councillor J A Leigh:

I am not aware of such charging, but will investigate this and get back to you.

From Councillor D Challinor:

To Councillor May, are you aware that the day following the announcement of further Government cuts, leaflets were being pushed through our doors offering loans at exorbitant rates? What is the Council doing to keep such vultures away?

Reply by Councillor S May:

I would like to see the leaflet at the end of the meeting and would urge all Members to report any such activity. We are planning to revisit our ‘Money Maze’ leaflet to combat such temptations and are being active with the Financial Inclusion Forum. A1 Housing is also sending out information about avoiding such loans. We are also having an event in Manton soon to target vulnerable people and raise awareness, and the community centre already has much advice to hand out. We are hoping that there will be better input by the Citizen’s Advice Bureau in the future now they are at Queen’s Buildings.

From Councillor G A N Oxby:

To Councillor Chambers, could you enlighten us about recent events at Queen Street/Pelham Road?

Reply by Councillor A Chambers:

Today in the Retford West Ward, one three-bed and four two-bed properties have been acquired from the new development. These will be on the website and available for bidding from tomorrow.
From Councillor D G Pidwell:

To Councillor Greaves, have you noticed that the Leader of the Opposition is missing for the second Council Meeting in a row and do you know the reason for his absence?

This question was not allowed by the Monitoring Officer as it was of a personal nature.

From Councillor K H Isard:

To Councillor Greaves, as the Chair of Planning Committee is not on Cabinet, which Cabinet Member is responsible for Planning?

Reply from Councillor S A Greaves:

We used to have a stand-alone Planning Committee and Cabinet Member for Regeneration, and in May we decided to separate these two functions. The Chair of Planning is just that, and the Planning Department comes under the remit of the Portfolio Holder for Regeneration. Officers within Planning Services ensure that things run efficiently.

21. MOTIONS

The Agenda contained two motions, notice of which had been given in accordance with Rules of Procedure Number 12.

(a) Proposed by Councillor A Chambers and seconded by Councillor S May:

“This Council recognises the suffering forced upon local residents as a result of the Coalition Government’s cuts programme and the impact upon the NHS and local government, and asserts that there is an alternative to its ideologically driven attack upon the low paid and public services – namely the levy of a Financial Transaction Tax of 0.05% on speculative banking transactions.

This Council therefore calls upon the Government to enact a Financial Transaction Tax and use the revenues from this measure to tackle poverty and reverse on-going reductions in Central Government funding to the NHS and local councils.”

Councillors I J Campbell, D Potts, G A N Oxby, S A Greaves, R Leigh, S May, B A Bowles, A Chambers and G J Wynne spoke to the motion.

A request for a recorded vote was requested by a minimum of seven Members.

Voting for supporting the motion:


AGAINST Councillor K H Isard and J W Ogle.


(Councillor J B Rickells was not present for the vote.)
RESOLVED that the motion be supported and a letter from Bassetlaw District Council be sent to the Prime Minister and the Chancellor.

(b) Proposed by Councillor J White and seconded by Councillor M Gregory:

(The motion was seconded by Councillor F Hart in the absence of Councillor M Gregory.)

“This Council places the highest value on maintaining existing schools in Bassetlaw.

In villages, schools are a vital aspect of preserving village life and we are concerned about the on-going viability of smaller schools with current Government cuts and the chaos that would be caused by Free Schools.

We note that schools need to see a continued flow of new pupils into the future. This Council supports existing local schools and welcomes moves to aid their expansion.

This Council agrees to strengthen its Core Strategy to underpin the importance of maintaining existing schools in towns and villages in Bassetlaw.”


A request for a recorded vote was requested by a minimum of seven Members.

Voting for supporting the motion:


ABSTAINED Councillors M T Gray, S Isard, J W Ogle and T Taylor.

(Councillor J B Rickells was not present for the vote.)

RESOLVED that the motion be supported and Bassetlaw District Council’s Core Strategy be strengthened to underpin the importance of maintaining existing schools in towns and villages in Bassetlaw.”

22. REFERRALS

(a) Audit and Risk Scrutiny Committee – 30th May 2013 – Minute No. 6(b) – Annual Audit Fee 2013/14

RESOLVED that the Annual Audit Fee 2013/14 be approved.

(b) Cabinet – 11th June 2013 – Minute No. 9(a) – Food Safety Service Plan 2013/14 (Key Decision No. 377)

RESOLVED that the Food Safety Enforcement Service and Delivery Plan for 2013/14 be approved and implemented.

(c) Cabinet – 11th June 2013 – Minute No. 9(b) – Health and Safety Service Plan 2013/14 (Key Decision No. 378)
RESOLVED that the Health and Safety Enforcement Service and Delivery Plan for 2013/14 be approved and implemented.

23. REPORT(S) OF THE MONITORING OFFICER

(a) Appointments to Council Committees and Outside Organisations 2013/14 Municipal Year

Members were advised of revisions to Councillors appointed to Council committees and Outside Organisations for the 2013/14 Municipal year, namely:

- Appeals Committee – Cllr H M Brand to take up the vacancy.
- Health and Public Services Sub-Committee – Cllr H M Brand to replace Cllr J M Sanger.
- Nottinghamshire County Council Health Scrutiny Committee – Cllr G J Wynne to replace Cllr J Evans.

The Deputy Leader for the Opposition reiterated their opposition to the reinstatement of the Appeals Committee and the justification for the lack of a nomination, but asked that the composition of the Committee be one Labour, one Conservative and one Independent Member to maintain fairness.

RESOLVED that:

1. The proposed amendment to Appointments made to Council committees for the 2013/14 Municipal Year be approved.
2. The proposed amendments to Appointments made to Outside Organisations for the 2013/14 Municipal Year be approved.

(b) Amendments to the Council Constitution

Members were advised of proposed amendments to the Council Constitution in respect of the Health and Public Services Sub-Committee, and approval was sought to adopt these amendments.

RESOLVED that the proposed amendments, as appended to the report, be approved.

(c) Independent Remuneration Panel

Members were updated on the status of the Independent Remuneration Panel (IRP). Three options were outlined within the report as to a way forward in light of Members’ concerns that the most recent deliberations and subsequent proposed recommendations have been made whilst the IRP has been on reduced membership. Proposed Procedure Rules for the IRP were appended to the report.

The Leader of the Council proposed that three additional co-optees be appointed to the IRP, making five members in total.

RESOLVED that:

1. Three more co-optees be appointed from neighbouring authorities' Independent Remuneration Panels on a temporary basis to resolve the reduced membership issue.
2. The process of reviewing the Scheme of Members' Allowances during 2012/13 by the Independent Remuneration Panel with two members be fully reviewed by the Panel once operating with five members.
24. REPORT(S) OF THE DIRECTOR OF COMMUNITY SERVICES

(a) Approval of Bassetlaw Community Infrastructure Levy (CIL) (Key Decision No. 367)

Members’ approval was sought for the Community Infrastructure Levy Charging Schedule which was appended to the report, and its implementation with effect from 1st September 2013. The Schedule has been amended by modifications in the Community Infrastructure Levy Examiner’s Report, which was also appended to the report.

RESOLVED that:

1. The Community Infrastructure Levy (CIL) Charging Schedule, as amended by the Examiner’s Report, and as appended to the report, be approved and implemented with effect from 1st September 2013.
2. Once implemented, the CIL be monitored and reviewed, and feedback be presented to a future meeting of Cabinet, together with feedback on the impacts of the Levy from other local authorities where available.

(b) Neighbourhood Plans: Designation of Neighbourhood Areas

Members’ approval was sought for the designation of Neighbourhood Areas for Sturton Ward, Shireoaks, Hayton, Elkesley and Harworth Bircotes for the purposes of producing a Neighbourhood Plan, as defined in the Neighbourhood Planning (General) Regulations 2012. Plans for the five proposed Neighbourhood Areas were appended to the report.

RESOLVED that Neighbourhood Area designations be approved for Sturton Ward, Shireoaks, Elkesley, Hayton and Harworth Bircotes, as per the plans appended to the report.

25. REPORT(S) OF THE DIRECTOR OF RESOURCES AND INTERIM CHIEF EXECUTIVE

(a) Members’ Allowances/Expenses Arrangements

Members’ approval was sought for a new set of Members’ expenses arrangements for the 2013/14 Municipal Year which were detailed within the report, in respect of:

- Daily attendance subsistence allowances
- Mileage expense claims
- Travel and subsistence expense claims
- Telephone and internet allowances
- Mobile phones
- Desktop computers/laptops/i-pads

RSM Tenon reviewed the arrangements with regard to Members’ expenses in 2010 as part of the overall internal audit reassurance and their recommendations were used as a basis for the proposed expenses arrangements.

RESOLVED that the changes to the Members’ allowances/expenses, as detailed in Section 3 of the report, be adopted in respect of claims for 1st July 2013 onwards.

(b) Financial Outturn 2012/13 (Key Decision No. 373)

Members were presented with the 2012/13 financial outturn position on the Council’s revenue and capital budgets, including: General Fund Revenue; Housing Revenue Account; Capital Programme; Provisions and Impaired Estimates on Debtors; Usable Reserves; Collection Fund; Balance Sheet; and Treasury Management. The 2012/13 Unaudited
Statement of Accounts and the Annual Governance Statement had been circulated prior to the meeting.

There were no comments reported from the Extraordinary Cabinet and Audit & Risk Scrutiny Committee meetings held on 20th June 2013.

**RESOLVED** that:

1. The Financial Outturn 2012/13 report be noted.
2. The capital financing proposals, as contained within the report, be approved.
3. Comments made by Cabinet in respect of the Annual Report on Treasury Management Activity be noted.
4. The 2012/13 Unaudited Statement of Account be approved and submitted to the external auditor (KPMG) for audit and certification.

**26. ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS TO BE URGENT**

As there was no other business, the Chair closed the meeting.

(Meeting closed at 8.55pm.)
Public Interest Test

The author of this referral, Cara Crossland, Democratic and Electoral Services Officer, has determined that it is considered to be of a non-confidential nature.

MINUTE NO. 15(A) – Local Code of Corporate Governance

RESOLVED that the updated Local Code of Corporate Governance be recommended to Council for approval and that procedures as set out in the report be implemented.

Referred Reports will be submitted in their original form unless the Responsible Officer indicates otherwise.

Copies to: Interim Chief Executive
Director of Corporate Services
Committee Administrator
1. **Public Interest Test**

1.1 The author of this report, Ros Theakstone, has determined that the report is not confidential.

2. **Purpose of the Report**

2.1 To consider and recommend to Council approval of the updated Local Code of Corporate Governance.

3. **Background and discussion**

3.1 Corporate governance is the system by which organisations are directed and controlled and it became an important concept following the Cadbury Committee’s report in 1992 on financial aspects of corporate governance. The Nolan Committee on Standards in Public Life considered the allegations of lack of accountability, noting that there was no comprehensive framework of principles for local authorities to adhere to. In 2001 The Chartered Institute of Public Finance and Accountability [CIPFA] and the Society of Local Authority Chief Executives [SOLACE] in conjunction with other public agencies published a Guidance Note and Framework for “Corporate Governance in Local Government: A Keystone for Community Governance”. This was updated in 2007 by the publication “Delivering good governance in local government”. All local authorities have now been recommended to comply with best practice by drawing up a Local Code of Corporate Governance, based on CIPFA/SOLACE Guidance.

3.2 Those recommendations have been incorporated within a Code first approved by full Council in June 2008, and an update of this Code is attached to this report as Appendix 1. The document sets out the Council’s process for monitoring and maintenance of the Code and provides the framework for the Council to achieve its aims and objectives.
3.3 The Code is a ‘living document’ in that it must be periodically reviewed and amended to ensure that it satisfies the changing financial and corporate environment. Responsibility for review of the Code will ultimately be the responsibility of Council, acting upon the recommendations of the Audit & Risk Scrutiny Committee, having taken account of monthly reviews carried out by Officers under the aegis of the Corporate Governance Working Group. Council will be expected to take careful note of such recommendations.

3.4 Following the approval of the updated Code, full Council is to be requested to approve the Annual Governance Statement 2012/13, a draft of which is attached and forms part of the Appendix. This will be included as part of the 2012/13 Statement of Accounts report to Council on 27th June 2013. The Statement is based on core principles and the gathering of evidence to support those principles with actions devised to ensure that the Council satisfactorily complies with the Code’s aspirations.

3.5 The intention is that the Council is able to demonstrate that its practices and procedures fully comply with the CIPFA/SOLACE objectives and that the Local Code is fully observed. Compliance and monitoring of the Code is demonstrated through the ‘vowel’ test recommended by CIPFA/SOLACE Guidance, namely:

- Accountability
- Effectiveness
- Integrity
- Openness and Inclusivity
- Up to date

3.6 The Council will receive an annual report from the Chief Executive and Leader: the “Annual Governance Statement”, which defines the position on whether the corporate governance arrangements are adequate and operating effectively.

4. Implications

a) For service users

None from this report

b) Strategic and Policy

None from this report

c) Financial – Ref: 14/840

The Local Code of Corporate Governance needs to be approved so that an Annual Governance Statement can be included in the Statement of Accounts for 2012/13.

d) Human Resources

None from this report
e) Legal – Ref: 173/06/13

The Council must maintain control frameworks to enable identification of any areas of the Council’s activities where there are significant weaknesses in the financial controls, the governance arrangements or the management of risk. Recommended guideline requirements govern the considerations and these have been followed as outlined in the body of this report.

f) Community Safety, Equalities, Environmental

None arising.

g) Key Decision

None

5. Options, Risks and Reasons for Recommendations

The Council has an obligation to adopt best practice in respect of corporate governance.

6. Recommendations

That the Audit & Risk Scrutiny Committee recommends that Council approves the updated Local Code of Corporate Governance and Annual Governance Statement, and to implement the procedures as set out in the report.

Background Papers

<table>
<thead>
<tr>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Services</td>
</tr>
<tr>
<td>File Ref: RT/MO</td>
</tr>
</tbody>
</table>
BASSETLAW DISTRICT COUNCIL
LOCAL CODE OF CORPORATE GOVERNANCE

Introduction

1. Governance is about how the Council ensures it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises systems, processes, cultures and values by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads the community.

2. CIPFA\(^1\)/SOLACE\(^2\) have together produced a corporate governance framework. It is an integrated system that brings together an underlying set of legislative requirements, governance principles and management processes. The governance framework produced by CIPFA/SOLACE remains a discretionary code and is offered to local authorities as good practice.

3. This Local Code of Corporate Governance sets out the framework for governance at Bassetlaw District Council and is based on the CIPFA/SOLACE framework.

Policy Statement

4. In conducting its business, Bassetlaw District Council is fully committed to the key principles of good governance as established by the Nolan Committee on Standards in Public Life.

These key principles are:-

- Focussing on the organisation’s purpose and on outcomes for citizens and service users
- Promoting values for the whole organization and demonstrating good governance through behavior
- Performing effectively in clearly defined functions and roles
- Taking informed, transparent decisions and managing risk
- Developing the capacity and capability of the governing body to be effective
- Engaging stakeholders and making accountability real

5. The CIPFA/SOLACE framework for good governance adapts these core principles for the local authority context. As the CIPFA/SOLACE framework represents good practice, this Local Code of Corporate Governance is underpinned by the six core principles.

---

\(^1\) Chartered Institute of Public Finance and Accountancy
\(^2\) Society of Local Authority Chief Executives
The Six Core Principles of Good Governance

6. The six core principles of good governance as recognised by the CIPFA/SOLACE framework that have been adopted by the Council are as follows:-

<table>
<thead>
<tr>
<th>CORE PRINCIPLES OF GOOD GOVERNANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Focusing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area</td>
</tr>
<tr>
<td>2 Members and officers working together to achieve a common purpose with clearly defined functions and roles</td>
</tr>
<tr>
<td>3 Promoting the values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</td>
</tr>
<tr>
<td>4 Taking informed and transparent decisions that are subject to effective scrutiny and managing risk</td>
</tr>
<tr>
<td>5 Developing the capacity and capability of members to be effective and ensuring that officers – including statutory officers – also have the capability and capacity to deliver effectively</td>
</tr>
<tr>
<td>6 Engaging with local people and other stakeholders to ensure robust local public accountability</td>
</tr>
</tbody>
</table>

Applying the Principles of Good Governance

7. To achieve good governance, the Council will seek to apply each of the six core principles, along with their supporting principles. Details of how this will be achieved is provided later at section 13 of this report.

8. The Council will undertake a regular review of its governance arrangements which will result in a clear action plan indicating how the Council will address any gaps in the arrangements, who will deal with them and how these will be dealt with.

Review of the Council's Corporate Governance Arrangements

9. The Council takes its corporate governance arrangements seriously and as a result has put in place a rigorous process of reviewing the arrangements on a regular basis.

The process of review is as follows:-

- **Corporate Governance Working Group**

  The Corporate Governance Working Group comprises the Monitoring Officer, the Section 151 Officer, and the Council Solicitor. The Group meets monthly.

  The purpose of the Corporate Governance Working Group is inter alia to review the Council’s governance and risk management arrangements and identify a work programme for ensuring these arrangements remain robust and up-to-date. The Group reports directly to the Audit & Risk Scrutiny Committee.
• **The Audit & Risk Scrutiny Committee**

The Audit & Risk Scrutiny Committee has overall responsibility for the Council’s governance and risk management arrangements and will be the main Member review of the Council’s governance and risk management arrangements. The Corporate Governance Working Group refers reports arising from its work programme to the Committee which meets on a bi-monthly basis. The Committee will make any recommendations to the Council on the governance and risk management arrangements.

• **The Council**

The Council has a responsibility to act upon the recommendations made by the Audit & Risk Scrutiny Committee in relation to the Council’s policy on corporate governance and risk management. This will be subject to any such recommendations being made by the Committee but will, at the very least, occur at least once a year when the policies on corporate governance and risk management are reviewed.

**The Annual Governance Statement**

10. In England, the preparation and publication of an Annual Governance Statement in accordance with the CIPFA/SOLACE framework is necessary to meet the statutory requirement set out in Regulation 4(2) of the Accounts and Audit Regulations (Amendment)(England) 2006 for authorities to prepare a statement on internal control in accordance with ‘proper practices’.

11. To comply with this requirement, the Council will produce an Annual Governance Statement in accordance with guidance provided by CIPFA. The process that the Council will apply in gathering the evidence necessary to produce the Annual Governance Statement is illustrated below:
12. It is envisaged that approval of the Annual Governance Statement will be given by the Audit & Risk Scrutiny Committee during June of each year, and the Statement will be published as part of the Council’s Annual Statement of Accounts.
Applying the Principles of Good Governance

13. To achieve and maintain good governance, the Council will seek to apply each of the six core principles above, along with their supporting principles, in the following way, representing the recommended best practice:

<table>
<thead>
<tr>
<th>Supporting Principles</th>
<th>The Council will:-</th>
</tr>
</thead>
</table>
| Exercising strategic leadership by developing and clearly communicating the authority’s purpose and vision and its intended outcome for citizens and service users. | • make a clear statement of the authority’s purpose and vision and use it as a basis for corporate and service planning and shaping the community strategy.  
  • publish reports on a timely basis to communicate the authority’s activities and achievements, its financial position and performance. |
| Ensuring that users receive a high quality of service, whether directly or in partnership or by commissioning. | • decide how the quality of service for users is to be measured and ensure that the information needed to review service quality effectively and regularly is available.  
  • focus on 8 areas of best practise principles when working in partnership e.g.  
    o Defined objectives;  
    o Robust financial management/financial regulations;  
    o Proper constitutional framework/legal framework;  
    o Defined codes of conduct;  
    o Commitment to Equality and Diversity;  
    o Robust performance management and monitoring arrangements;  
    o Clear accountability reporting/scrutiny arrangements;  
    o Embedded risk management. |
<p>| Ensuring that the authority makes best use of its resources and that taxpayers and service users receive excellent value for money. | • decide how value for money is to be measured and ensure that it has the information needed to review value for money and performance effectively. |</p>
<table>
<thead>
<tr>
<th>Supporting Principles</th>
<th>The Council will:-</th>
</tr>
</thead>
</table>
| Ensuring effective leadership throughout the authority by being clear about Cabinet and non Cabinet functions and of the roles and responsibilities of the scrutiny function. | • set out a clear statement of the respective roles and responsibilities of the Council’s Cabinet and the Members individually.  
• set out a clear statement of the respective roles and responsibilities of the Council’s other committees and Members and senior Officers.  
• ensure that effective mechanisms exist to monitor service delivery.  
• ensure that effective management arrangements are in place at the top of the organisation. |
| Ensuring that a constructive working relationship exists between elected Members and Officers and that the responsibilities of Members and Officers are carried out to a high standard. | • determine and maintain under periodic review a Scheme of Delegation and reserve powers within the Constitution including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.  
• determine that the Chief Executive is responsible and accountable to the Council for all aspects of operational management.  
• develop processes to ensure effective communication between Members and Officers in their respective roles.  
• develop processes to ensure that the Leader and Chief Executive negotiate their respective roles early in their relationship and that a shared understanding of roles and objectives is maintained.  
• set out the terms and conditions for remuneration of Members and Officers and an effective structure for managing the process including an effective remuneration panel.  
• make a senior Officer (the s151 Officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper records and accounts and for maintaining an effective system of internal financial control.  
• make a senior Officer (the Monitoring Officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. |
Members of Officers working together to achieve a common purpose with clearly defined functions and roles

<table>
<thead>
<tr>
<th>Supporting Principles</th>
<th>The Council will:-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.</td>
<td>• Ensure that effective mechanisms exist to monitor service delivery.</td>
</tr>
<tr>
<td></td>
<td>• Ensure that its vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.</td>
</tr>
<tr>
<td></td>
<td>• When working in partnership will focus on the eight areas of best practice principles.</td>
</tr>
</tbody>
</table>
**Promoting the values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

<table>
<thead>
<tr>
<th>Supporting Principles</th>
<th>The Council will:-</th>
</tr>
</thead>
</table>
| Ensuring authority Members and Officers exercise leadership by behaving in ways that   | • ensure that the authority’s leadership sets a tone for the organisation by creating a climate of openness, support and respect.  
• ensure that standards of conduct and personal behaviour expected of Members and staff, of work  
between Members and staff and between the authority, its partners and the community are defined  
and communicated through statutory and other codes of conduct.  
• develop and adopt formal codes of conduct defining standards of personal behaviour.  
• put in place arrangements to ensure that Members and staff of the Council are not influenced by  
prejudice, bias or conflicts of interest in dealing with different stakeholders, and put in place  
appropriate processes to ensure that they continue to operate in practice. |
| uphold high standards of conduct and exemplify effective governance.                    |                                                                                                                                                                                                                                                                                                                                                      |
| Ensuring that organisational values are put into practice and are effective.            | • develop and maintain shared values including leadership values both for the Council and its staff reflecting public expectations about the conduct and behaviour of individuals and groups within and associated with the Council.  
• put in place arrangements to ensure that procedures and operations are designed in conformity with  
appropriate ethical standards, and to monitor their continuing compliance in practice.  
• use the Council’s shared values to act as a guide for decision making and as a basis for developing  
positive and trusting relationships within the Council.  
• In pursuing partnerships, agree a set of values against which decision making and actions can be  
judged. Such values must be demonstrated by partners’ behaviour both individually and  
collectively. |
|                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                      |
## Supporting Principles

### Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.

- develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority’s performance overall and that of any organisation for which it is responsible.
- develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based.
- put in place arrangements so that conflicts of interest on behalf of Members and employees can be avoided, and put in place appropriate processes to ensure that they continue to operate in practice.
- put in place arrangements for whistle-blowing to which staff and all those contracting with the authority have access.
- put in place effective transparent and accessible arrangements for dealing with complaints.
- develop and maintain an effective Overview & Scrutiny Committee that is independent of the Cabinet.

### Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.

- ensure that those making decisions are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.
- ensure that professional advice on legal and financial matters is available and recorded well in advance of decision making, and used appropriately when decisions have significant legal or financial implications.
<table>
<thead>
<tr>
<th>Supporting Principles</th>
<th>The Council will:-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring that an effective risk management system is in place.</td>
<td>• ensure that risk management is embedded into the culture of the Council, with Members and managers at all levels recognising that risk management is part of their job.</td>
</tr>
<tr>
<td></td>
<td>• ensure that effective arrangements for whistle-blowing are in place to which Officers, staff and all those contracting with or appointed by the Council have access.</td>
</tr>
<tr>
<td>Recognising the limits of lawful action and observing both the specific requirements of legislation and the general responsibilities placed on local authorities by public law, but also accepting responsibility to use their legal powers to the full benefit of the citizens and communities in its area.</td>
<td>• actively recognise the limits of lawful activity placed on them by the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities.</td>
</tr>
<tr>
<td></td>
<td>• observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of administrative law – rationality, legality and natural justice into their procedures and decision making.</td>
</tr>
<tr>
<td></td>
<td>• when working in partnership, put in place protocols for working together which include a shared understanding of respective roles and responsibilities of each organisation.</td>
</tr>
<tr>
<td></td>
<td>• when working in partnership, ensure that there are robust procedures for scrutinising decisions and behaviour and that these decisions and behaviour are compliant with any local authority rules/codes or comply with any rules/codes developed for the purpose of the partnership.</td>
</tr>
<tr>
<td></td>
<td>• when working in partnership, ensure that partnership papers are easily accessible and meetings are held in public unless there are good reasons for confidentiality.</td>
</tr>
<tr>
<td>The partners must ensure that:</td>
<td>The partners must ensure that:</td>
</tr>
<tr>
<td>a. the partnership receives good quality advice and support and information about the views of citizens and stakeholders, so that robust and well-reasoned decisions are made.</td>
<td>a. the partnership receives good quality advice and support and information about the views of citizens and stakeholders, so that robust and well-reasoned decisions are made.</td>
</tr>
<tr>
<td>b. risk is managed at a corporate and operational level.</td>
<td>b. risk is managed at a corporate and operational level.</td>
</tr>
</tbody>
</table>
Developing the capacity and capability of Members to be effective and ensuring that Officers – including statutory Officers – also have the capability and capacity to deliver effectively

<table>
<thead>
<tr>
<th>Supporting Principles</th>
<th>The Council will:-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles.</td>
<td>• provide training programmes tailored to individual needs for Members and Officers to update their knowledge on a regular basis.</td>
</tr>
<tr>
<td></td>
<td>• ensure that the statutory Officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority.</td>
</tr>
<tr>
<td>Developing the capability of people with governance responsibilities and evaluating their performance as individuals and as a group.</td>
<td>• assess the skills required by Members and Officers and make a commitment to develop those skills to enable roles to be carried out effectively.</td>
</tr>
</tbody>
</table>
### Engaging with local people and other stakeholders to ensure robust public accountability

<table>
<thead>
<tr>
<th>Supporting Principles</th>
<th>The Council will:-</th>
</tr>
</thead>
</table>
| Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships. | • make clear to themselves, all staff and the community, to whom they are accountable and for what.  
• consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required.  
• produce an annual report on the activity of the scrutiny function.  
• Conduct an annual evaluation on the Council’s scrutiny function. |
| Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning. | • establish clear channels of communication with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively.  
• hold meetings in public unless there are good reasons for confidentiality.  
• put in place arrangements to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.  
• establish a clear policy on the types of issues they will meaningfully consult or engage with the public and service users, including a feedback mechanism for those consulted.  
• on an annual basis, publish reports giving information on the authority’s vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.  
• ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.  
• put in place effective systems to protect the rights of staff. Ensure that policies for whistle-blowing are accessible to staff and those contracting with the authority, and arrangements for the support of whistle-blowers are in place. |
<table>
<thead>
<tr>
<th>Supporting Principles</th>
<th>The Council will:-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• when working in partnership, ensure that engagement and consultation undertaken by the partnership is planned with regard to methodology, target audience and required outcomes. Existing mechanisms and groups should be used where appropriate. In the work cycle of the partnership it must be clear and demonstrable to the public what has happened to any feedback and what has changed as a result.</td>
</tr>
<tr>
<td>Making the best use of human resources by taking an active and planned approach to meet responsibility to staff.</td>
<td>• develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision-making.</td>
</tr>
</tbody>
</table>
Public Interest Test

The author of this referral, Julie Hamilton, Senior Democratic Services Officer, has determined that it is considered to be of a non-confidential nature.

MINUTE NO. 35(a) - SHEFFIELD CITY REGION INTER-AUTHORITY AGREEMENT (KEY DECISION NO. 412)

RESOLVED that the Inter Authority Agreement arrangements for the Sheffield City Region, as appended to the report, be supported and referred to full Council for approval.

Referred Reports will be submitted in their original form unless the Responsible Officer indicates otherwise.
REPORT OF INTERIM CHIEF EXECUTIVE

SHEFFIELD CITY REGION INTER-AUTHORITY AGREEMENT (IAA)

Cabinet Member: Cllr Greaves
Contact: Neil Taylor
Ext: 3266

1. Public Interest Test

1.1 The author of this report, Neil Taylor has determined that the report is not confidential.

2. Purpose of the Report

2.1 This paper provides a brief summary of the Inter Authority Agreement for the Sheffield City Region Local Enterprise Partnership and outlines scenarios where, once agreed, it might come into effect.

3. Background and Discussion

3.1 The Inter Authority Agreement has been put forward by Sheffield City Council (acting as Accountable Body on the Growing Places Fund) as a means for all Sheffield City Region local authorities to share the financial risk of delivering external funding activity on behalf of the City Region. Critically it involves the use of funds where the Accountable Body is not the sole decision making body.

4. The IAA

4.1 A copy of the Inter Authority Agreement is attached at Appendix 1.

5. Sharing Risk

5.1 The sharing of financial risk when managing funds on behalf of the City Region is based on limited set of circumstances where the Accountable Body incurs a loss, damages and/or costs for delivering the funding in question. Importantly it is the financial loss incurred by (and to) the Accountable Body that is being covered by the Inter Authority Agreement, not the loss of funds that the body is Accountable for.

5.2 It is also important to note is that the Inter Authority Agreement does not cover the Accountable Body’s own negligence, wilful misconduct, fraud or reckless disregard.
5.3 A number of scenarios are provided below to demonstrate when the Inter Authority Agreement would, or would not, be called upon:–

a) A project benefits from a loan from the Accountable Body but fails to repay it at maturity.

By their very nature loans to projects/developments can go ‘wrong’ due to a number of reasons. Where a project has received funding in good faith but is unable to repay a loan the Inter Authority Agreement is unlikely to come into effect unless the original external funding came to the Accountable Body with a requirement for full repayment at a specified date.

In the case of Growing Places Fund, there is no obligation to repay Government their funding as it was repaid as unringfenced grant.

In the scenario City Region partners do have the discretion to take further action to try and secure repayment from the original loan recipient even if not required by the external funder. The cost of this action would be shared by the City Region partners but such an agreement would fall outside of the scope of the Inter Authority Agreement.

b) A project is awarded funding, but not in accordance with the external funders requirements and claw-back is implemented.

Where funding has been awarded to a project but the external funder considers the award to be ineligible and seeks claw-back, the Inter Authority Agreement may be required. If the Accountable Body has failed to follow the external funders’ requirements, this could be construed as negligence and the Agreement would not be implemented. However, if the Accountable Body can reasonably demonstrate that it followed the external funders requirements but the ‘rules have now changed’ then Agreement would be the means to share the cost of repaying the external funder.

c) A project breaches state aid regulations.

If funds are invested in a project that then faces a successful state aid challenge it is the project beneficiary that will be required to repay the funding. However, the Accountable Body may incur legal costs to claw-back the funding and a potential fine for investing outside of state aid regulations. The Agreement may come into effect if it can be shown that any loss incurred by the Accountable Body is not as a result if it failing to consider the state aid risk in its investment process. A project breaches procurement regulations.

d) A project breaches procurement regulations.

From a finance management perspective the Accountable Body is unlikely to undertake any procurement activity.

At a project level the procurement activity will be the responsibility of the project sponsor and the Accountable Body will pass on all obligations for such activity through the funding agreement with the sponsor.
Therefore it is highly unlikely that the Accountable Body will incur any loss and require protection from the Agreement.

e) A project incurs ineligible expenditure.

Where a project spends funding on inappropriate activity, the funding agreement from the Accountable Body will likely contain a claw-back mechanism. The Agreement may come into effect if the Accountable Body incurs cost in implementing the claw-back provision. As with a) above, the Agreement may also be applicable if the External Funding body requires repayment of its original funding and the Accountable Body has been unable to secure the claw-back funds through no demonstrable fault of its own.

f) Failure to Deliver Outputs

If at a fund level outputs are not achieved the external funder may seek claw-back of their funds. Where this is not the demonstrable fault of the Accountable Body then the Agreement may be implemented.

If a project fails to deliver outputs but this does not result in a financial loss to the Accountable Body then the Agreement would not be required. However, partners at their discretion may have the ability to seek claw-back from the project beneficiary which may result in cost to the Accountable Body. However the sharing of this cost would sit outside of the Agreement.

5.4 The above scenarios, albeit not fully exhaustive, highlight that the Inter Authority Agreement is unlikely to come into effect where the Accountable Body complies with the requirements of the external funding body and seeks to contractually pass on risk to a project beneficiary where appropriate.

6. Current Position

6.1 To date Barnsley, Rotherham and Doncaster have completed the Inter Authority Agreement and returned to Sheffield City Council. Chesterfield Borough Council is in the process of seeking final approvals to complete the Inter Authority Agreement, and Bassetlaw now needs to finalise its position.

6.2 The S.151 officer at Sheffield City Council has indicated that funds for Growing Places Fund projects might not be released unless the Inter Authority Agreement has been completed.

7. Expansion of Use

7.1 To date the Inter Authority Agreement is being used in respect of the Growing Places Fund and JESSICA, but it has been designed to allow the addition of other funding streams. For example, consideration is being given to use in respect to the Sheffield City Region Regional Growth Fund programme.
7.2 The Inter Authority Agreement can be used by any City Region local authority where it undertakes an Accountable Body role and, for example, Barnsley are reviewing the document to see how it might apply in respect of their Accountable Body status for the City Region Local Enterprise Partnership accounts.

8. Implications

a) For service users. This is an internal inter-authority mechanism with no direct effect on service users.

b) Strategic & Policy. Local Enterprise Partners are the designated vehicle for taking forward major economic development initiatives, having this mechanism in place supports development and the co-operative work Bassetlaw is required to do as part of its support for the Sheffield City Region.

c) Financial - Ref: 14/604

Bassetlaw District Council is to pay a 7% proportion of the costs of the Combined Authority reasonably attributable to economic development and regeneration (plus any start-up costs), the total costs are not known for our 7% obligation to be calculated. Similarly the Inter Authority Agreement signs Bassetlaw District Council up to a 7% liability of any losses on Grant monies.

d) Legal – Ref: 198/07/13

By signing the agreement the Council will commit, in such circumstances set out in the agreement, to sharing losses incurred by the Accountable Body. The Council’s potential share of such liabilities are set out in the appendices to the agreement. The risks to the Council of such circumstances arising, and hence the Council incurring a financial liability, are set out within the report and particularly within paragraph 5.3 of the report.

e) Human Resources

None directly arising from the report.

g) Community Safety, Equalities, Environmental

None directly arising from the report.

g) This is Key Decision No. 412.

9. Options, Risks and Reasons for Recommendations

9.1 Members have discretion to sign the agreement, or not, if they choose not to do so then future benefits from the City Region will be limited accordingly.

9.2 Agreeing an obligation to 7% of unknown costs and 7% of any potential losses carries a significant risk.
10. **Recommendations**

10.1 That Members consider the Inter Authority Agreement arrangements for the Sheffield City Region as attached on Appendix 1 to the report and refer it to Full Council for approval.

**Background Papers**  
SCR Agendas and papers

**Location**  
Director of Resources & Interim Chief Executive
SHEFFIELD CITY REGION AND SOUTH YORKSHIRE FUNDING STREAMS

INTER-AUTHORITY AGREEMENT

HEADS OF TERMS

1. INTRODUCTION AND BACKGROUND

1.1 Sheffield City Council (the “Accountable Body”) will be acting as the accountable body in respect of a number of funding streams (the “Funds”) that are to be defrayed on a South Yorkshire or Sheffield City Region basis. However, each of these Funds involves provisions for decision-making regarding defrayal of the Funds by organisations that are not within the control of the Accountable Body.

1.2 In consideration of the Accountable Body taking on this role, the Authorities agree to the administration and governance of the Funds and the sharing of liability in accordance with the terms of this inter-authority agreement (“IAA”) to regulate the arrangements between them.

1.3 Each Appendix to this IAA shall set out any specific governance and administrative requirements in respect of a particular Fund, which of the Authorities shall be subject to the provisions of the relevant Appendix, and the arrangements between those Authorities in relation to the sharing of Losses incurred by the Accountable Body (as the same is determined pursuant to paragraph 3 below, and to be based as far as is practicable on the calculation of the proportion of an Authority’s population as a percentage of the whole population of all of the Authorities benefitting from a particular Fund).

1.4 Each of the Authorities agrees that it shall:

1.4.1 cooperate with the Accountable Body in relation to the negotiation and entering into of agreements in respect of individual projects funded through the Funds in a timely manner;

1.4.2 act in good faith in respect of its dealings with any of the Authorities;

1.4.3 uphold and promote principles of transparency and competition; and

1.4.4 comply with all relevant legislation in relation to the administration of the Funds and projects funded by the Funds.

1.5 Defined terms used in this IAA have the meaning set out in the Fund Management Agreement or other agreements relating to the Funds as may be identified in the Appendices (save where stated otherwise).

2. PARTIES

2.1 The first parties to this IAA will be:-

2.1.1 the Accountable Body

2.1.2 Rotherham Metropolitan Borough Council ("Rotherham")

2.1.3 Doncaster Metropolitan Borough Council ("Doncaster")

2.1.4 Barnsley Metropolitan Borough Council ("Barnsley")

Appendix 1
2.1.5 Bassetlaw District Council ("Bassetlaw")

2.1.6 Bolsover District Council ("Bolsover")

2.1.7 Chesterfield Borough Council ("Chesterfield")

2.1.8 North East Derbyshire Council ("North East Derbyshire")

(together the "Authorities").

3. **AUTHORITY COMMITMENTS**

3.1 Subject to paragraph 3.3 below, in the event that the Accountable Body incurs any losses (including, without limitation, loss of profit), damages and/or costs (in each case whether direct, indirect, special, consequential or otherwise) howsoever caused and whether in contract, tort, negligence or otherwise arising in respect of any of the Funds("Losses") then the Authorities hereby agree that any such Losses shall be borne as between the Authorities in the proportions set out in the relevant Appendix relating to that Fund and in accordance with the process set out in paragraph 3.2.

3.2 On incurring a Loss, the Accountable Body shall notify each Authority in writing setting out:-

3.2.1 The amount of the Loss;

3.2.2 Evidence of the Loss having been incurred;

3.2.3 A summary of the steps taken by the Accountable Body to mitigate the Loss;

3.2.4 The amount of the contribution it requires from each Authority ("Contribution"), to be determined in accordance with the liability sharing proportions set out in the relevant Appendix pertaining to the relevant Fund; and

3.2.5 Details of the bank account into which the Contribution should be paid; and each Authority severally undertakes to (as soon as reasonably practicable following receipt of such written notice from the Accountable Body) pay such requested Contribution into the bank account of the Accountable Body specified in the notice.

3.3 Paragraphs 3.1 and 3.2 above shall not apply to the extent that Losses:-

3.3.1 are recovered or should have been recovered by the Accountable Body under any agreement that the Accountable Body has entered into or should (acting reasonably) have entered into with any organisation (including any of the Authorities) in relation to the allocation of risk of delivery of the project; or

3.3.2 are incurred by the Accountable Body due to its own negligence, wilful misconduct, fraud or reckless disregard.

4. **NEW MEMBERS**

4.1 Additional local authority partners may become a party to this IAA provided that:-

4.1.1 The initial parties to the IAA unanimously agree (including the agreement of any revised liability share arrangements in respect of each of the Funds; and

4.1.2 The incoming local authority signs the IAA.
5. **NEW FUNDS**

5.1 Where additional funding streams become available to the Authorities (or some of them), the Authorities may agree that the terms of this IAA shall apply to the administration of such Funds, provided that:

5.1.1 The Authorities unanimously agree; and

5.1.2 The Authorities produce and sign and new Appendix to the IAA in respect the new funding stream, such Appendix to detail the specific governance and administrative requirements in respect of the funding stream, which of the Authorities shall be subject to the provisions of the relevant Appendix, and the arrangements between those Authorities in relation to the sharing of Losses incurred by the Accountable Body (such liability sharing to be based as far as is practicable on the calculation of the proportion of an Authority’s population as a percentage of the whole population of all of the Authorities benefitting from a particular Fund).

6. **TERMINATION**

6.1 Subject to Clause 7.5 below, this IAA shall terminate upon the expiry or termination of the last of the agreements between the Accountable Body and any funded organisation under any of the Funds.

6.2 The provisions of this IAA shall cease to apply to a Fund upon the expiry or termination of the last of the agreements between the Accountable Body and any funded organisation under that Fund.

7. **ENTIRE AGREEMENT, VARIATION, WAIVER, SURVIVAL AND COSTS**

7.1 This IAA embodies and sets forth the entire agreement and understanding of the Authorities and supersedes all prior oral or written agreements understandings or arrangements relating to the subject matter of this IAA.

7.2 This IAA shall not be amended, modified, varied or supplemented except in writing signed by duly authorised representatives of the Authorities.

7.3 No failure or delay on the part of either party hereto to exercise any right or remedy under this IAA shall be construed or operated as a waiver thereof nor shall any single or partial exercise of any right or remedy as the case may be. The rights and remedies provided in this IAA are cumulative and are not exclusive of any rights or remedies provided by law.

7.4 Each of the Authorities shall be responsible for its respective legal and other costs incurred in relation to the preparation of this IAA.

7.5 The provisions of paragraph 4, and the liability sharing provisions of each of the Appendices, shall survive the termination or expiry of this IAA and continue in full force and effect.

8. **NOTICES**

8.1 Any notice or other document to be given under this IAA shall be in writing and shall be deemed to have been duly given if left at or sent by:

8.1.1 first class post or express or air mail or other fast postal services; or

8.1.2 registered post; or
8.1.3 telex, facsimile or other electronic media (including by email), to an Authority at
the address, email address or relevant telecommunications number for such
Authority or such other address as the Authority may from time to time
designate by written notice to the other Authorities.

8.2 All such notices and documents shall be in the English language. Any notice or other
document shall be deemed to have been received by the addressee two working days
following the date of despatch of the notice or other document by post or, where the
notice or other document is sent by hand or is given by telex, facsimile or other electronic
media, simultaneously with the delivery or transmission. To prove the giving of a notice
or other document it shall be sufficient to show that it was despatched.

9. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

9.1 A person who is not a party to this IAA shall have no rights under the Contracts (Rights of
Third Parties) Act 1999 to enforce any of its terms.

10. **ASSIGNMENT**

10.1 No Authority shall assign, transfer, sub-contract or in any other manner make over to any
third party the benefit and/or burden of this IAA without the prior written consent of the
other.

11. **GOVERNING LAW**

11.1 The validity construction and performance of this IAA shall be governed by English law.

11.2 All disputes, claims or proceedings between the parties relating to the validity
construction or performance of this IAA shall be subject to the jurisdiction of the English
Courts to which the parties hereto irrevocably submit.

12. **COUNTERPARTS**

12.1 This IAA may be executed in any number of counterparts, all of which when taken
together shall constitute one and the same instrument.

13. **AVAILABILITY OF FUNDS**

13.1 The Accountable Body reserves the right to not to make funding available for any
investment until such time that all Authorities have executed this IAA and returned a
completed copy to the Accountable Body.
The Accountable Body has established the Sheffield City Region Urban Development Fund (the "UDF"). The UDF has been set up as a limited partnership with the Accountable Body as limited partner and the general partner, being a wholly owned subsidiary of the Accountable Body. The general partner has appointed CBRE Limited to act as the Fund Manager to identify investment opportunities and make recommendations to the general partner to invest in line with an investment strategy.

2. The UDF will be invested with two separate classes of funding:

2.1 £15,042,857 of ERDF plus £8.1m of Growing Places ("match") Funding (the "JESSICA Funding" for investment in the South Yorkshire region; and

2.2 Such other funds as are identified by the Accountable Body and its partners from time to time for investment in the Sheffield City Region (the "SCR Funds").

3. As part of the wider UDF structure, the Accountable Body is to establish an Investment Board (or "IB") to provide a forum for the Accountable Body and its partners to provide an appropriate level of advice to the UDF/Fund Manager and oversight and monitoring of the UDF’s operations. The IB will not have a direct relationship with the Manager, with the Accountable Body acting as conduit for the IB’s recommendations.

4. The day to day running and investment activities of the UDF will be delegated by the general partner to the Fund Manager. It is critical that the Investment Board (and each representative on it) does not participate in the day to day operations of the UDF such that it is deemed to be carrying out regulated activity for the purposes of the FSMA (with the associated liability implications).

5. The Accountable Body will also establish a Sheffield City Region Advisory Investment Group (the “SCRAIG”) at an Officer level to ensure engagement of all SCR Authorities within the activities of the UDF. The SCRAIG will provide an informal forum for the Fund Manager to discuss project opportunities and seek comments when considering amendments to the Investment Strategy. The SCRAIG will have no legal status and the Fund Manager will be under no obligation to agree to any recommendations made by the SCRAIG.

6. **AUTHORITY RIGHTS**

6.1 [Each] Authority from South Yorkshire area shall each be entitled to appoint one representative to the IB (each a "Representative").

6.2 Each Authority shall each be entitled to appoint one representative to the SCRAIG (each a "SCRAIG Representative").
6.3 The first Representatives and SCRAIG Representatives shall be:-

<table>
<thead>
<tr>
<th>Authority</th>
<th>Investment Board Representative</th>
<th>SCRAIG Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3.1 Sheffield Representative:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.3.2 Rotherham Representative:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.3.3 Doncaster Representative:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.3.4 Barnsley Representative:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.3.5 Bassetlaw Representative:</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>6.3.6 Bolsover Representative:</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>6.3.7 Chesterfield Representative:</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>6.3.8 North East Derbyshire Representative</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

6.4 In addition to the above the following organisations will be invited to have representation at the SCRAIG in an observer status:

<table>
<thead>
<tr>
<th>Authority</th>
<th>SCRAIG Observer</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4.1 Derbyshire Dales:</td>
<td></td>
</tr>
<tr>
<td>6.4.2 Sheffield City Region Executive:</td>
<td></td>
</tr>
<tr>
<td>6.4.3 Homes and Communities Agency:</td>
<td></td>
</tr>
<tr>
<td>6.4.4 South Yorkshire Passenger Transport Executive</td>
<td></td>
</tr>
</tbody>
</table>

6.5 Any proposed Representative or SCRAIG Representative (as applicable) shall not be appointed as a Representative or SCRAIG Representative (as applicable) unless he has accepted and signed the Letter of Appointment.

6.6 Prior to the UDF adopting the investment strategy (or making any material variations to it) the Accountable Body agrees to allow each Authority to make representations on its terms provided that the Accountable Body shall (acting in its absolute discretion) determine whether or not to incorporate such representations into the investment strategy.

7. INVESTMENT BOARD OPERATIONS

7.1 The Investment Board shall operate in accordance with the terms of reference appended to the IAA (the “Terms of Reference”).

7.2 The Terms of Reference are to contain different governance arrangements in relation to the investment of SY Funds and SCR Funds.
7.3 Appointment (except in respect of those Representatives identified in paragraph 6.3 above) and removal of Representatives shall be carried out in accordance with the Terms of Reference.

7.4 No Representative shall be entitled to vote on any decision of the Investment Board in relation to which it has a personal or professional conflict of interest.

8. **SCRAIG OPERATIONS**

8.1 The SCRAIG will operate as an informal officer group to oversee the performance of the UDF and provide input and advice as required. The SCRAIG will develop such terms of reference as the SCRAIG Representatives (or any subset of them appointed by the SCRAIG) consider is required from time to time. In the event that such terms of reference are adopted by the SCRAIG, then the SCRAIG shall operate in accordance with such terms of reference (the "SCRAIG Terms of Reference"), which shall be appended to the IAA once adopted.

8.2 Appointment (except in respect of those Representatives identified in paragraph 6.3 above) and removal of SCRAIG Representatives shall be carried out in accordance with the SCRAIG Terms of Reference.

8.3 No SCRAIG Representative shall be entitled to vote on any decision of the SCRAIG in relation to which it has a personal or professional conflict of interest.

9. **AUTHORITY OBLIGATIONS**

9.1 The Authorities hereby agree that the Representatives and SCRAIG Representatives shall carry out their function as Representative or SCRAIG Representative (as applicable) in good faith towards the Fund, and each Authority shall appraise its Representative or SCRAIG Representative (as applicable) of such duties.

9.2 Each Authority shall ensure that the Representative and SCRAIG Representative appointed by it:-

9.2.1 complies with the Terms of Reference or SCRAIG Terms of Reference (as applicable);

9.2.2 is appropriately qualified and experienced;

9.2.3 dedicates sufficient time and resource to its function as Representative or SCRAIG Representative (as applicable).

10. **NEW MEMBERS**

10.1 Additional local authority partners will be entitled to appoint a Representative and/or SCRAIG Representative provided that the procedure in paragraph 4 of the IAA has been followed and the relevant Representative or SCRAIG Representative (as applicable) signs a Letter of Appointment.

11. **LIABILITY SHARING AND RELEVANT AUTHORITIES**

11.1 The Authorities to which this Appendix 1 applies, and the relevant proportion of liability to be bourne by each such Authority in the event that Losses are incurred by the Accountable Body in respect of this Fund (as the same are determined in accordance with paragraph 3 of the main body of the IAA), shall be as follows:
<table>
<thead>
<tr>
<th>Authority</th>
<th>Proportion of Liability for Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheffield:</td>
<td>41%</td>
</tr>
<tr>
<td>Rotherham:</td>
<td>20%</td>
</tr>
<tr>
<td>Doncaster:</td>
<td>22%</td>
</tr>
<tr>
<td>Barnsley:</td>
<td>17%</td>
</tr>
</tbody>
</table>
APPENDIX 2

GROWING PLACES FUND (GPF)

Administration and Governance

1. The Accountable Body is working on behalf of the Sheffield City Region Local Enterprise Partnership (the "LEP"). The Accountable Body will be making Growing Places Fund ("GPF") funding available to projects in the form of a loan, equity investment or grant at the direction of the LEP.

2. The GPF will be invested in a number of projects to advance the economic development of the City Region. Investments in projects will be in the form of capital only.

3. At the date of this IAA the amount of funds made available for investment with the GPF is £18,203,436.

4. Other funds to be administered as part of the GPF may become available following the date of this IAA as identified by the LEP and Accountable Body, and the Authorities will be advised accordingly. Upon the addition of any additional funding to the GPF and notification of such by the Accountable Body to the Authorities, the Authorities agree that the provisions of this IAA shall apply to such additional funding,

5. As part of managing the GPF, the LEP in consultation with the Accountable Body is to establish a Terms and Conditions Sub-Board (the "T&C SB") to the main LEP Board. The T&C SB, once established, will operate as a forum for the LEP and the T&C SB Representatives to provide appropriate recommendations to the LEP Board and Accountable Body in respect of the investments to make and the appropriate terms for such investments (nature, scale, length of the investment and nature of return). The Accountable Body will implement the recommendations of the LEP subject to satisfying the conditions of the GPF funding and final approval of the Accountable Body's S.151 Officer.

6. The day to day administration and investment activities of the GPF will be undertaken by the Accountable Body. The LEP Executive Team (the "Executive") will promote the use of the GPF and will act as an interface between project sponsors and the T&C SB and the Accountable Body.

7. The Accountable Body will also use the Sheffield City Region Advisory Investment Group (the "SCRAIG") (as the same is described in Appendix 1) to inform Authorities of progress and seek advice in respect of investment opportunities and linkages to the JESSICA fund as and when required.

8. AUTHORITY RIGHTS

8.1 The LEP Board has determined the appropriate representation required for the T&C SB in consultation with the Accountable Body. The Executive shall request representatives (the "T&C SB Representatives") from the organisations set out in paragraph 8.2.
8.2 The first T&C SB Representatives shall be:-

<table>
<thead>
<tr>
<th>Authority</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.2.1</td>
<td>LEP Board Representative:</td>
</tr>
<tr>
<td>8.2.2</td>
<td>Accountable Body Representative:</td>
</tr>
<tr>
<td>8.2.3</td>
<td>An independent property expert in respect of financing development as nominated by the LEP</td>
</tr>
<tr>
<td>8.2.4</td>
<td>The chair of the SCR LEP Property and Construction Sector Group</td>
</tr>
<tr>
<td>8.2.5</td>
<td>A representative of at least one other Authority other than the Accountable Body at Executive Director level covering regeneration and economic growth as nominated by the Executive.</td>
</tr>
</tbody>
</table>

9. TERMS AND CONDITIONS SUB BOARD OPERATIONS

9.1 The T&C SB will develop such terms of reference as the T&C SB Representatives (or any subset of them appointed by the T&C SB) consider is required from time to time. In the event that such terms of reference are adopted by the T&C SB, then the T&C SB shall operate in accordance with such terms of reference (the "T&C SB Terms of Reference"), which shall be appended to the IAA once adopted.

9.1 Appointment (except in respect of those Representatives identified in paragraph 6.3 above) and removal of T&C SB Representatives shall be carried out in accordance with the T&C SB Terms of Reference.

9.2 No T&C SB Representative shall be entitled to vote on any decision of the T&C SB in relation to which it has a personal or professional conflict of interest.

9.3 The Executive and Accountable Body will provide support to the operations of the T&C SB as required.

10. NEW MEMBERS

10.1 Additional local authority partners will be entitled to appoint a T&C SB Representative to the T&C SB subject to invitation of the LEP Board.

11. LIABILITY SHARING AND RELEVANT AUTHORITIES

11.1 The Authorities to which this Appendix 2 applies, and the relevant proportion of liability to be borne by each such Authority in the event that Losses are incurred by the Accountable Body in respect of this Fund (as the same are determined in accordance with paragraph 3 of the main body of the IAA), shall be as follows:
<table>
<thead>
<tr>
<th>Authority</th>
<th>Proportion of Liability for Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheffield:</td>
<td>32%</td>
</tr>
<tr>
<td>Rotherham:</td>
<td>15%</td>
</tr>
<tr>
<td>Doncaster:</td>
<td>17%</td>
</tr>
<tr>
<td>Barnsley:</td>
<td>13%</td>
</tr>
<tr>
<td>Bassetlaw:</td>
<td>7%</td>
</tr>
<tr>
<td>Bolsover:</td>
<td>4%</td>
</tr>
<tr>
<td>Chesterfield:</td>
<td>6%</td>
</tr>
<tr>
<td>North East Derbyshire</td>
<td>6%</td>
</tr>
</tbody>
</table>
APPENDIX 3
REGIONAL DEVELOPMENT FUND

[To set out details of administration/governance/decision making, including which Authorities it is relevant to]
REPORT OF THE MONITORING OFFICER

INDEPENDENT REMUNERATION PANEL

Cabinet Member: Policy and Community Engagement
Contact: Ros Theakstone
Ext: 3160

1. Public Interest Test

1.1 Ros Theakstone has determined in preparing this report that this matter is not confidential.

2. Purpose of the Report

2.1 To further update Members on the status of the Independent Remuneration Panel and to seek Council approval to move to formal recruitment of additional Panel members.

3. Background and discussion

3.1 Regular updates have been submitted to Council at each meeting over recent months regarding the status of the Independent Remuneration Panel (IRP) and the issues encountered surrounding its status.

3.2 At its last meeting on 27th June 2013, Council resolved to co-opt three additional members from neighbouring authorities to form a strengthened IRP and avoid the problem of reduced membership arising again. At the time Council made the decision, a number of neighbouring authorities had indicated they would be willing to assist.

3.3 Since that time, the situation has changed and the Council has been unable to co-opt members as approved by Council. It is therefore of critical importance to move quickly to the next best option which is by way of formal advertisement and appointment of additional members to re-form the Panel.

3.4 Members need to be aware of the very tight timeframe for the IRP to work to in order to review the work completed last year, complete this year’s work and to prepare for the submission of a report before full Council in March 2014. Sufficient time will be needed for the Panel to meet with all Party Leaders and to consider fully any information the Panel wishes to review before considering a recommendation. The final report must be prepared and agreed no later than early February 2014.
3.5 As the recruitment process is likely to take some weeks, it is recommended that members appointed to the Panel are authorised to participate in the process of work with other Panel members as soon as Human Resources advise they are allowed to do so following conclusion of the formal recruitment process. This may be a few weeks before the formal ratification of appointment by full Council takes place at its next ordinary meeting on 12th December 2013 assuming that the recruitment process is successful.

4. **Implications**

a) For service users

   None from this report

b) Strategic and Policy

   None from this report

c) Financial - Ref: 14/319

   Members of the IRP do not in themselves receive allowances, however reasonable expenses are reimbursed for attendance at meetings.

   The costs of advertising and recruitment would need to be found within existing budgets.

d) Human Resources

   None from this report.

e) Legal – Ref: 273/09/13

   Statutory duty under the Local Authorities (Members Allowances)(England) Regulations 2003 apply.

   Regulatory and constitutional requirements prescribe procedures to be observed and followed. The Council is therefore unable to formally review the current arrangements until 2015.

   Early involvement of Panel members in advance of formal ratification to post by full Council should not jeopardise the integrity of the process. No recommendations will be formulated until after full Council has met in December.

f) Community Safety, Equalities, Environmental

   None arising

g) Key Decision

   None
5. **Options, Risks and Reasons for Recommendations**

The Council has an obligation to comply with the statutory duty together with statutory and regulatory procedures and therefore to conclude the process. There have been three options to consider:

1. Appoint one or more co-optees from a neighbouring authority’s panel to resolve the reduced membership issue and to assist with finalising the recommendations and produce the subsequent report on a temporary basis.

2. Ask a neighbouring panel to form a joint panel with Bassetlaw District Council on a temporary basis to overview these processes and to ensure a report is presented to Council at the earliest opportunity.

3. Conduct a recruitment process for additional members to join the Panel until 2015 at which point a formal review may take place.

Options 1 and 2 are not viable and hence the Council has no choice but to opt for option 3.

6. **Recommendations**

6.1 Council approves the advertising and recruitment of no less than two additional members to the Independent Remuneration Panel.

6.2 Council approves the involvement of newly recruited Panel members in the process of review and assessment of Members Allowances as soon as Human Resources advise the recruitment process has concluded. No recommendations on the Scheme of Members Allowances 2014/15 will be formulated by the Panel until after full Council has ratified the successful candidates.

**Background Papers**

| Council reports December 2012, March, April & June 2013 | Democratic Services |

59
REPORT OF THE MONITORING OFFICER

APPOINTMENTS TO COUNCIL COMMITTEES - 2013/14 MUNICIPAL YEAR

Cabinet Member: Policy and Community Engagement
Contact: Ros Theakstone
Ext: 3160

1. **Public Interest Test**

1.1 Ros Theakstone has determined in preparing this report that this matter is not confidential.

2. **Purpose of the Report**

2.1 To advise Members of a revision to Councillors appointed to Council committees for the 2013/14 Municipal Year.

3. **Background and Discussion**

3.1 At its Annual General Meeting in May each year, the Council appoints elected Members to committees for the coming Municipal Year.

3.2 Following on from the Council AGM on 15th May, 2013 when changes are proposed to those representatives during the ensuing municipal year these need to be ratified by Council.

The most recent changes are as follows:

- Licensing Committee – Cllr C Palmer to replace Cllr R Leigh.
- Audit & Risk Scrutiny Committee – Cllr C Entwistle to replace Cllr C Palmer.

4. **Implications**

a) For service users

   None from this report.

b) Strategic & Policy
The Council is meeting its statutory responsibilities in responding to changes in Appointments made to Outside Organisations during 2013/14 Municipal Year.

c) Financial - Ref: 14/715

None from this report.

d) Legal - Ref: 277/09/13

As set out in this report.

e) Human Resources

None from this report.

f) Community Safety, Equalities, Environmental

None from this report.

g) Whether this is a key decision, and if so the reference number.

This is a not a key decision.

5. **Options, Risks and Reasons for Recommendations**

5.1 The Council has a duty to respond to changes affecting representation on outside bodies.

6. **Recommendations**

6.1 That Members approve the proposed amendments to Council Committees for the 2013/14 Municipal Year.
REPORT OF THE MONITORING OFFICER

FILMING OF PUBLIC MEETINGS

Cabinet Member: Policy and Community Engagement
Contact: Ros Theakstone
Ext: 3160

1. Public Interest Test

1.1 Ros Theakstone has determined in preparing this report that this matter is not confidential.

2. Purpose of the Report

2.1 To seek Members’ approval for a protocol on filming of public meetings. The protocol also references recording, taking photographs, the use of social networking websites (such as Twitter and Facebook) and micro-blogging.

3. Background and Discussion

3.1 The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 outlined the general principle for the public to have access to meetings and documents where a local authority executive, committee or individual is taking an executive decision. Regulation 4(6) refers specifically to audio/visual recording and photography at Council meetings.

3.2 In June 2013, the Department for Communities and Local Government (DCLG) published a guidance document “Your Council’s Cabinet – going to its meetings, seeing how it works.” This guide provides the public with practical information about attending meetings of a council’s executive and obtaining council documents. The guidance also has a section about filming all Council, Cabinet or Committee meetings and the requirement for “councils to provide reasonable facilities for any member of the public to report on meetings.”

3.3 The principles of openness and transparency are supported by the Council. Therefore to encourage filming, recording and taking photographs in addition to the use of social networking websites (such as Twitter and Facebook) and micro-blogging to communicate with people about what is happening at a meeting open to the public, a protocol to underpin those principles is needed. This is outlined in Appendix 1.
4. **Implications**

a) **For service users**

Guidelines on how the Council will provide “reasonable facilities” for members of the public wishing to attend public meetings and report on those meetings using a variety of mediums available should assist service users.

b) **Strategic and Policy**

The protocol provides an opportunity for the Council to confirm its support to the openness and transparency agenda.

c) **Financial - Ref: 14/674**

None from this report

d) **Legal Ref: 276/09/13**

As set out in this report.

e) **Human Resources**

None from this report.

f) **Community Safety, Equalities, Environmental**

None from this report.

g) **Whether this is a key decision, and if so the reference number.**

This is a not a key decision.

5. **Options, Risks and Reasons for Recommendations**

5.1 The Council has a duty to respond to legislative changes and emerging guidance as outlined in this report in a manner which is helpful to members of the public. The protocol provides that guidance whilst protecting the integrity of the meetings process itself.

6. **Recommendations**

6.1 That Members approve the Filming of Public Meetings protocol as appended to this report.

**Background Papers Location**
Filming of Public Meetings

Information on filming, recording and taking photographs at Council meetings that are open to the public

Bassetlaw District Council supports the principle of transparency and encourages filming, recording and taking photographs at its meetings that are open to the public. It also welcomes the use of social networking websites (such as Twitter and Facebook) and micro-blogging to communicate with people about what is happening at a meeting.

There is no requirement to notify the Council in advance, but it should be noted that the Chairman of the meeting will have absolute discretion to terminate or suspend any of these activities if, in their opinion, continuing to do so would prejudice proceedings at the meeting.

The circumstances in which termination or suspension might occur could include:

- public disturbance or suspension of the meeting
- the meeting agreeing to formally exclude the press and public from the meeting due to the confidential nature of the business being discussed where it is considered that continued recording/photography/filming/webcasting might infringe the rights of any individual or otherwise disrupt proceedings
- when the Chairman considers that a defamatory statement has been made

It is expected that those recording meetings will not edit any film/recording/photographs in a way that could lead to misinterpretation or misrepresentation of the proceedings. This includes refraining from editing an image or views expressed in a way that may ridicule, or show a lack of respect towards those being photographed/filmed/recorded.

Those intending to bring large equipment or wishing to discuss any special requirements are advised to contact the Council's Communications Team in advance of the meeting to seek advice and guidance. Please note that such requests will be subject to practical considerations and the constraints of specific meeting rooms.

The use of flash photography or additional lighting will not be allowed unless this has been discussed in advance of the meeting and agreement reached on how it can be done without disrupting proceedings. This can be done via the Democratic Services team on 01909 533146 or julie.hamilton@bassetlaw.gov.uk as soon as possible before the scheduled meeting is due to take place.

At the beginning of each meeting, the Chairman will make an announcement that the meeting may be filmed, recorded or photographed. Meeting agendas will also carry this message.

Council Agendas

The following will be included in all Council agendas:

In accordance with Regulation 4(6) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, audio/visual recording and photography at Council meetings is permitted in accordance with the Council’s protocol “Filming of Public Meetings.”
1. **Public Interest Test**

1.1 Ros Theakstone has determined in preparing this report that this matter is not confidential.

2. **Purpose of the Report**

2.1 To set out proposed amendments to the Council Constitution and to seek approval from Council to adopt the proposed amendments.

3. **Background and Discussion**

3.1 Section 37 of the Local Government Act 2000 requires a Local Authority which is operating executive arrangements to prepare and keep up-to-date a Constitution. The Monitoring Officer is required to monitor and review the operation of the Constitution on an ongoing basis and where necessary bring forward amendments.

3.2 In terms of proposed amendments, Part 4 Responsibility for Functions – Officers sets out the Scheme of Delegation to Officers within the Council. Section 10 details the delegated authority allocated to the post of Head of Revenues & Customer Services which will become vacant in early October following the retirement of the current postholder.

3.3 It is proposed that the delegation detailed in Part 4, Section 10 of the Council’s Constitution is transferred in its entirety to the post of Director of Resources with the exception of C-HRCS-9 which will be operated jointly with the Director of Corporate Services. This will come into effect the day after the Head of Revenues and Customer Services completes his last working day.

4. **Implications**

   a) **For service users**

      The Council needs to ensure that employees can fulfil their professional and statutory responsibilities in support of the operational work of the Council.
b) Strategic & Policy

The Council is meeting it statutory responsibilities by updating and amending the Constitution.

c) Financial - Ref: 14/777

The amendments will help to enhance closer compliance with the Corporate Code of Corporate Governance. There are no budgetary implications

d) Legal - Ref: 277/09/13

Regulatory and constitutional requirements prescribe procedure to be observed and followed.

e) Human Resources

The amendments will help officers to discharge their responsibilities in a more efficient and robust manner.

f) Community Safety, Equalities, Environmental

None arising.

g) Whether this is a key decision, and if so the reference number.

This is a not a key decision.

5. Options, Risks and Reasons for Recommendations

5.1 Having an effective Constitution minimises the risk of decisions being taken outside existing Council Policy and budget framework.

6. Recommendations

6.1 That the amendments to the Constitution as outlined within this report are approved by full Council.

<table>
<thead>
<tr>
<th>Background Papers</th>
<th>Location</th>
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<tbody>
<tr>
<td>Bassetlaw District Council Constitution May 2013</td>
<td>Legal Services</td>
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</table>
1. **Public Interest Test**

The author of this report, Stephen Brown, has determined that the report is not confidential.

2. **Purpose of the Report**

To invite the Council to consider commencing a Community Governance Review to address a number of matters raised by Parish Councils.

3. **Background and Discussion**

3.1 The Local Government and Public Involvement in Health Act 2007 amended the responsibility for parish area reviews from what is now the Local Government Boundary Commission for England (LGBCFE) to principal councils, subject to adherence to regulations and directions from the Department for Communities and Local Government and the Electoral Commission. The process for considering a change is now termed a Community Governance Review (CGR).

3.2 A Community Governance Review is a review of the whole or part of a district to consider one or more of the following:

- creating, merging, altering or abolishing parishes;
- the naming of parishes and the style (i.e. whether to call it a town council or village council etc.) of new parishes;
- the electoral arrangements for parishes – the ordinary year of election, the size of the council, the number of councillors to be elected and parish warding;
- grouping parishes under a common parish council, or de-grouping parishes.
3.3 Under the legislation the District Council must aim to ensure that community governance in the area under review:

- reflects the identities and interests of the community in that area
- is effective and convenient
- takes into account any other arrangements for the purpose of community representation or community engagement

When considering this, the Council must have regard to two key principles:-

- the impact of community governance arrangements on community cohesion; and
- the size, population and boundaries of any new local community or parish.

A review involves the following stages:

1) Setting terms of reference of the review
2) Publicising the terms of reference (for the purposes of the Act, the review formally commences when the terms of reference are published);
3) Undertaking consultations with local government electors for the area and any other person or body (including the Parish Council) who appears to have an interest in the review. The County Council are advised.
4) Considering representations
5) Preparing and publishing draft proposals
6) Undertaking consultation on the draft proposals
7) Considering representations
8) Publishing recommendations
9) Making an order to bring into effect any decisions arising from the review
10) A Review must be concluded within 12 months of the publication of the terms of reference.

3.4 Consultation must take place with local government electors, appropriate local authorities and other relevant persons, including political parties and local community interest groups. Representations received must be taken into account.

3.5 A review may be triggered by:

   i) a request from a parish council,
   ii) in response to a community governance petition (which must comply with a number of requirements), or
   iii) by the authority itself. Depending on its complexity, a review should take between nine and 12 months to complete.

3.6 The District Council has received an approach from Gamston with West Drayton and Eaton Parish Council to review the number of seats on its Council. It must therefore give consideration to this matter. In the interests of effective governance, the District Council is recommended to consider the benefits of undertaking a review of its area in one go, rather than carrying out small scale reviews in a piecemeal fashion. In order to ascertain the potential demand for any review, all Parish Councils, District Councillors and MP’s were written to. It was made clear this was an informal approach as the District Council had yet to give any consideration to the issue.
Hanworth Town Council indicated they wished to see their Parish Warding reviewed. North and South Wheatley have indicated they wish to be formally merged as one Parish Council and the possibility of the Parish Meeting of Bole combined with that Parish. None of these matters will have any impact on District Council Ward boundaries or numbers of District Councillors. More recently issues have been raised regarding the fact that six out of the ten Parish Meetings appear to be moribund. This does not represent good community governance. The Ward Members for Misterton and Beckingham have asked for the Ward boundary in the area of Newells Terrace to be examined. The District Council does not have the power to amend Ward boundaries, but can make recommendations to the Local Government Boundary Commission.

3.7 There are detailed considerations that the District Council must undertake under the legislation. To assist Parishes, a summary was produced of these and is provided attached at Appendix A.

3.8 The Council is required to give consideration to these requests from Parish Councils. If it is determined to agree to them (and the Council would need to give its reasons for refusal), the review process commences with the publication of Terms of Reference for the Review - draft attached at Appendix B.

4. Implications

a) For service users

The intention of a Community Governance Review is to ensure that Parish Councils reflect the identities and interests of the community and are effective and convenient.

b) Strategic & Policy

None.

c) Financial - Ref: 14/877

Resources involved will be mainly employee time. There will be a cost of printing and distribution of consultation documents estimated at £300. There is no specific budget for Community Governance Reviews and therefore all costs will have to be absorbed within existing Support Services and Community Engagement and Performance Service budgets. There is no power to re-charge the cost of the review, because the statutory duty to conduct the Review rests with this Council.

d) Legal – Ref: 269/09/13

Chapter 3 of Part 4 of the Local Government and Public Involvement in Health Act 2007 devolves power to District Councils to undertake Community Governance Reviews.

e) Human Resources

None.
f) Community Safety, Equalities, Environmental

The social cohesion aspects of local communities must be considered within any review.

g) Whether this is a key decision, and if so the reference number.

No.

5. Options, Risks and Reasons for Recommendations

The Council can either agree to the requests for a review or not. If it decides not to agree, it must give its reasons. The risks are that the Council fails to comply with the statutory requirements relating to Community Governance Reviews in the 2007 Act. As there are no District or Parish elections in 2013, this does provide a window of opportunity to progress the proposed changes (subject to support) and ensure any consequential Parish electoral changes are in place prior to 2014.

6. Recommendations

6.1 To note the requests to review Parish amalgamations, warding and Numbers of Parish Councillors

6.2 Agree to undertake a Community Governance Review of the Parishes of Gamston with West Drayton and Eaton; Harworth Town; North and South Wheatley and Bole Parish Meeting. To consider the effective operation of Parish Meetings and consider the boundary between the Misterton and Beckingham Wards. Authorises Officers to progress the requirements of the Review process.

6.3 Agree the Terms of Reference of the review as detailed in Appendix B, including the timetable and arrangements for public consultation.

6.4 Note that further reports will be brought to Council in order that decisions may be made in respect of draft proposals and final recommendations of the Review.

Background Papers


Letter from Gamston with West Drayton and Eaton Parish Council 26th September 2011

Support Services, Queen’s Buildings

www.communities.gov.uk

Support Services, Queen’s Buildings

Support Services, Queen’s Buildings

E-mails from Clerks of Harworth Town Council and North and South Wheatley Parish Councils

Support Services, Queen’s Buildings
COMMUNITY
GOVERNANCE
REVIEWS
A SUMMARY
The review process

Legislation: the Local Government & Public Involvement in Health Act 2007 significantly changed the way that Community Governance Reviews are undertaken. It streamlined the process and delegated powers to principal authorities (districts and unitaries). They now have responsibility for undertaking such reviews, for deciding on the outcome and for implementing the outcome. Central government no longer has a direct role in the process.

One other important change brought in by the 2007 Act was that local communities can cause a principal authority to undertake a Community Governance Review, if they can organise a petition demonstrating sufficient support among the electorate for certain changes. Sufficient support is 50% signing in an area with fewer than 500 electors or 250 signing in an area with between 500 and 2,500 electors or 10% signing in an area with more than 2,500 electors. However, principal authorities are still able to refuse a review if one was held within the last two years or they are currently running a full review of their area.

Guidance: ‘Guidance on Community Governance Reviews’ was published in updated form by the Department for Communities & Local Government and the Local Government Boundary Commission for England in 2010. Aimed largely at principal authorities, it offers advice about undertaking a review and implementing its recommendations. It can be accessed at:
http://www.communities.gov.uk/publications/localgovernment/guidancecommunitygovernance2010

Also available on the Department’s website is a model reorganisation order – the statutory instrument principal authorities must use to implement changes from a Community Governance Review. It can be accessed at:
http://www.communities.gov.uk/publications/localgovernment/modelreorganisationorder

Criteria: the Act requires principal authorities to take account of certain criteria when conducting a review, namely:

- The identities and interests of the community in an area; and
- The effective and convenient governance of the area.

They are also advised to consider factors such as:

- What impact proposed community governance arrangements might have on community cohesion; and
- Whether the size (area), population and boundaries proposed for local governance make sense on the ground and contribute to the above criteria.

The guidance refers to people’s sense of place and their historic attachment to areas.

Overall, local council arrangements should lead to: improved local democracy; greater community engagement; and better local service delivery.

Process: the main steps that surround a Community Governance Review are listed in the box below. Please note this is included for quick reference and is not formal guidance.
| Trigger for a review | • A valid community petition; or  
<table>
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<th>• A principal authority’s own decision.</th>
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| Decision to hold a review | • A principal authority takes a formal decision;  
|                      | • Which can be to review all or a part of its area;  
|                      | • Though it must have valid grounds for refusal if there has been a petition. |
| Terms of reference | • A principal authority must draw up and publish terms;  
|                    | • Stating the matters and geographic area to be covered;  
|                    | • Notifying other local authorities which have an interest. |
| Undertaking a review | • A principal authority must consult electors in affected area(s);  
|                     | • It should consult other bodies with an interest, including any affected local councils;  
|                     | • It must then consider any representations received. |
| Making recommendations | • Bearing in mind representations, the criteria and other factors;  
|                       | • Including alternative forms of governance in the area e.g. residents associations, neighbourhood forums;  
|                       | • The principal authority formally recommends an outcome from the review;  
|                       | • It must publish its recommendations and the reasons for them, informing those with an interest. |
| Implementing a review | • A principal authority makes a Reorganisation Order to put into effect any changes;  
|                     | • Which must include a detailed map of the boundaries;  
|                     | • It publishes the Order and map for public inspection;  
|                     | • It must inform specified bodies e.g. Ordnance Survey;  
|                     | • It should include in the Order any agreed incidental issues e.g. the transfer of assets. |
| Next steps | • An Order is often written to come into force the following April;  
|          | • Typically a new local council is then elected in May. |

The guidance expects that the core of the Community Governance Review process, from the publication of terms of reference through to the Reorganisation Order, can be completed within one year.

**PARISH AREAS**

- **Introduction**

The legislation requires that the Council must have regard to the need to secure that community governance with the area under review:

1. Reflects the identities and interests of the community in that area, and  
2. Is effective and convenient, and  
3. Takes into account any other arrangements for the purposes of community representation or community engagement in the area.
• **Parishes**

The Council is anxious to ensure that electors should be able to identify clearly with the parish in which they are resident because it considers that this sense of identity and community lends strength and legitimacy to the parish structure, creates a common interest in parish affairs, encourages participation in elections to the parish council, leads to representative and accountable government, engenders visionary leadership and generates a strong, inclusive community with a sense of civic values, responsibility and pride.

The Council will endeavour to select boundaries that are and are likely to remain easily identifiable.

• **Viability**

The Council is anxious to ensure that parishes should be viable and should possess a precept that enables them to actively and effectively promote the well-being of their residents and to contribute to the real provision of services in their areas in an economic and efficient manner.

Some parishes are anxious to take on the new power of well-being provided in the Local Government and Public Involvement in Health Act 2007; others hold Quality Parish status, while others are anxious to enter into charters with principal councils for the provision of local services. The Council sees these initiatives as important measures of effective and convenient local government and will respect them in this review.

**NAMES AND STYLES**

• **The naming of parishes**

With regard to the naming of parishes, the Council will endeavour to reflect existing local or historic place-names, and will give a strong presumption in favour of names proposed by local interested parties. The Council notes that Government considers that composite names of parishes are rarely in the interests of effective and convenient local government and encourages avoidance of composite names other than in exceptional circumstances where the demands of history, local connections or the preservation of local ties make a pressing case for the retention of distinctive traditional names. The Council will consider this when making any proposals regarding naming of parishes.

The ‘name’ of a parish refers to the geographical name of the area concerned, whereas its status or ‘style’ allows for that area to be known as a town, community, neighbourhood or village, rather than as a parish. The status or style of the parish will be reflected in the name of any council of the parish. So, for example, the council of a parish which has the style “town” will be known as the ‘town council’ and its councillors as the ‘town councillors’, etc.

There are legal requirements (as defined in Section 76 of the Local Government Act 1972), particularly with regard to subsequent notification, with regard to the naming of parishes, and the Council will be mindful of these.

**Alternative styles**

The Local Government and Public Involvement Act 2007 has introduced ‘alternative styles’ for parishes. If adopted, the ‘alternative style’ would replace the style “parish”. However, only one of these three prescribed styles can be adopted:-

“community”, neighbourhood” or “village”.

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A parish shall cease to have an alternative style if the parish begins to have the status of a town.

Where new parishes are created, the Council will make recommendations as to the geographical names of the new parishes and as to whether or not it should have one of the alternative styles.

ELECTORAL ARRANGEMENTS

- What does “Electoral Arrangements” mean?

An important part of the Council’s review will comprise giving consideration to “Electoral Arrangements”. The term covers the way in which a council is constituted for the parish. It covers:

- The ordinary year in which elections are held;
- The number of councillors to be elected to the council;
- The division (or not) of the parish into wards for the purpose of electing councillors;
- The number and boundaries of any such wards;
- The number of councillors to be elected for any such ward
- The name of any such ward

- Ordinary year of election

The Local Government Act 1972 states that ordinary election of parish councillors shall take place in 1976, 1979 and every fourth year thereafter (i.e. 2007, 2011, 2015 etc.) However, the Government has indicated that it would want the parish electoral cycle to coincide with the cycle for the district/borough council, so that the costs of elections can be shared. If the review finds that it will be appropriate to hold an election for parish councilors, for example to a newly formed parish, at an earlier or later date than the next scheduled ordinary elections, the terms of office of any newly elected parish councilors will be so reduced as to enable the electoral cycle to revert to the normal cycle in the borough at the next ordinary elections. However, it is anticipated that this review will be complete prior to the next Town/Parish Council elections in May 2011.

- What considerations cover the number of parish councillors?

The Government has advised, and this Council concurs that “it is an important democratic principle that each person’s vote should be of equal weight so far as possible, having regard to other legitimated competing factors, when it comes to the election of councillors”. Likewise, the Council notes that the number of parish councilors for each parish council shall be not less than five. There is no maximum number. The Aston Business School found the following levels of representation –

<table>
<thead>
<tr>
<th>Electorate</th>
<th>Councillor Allocation</th>
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<tbody>
<tr>
<td>Less than 500</td>
<td>5 – 8</td>
</tr>
<tr>
<td>501 – 2,500</td>
<td>6 – 12</td>
</tr>
<tr>
<td>2,501 – 10,000</td>
<td>9 – 16</td>
</tr>
<tr>
<td>10,001 – 20,000</td>
<td>13 – 27</td>
</tr>
<tr>
<td>Greater than 20,000</td>
<td>13 – 31</td>
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</tbody>
</table>

The National Association of Local Councils (NALC) suggested that the minimum number of councilors should be seven and the maximum 25.
The government’s guidance is that “each area should be considered on its own merits, having regard to its population, geography and pattern of communities”. This Council is prepared to pay particular attention to its existing levels of representation, the broad pattern of existing council sizes, which have stood the test of time and the take up of seats at elections in its consideration of the matter.

It is recognised that the conduct of parish council business does not usually require a large body of councillors. By law, the Council in this review must have regard to the following factors when considering the number of councillors to be elected for the parish:

- The number of local government electors for the parish;
- Any change in that number which is likely to occur in the period of five years beginning with the day when the review starts.

The Council will also take into account the following considerations:

- To ensure that the allocation of councillors to parishes is equitable across the district, while acknowledging that local circumstances may occasionally merit variation.
- To appreciate that there are different demands and consequently different levels of representation are appropriate between urban and more rural parishes in the district.

The Council also acknowledges that there may be exceptions to the above, where some weight will be given to the following considerations in forming the proposals;

- A high precept and high levels of service provision;
- Where representation may be required to meet the challenges of population sparsity;
- Supporting a warding arrangement in a particular parish and achieving a good parity of representation between wards.

- **Parish Warding**

The Act requires that in considering whether a parish should be divided into wards for the purposes of elections for the parish council, the Council should consider the following:

- Whether the number, or distribution, of the local government electors for the parish council would make a single election of councillors impracticable or inconvenient;
- Whether it is desirable that any areas of the parish should be separately represented on the council.

The government’s guidance is that “the warding of parishes in largely rural areas that are based predominantly on a single centrally located village may not be justified. Conversely, warding may be appropriate where the parish encompasses a number of villages with separate identities, a village with a large rural hinterland or where, on the edges of towns, there has been some urban overspill into the parish”.

With regard to urban parishes, the government has suggested, “there is likely to be a stronger case for the warding of urban parishes ....”. In urban areas community identity tends to focus on a locality, whether this be a housing estate, a shopping centre or community facilities. Each locality is likely to have its own sense of identity.

The Council will be mindful of this guidance, noting further that “each case should be considered on its merits and on the basis of the information and evidence provided during the course of this review.”
The Council also wishes to emphasise that warding arrangements should be clearly and readily understood by and should have relevance for the electorate in a parish; they should reflect clear physical and social differences within a parish: one parish but comprising different parts. Furthermore, ward elections should have merit; not only should they meet the two tests laid down in the Act, but they should also be in the interests of effective and convenient local government. They should not be wasteful of a parish’s resources.

- **The number and boundaries of parish wards**

In reaching conclusions on the boundaries between parish wards, the Council will take into account community identity and interests in an area and will consider whether any particular ties or linkages might be broken by the drawing of particular ward boundaries.

Equally, the Council, during its consultations in this review is mindful that proposals which are intended to reflect community identity and local linkages should be justified in terms of sound and demonstrable evidence of those identities and linkages.

The Council has noted the desirability of fixing boundaries which are, and will remain, easily identifiable, as well as taking into account any local ties which might be broken by the fixing of any particular boundaries. The Council also emphasises that ward boundaries should be clearly understood; they should represent the most appropriate parting of local attachments within a parish that comprises different parts. The Electoral Commission has suggested that the district wards should not split an unwarded parish and that no parish ward should be split by such a boundary. The relevant legal provisions do not apply to reviews of parish electoral arrangements, but the Commission has requested the Council to bear this in mind, which the Council will do.

- **The number of councillors to be elected for parish wards**

The Council has noted that it is required to have regard to the following when considering the size and boundaries of the wards and the number of councillors to be elected for each ward;

- The number of local government electors for the parish;
- Any change in the number, or distribution, of the local government electors, which is likely to occur in the period of five years beginning with the day when this review starts.

The government has advised, and this Council concurs that “it is an important democratic principle that each person’s vote should be of equal weight so far as possible, having regard to other legitimated factors, when it comes to the elections of councillors.” While there is no provision in legislation that each town/parish councillor should represent, as nearly as may be, the same number of electors, the Council considers that it is not in the interests of effective and convenient local government, either for voters or councillors, to have significant differences in levels of representation between different parish wards.

The Council is likewise anxious to avoid the risk that, where one or more wards of a parish are over represented by councillors, the residents of those wards (and their councillors) could be perceived as having more influence than others on the council. During the review process and in its consultations, the Council is committed to consistently showing the ratios of electors to councillors that would result from its proposals.
• Naming of parish wards

With regard to the names of parish wards, the Council will endeavour to reflect existing local or historic place names, and will give a strong presumption in favour of ward names proposed by local interested parties.

REORGANISATION OF COMMUNITY GOVERNANCE ORDERS AND COMMENCEMENT

The review will be completed when the Council adopts the reorganisation of Community Governance Orders. Copies of this order, the map(s) that show the effects of that order in detail, and the documents(s) which set out the reasons for the decisions that the Council has taken (including where it has decided to make no change following a review) will be deposited at the Council’s offices and on its website.

In accordance with the Guidance issued by the government, the Council will issue maps to illustrate each recommendation at a scale that will not normally be smaller than 1:10,000.

These maps will be deposited with the Secretary of State at the Department of Communities and Local Government and at the Council’s Offices at Queen's Buildings, Potter Street, Worksop, Nottinghamshire S80 2AH

Prints will also be supplied, in accordance with the regulations, to Ordnance Survey, the Registrar General, the Land Registry, the Valuation Office Agency, the Boundary Commission for England and the Electoral Commission.

The provisions of the Order would take effect, for financial and administrative purposes, from 1st April in the designated year.

The electoral arrangements for new parishes will come into force at the next elections to parish councils, namely May 2015.

CONSEQUENTIAL MATTERS

• General Principles

The Council notes that a Reorganisation Order may cover any consequential matters that appear to the Council to be necessary or proper to give effect to the Order. These may include:

- The transfer and management or custody of property;
- The setting of precepts for new parishes;
- Provision with respect to the transfer of any functions, property, rights and liabilities;
- Provision for the transfer of staff, compensation for loss of office, pensions and other staffing matters.

In these matters, the Council will be guided by Regulations that have been issued following the 2007 Act.

In particular, the Council notes that the Regulations regarding the transfer of property, rights and liabilities require that any apportionments shall use the population of the area as estimated by the proper officer of the Council as an appropriate proportion.

Furthermore, the Council notes that the regulations regarding the establishment of a precept for a new parish require the Council to calculate the first anticipated precept for a newly
constituted parish council and for the amount of that precept to be included in the Reorganisation Order.

- **District ward boundaries**

The Council is mindful that it may be necessary, although it is not anticipated, for it to recommend the Electoral Commission to make alterations to the boundaries of district wards or county electoral divisions to reflect the changes made at parish level. The Council notes that it will be for the Electoral Commission to decide if related alterations should be made and when they should be implemented, and that the Commission may find it appropriate to direct the Boundary Committee for England to conduct an electoral review of affected areas.

The Council notes that the Electoral Commission will require evidence that the Council has consulted on any such recommendations for the alterations to the boundaries of district wards to County electoral divisions as part of the review. Of course, such recommendations for alterations may only become apparent during the course of the review. Even so, the Council will endeavour to include any such draft recommendations for alterations at the earliest possible opportunity for consultation that will arise after they become apparent.

Where any such consequential matters affect Nottinghamshire County Council, the Council will also seek the views of that Council with regard to alterations to electoral division boundaries in accordance with the government’s guidance.
INTRODUCTION

Aims of the review

Bassetlaw District Council has resolved to undertake a Community Governance Review (CGR) pursuant to Part 4, Chapter 3 of the Local Government and Public Involvement in Health Act 2007, to consider the following parish matters:

Parish Matters to be considered

- North and South Wheatley Parishes to be amalgamated into one Parish Council to be known as North and South Wheatley Parish Council.

- To consider the abolition of Bole Parish Meeting as the Parish Meeting is inactive and amalgamation of the area into North and South Wheatley Parish.

- The removal of the Parish wards of East and West Harworth within Harworth Town Council.

- Gamston with West Drayton and Eaton Parish Council - reduce the number of Parish Councillors.

- The boundary between Beckingham and Misterton Parish Council in the vicinity of Newells Terrace.

- The effective operation of Parish Meetings in the District

In undertaking the Review, the Council will be guided by Part 4 of the Local Government and Public Involvement in Health Act 2007, the relevant parts of the Local Government Act 1972, Guidance on Community Governance Reviews issued in accordance with section 100(4) of the Local Government and Public Involvement in Health Act 2007 by the Department of Communities and Local Government and The Electoral Commission in April 2008. Also the following regulations which guide, in particular, consequential matters arising from the Review: Local Government (Parishes and Parish Councils) (England) Regulations 2008 (SI2008/625); Local Government Finance (New Parishes) Regulations 2008 (SI2008/626).

The Council is required to have regard to Guidance on Community Governance Reviews issued by the Secretary of State for Communities and Local Government. This Guidance was published in April 2008 and it has been considered when drawing up the Terms of Reference (TOR).
What is a Community Governance Review (CGR)?

A CGR is a review of the whole or part of the district to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of parishes and the style of new parishes;
- The electoral arrangements for parishes (the ordinary year of election; council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes.

The Council is required to ensure that community governance within the area under review will be:

- Reflective of the identities and interests of the community in that area; and
- Is effective and convenient.

In doing so the CGR is required to take into account:

- The impact of community governance arrangements on community cohesion; and
- The size, population and boundaries of a local community or parish.

Why undertake a community governance review?

A CGR provides an opportunity for principal authorities to review and make changes to community governance within their area. Such reviews can be undertaken when there have been changes in population or in reaction to specific or local new issues to ensure that the community governance for the area continues to be effective and convenient and it reflects the identities and interests of the community.

The government has emphasised that recommendations made in CGR ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

Government guidance further states that it is good practice to conduct a (full) CGR at least every 10-15 years and keep the area under review in the interim. The most recent similar reviews under previous legislation which considered such matters resulted in the:-

- The Bassetlaw (Parishes) Order 1993 (S.I. 1993 No.2966)

Specifically, this CGR will consider:

- North and South Wheatley Parishes to be amalgamated into one Parish Council to be known as North and South Wheatley Parish Council.
- To consider the abolition of Bole Parish Meeting as the Parish Meeting is inactive and amalgamation of the area into North and South Wheatley Parish.
- The removal of the Parish wards of East and West Harworth within Harworth Town Council.
- Gamston with West Drayton and Eaton Parish – reduce the number of Parish Councillors.
- The boundary between Walkeringham and Misterton Parish Council in the vicinity of Newells Terrace.
- The areas of the district where Parish Meetings are not functioning.
Who will undertake the CGR?

As the principal authority, the District Council is responsible for undertaking any CGR within its electoral area. The body responsible for overseeing this process is the Full Council. It will oversee the CGR and produce draft and final recommendations; the Council will approve the final recommendations before a Community Governance Order is made.

CONSULTATION

How the Council proposes to conduct consultations during the Review?

Before making any recommendations or publishing final proposals, the District Council will take full account of the views of local people. The District Council will comply with the statutory consultative requirements by:

- Consulting local government electors for areas under review.
- Consulting any other person or body (including a local authority) which appears to the District Council to have an interest in the review.
- Notifying and consulting the County Council.
- Taking into account any representations received in connection with the review.

Information relating to the CGR will be available on the Council’s website and key documents will be on deposit at the District Council’s offices at Queen’s Buildings, Potter Street, Worksop, Nottinghamshire S80 2AH.

When taking account of written representations the District Council is bound to have regard to the need to secure that community governance within the areas under review:

- Reflects the identities and interests of the community in that area; and
- Is effective and convenient.

The District Council will publish its recommendations as soon as practicable and take such steps as it considers sufficient to ensure that persons who may be interested in the CGR are informed of the recommendations and the reasons behind them. The District Council will notify each consultee and any other persons or bodies who have made written representations of the outcome of the review.

A timetable for the CGR

A CGR must, by statute, be concluded within a twelve month period from the day on which the CGR starts. A CGR starts when the District Council publishes its Terms of Reference and concludes when the District Council publishes the recommendations made in the CGR.

The following is the review timetable:

**Action Timetable Outline of action**

Terms of Reference (TOR) are published

**Start Date:** 1 November 2013

District Council publishes Terms of Reference and notifies stakeholders, clearly defining extent of CGR
Introductory stage: 1 November 2013 – 1 February 2014

Submissions are invited. District Council invites proposals from stakeholders on future arrangements under the Terms of Reference.

Draft Proposals are prepared:

Draft proposals to be considered by full Council – 4 March 2014

District Council publishes Draft Proposals and notifies stakeholders.

Consultation on draft proposals: March – May 2014

Consultation with stakeholders.

Final Recommendations published:

Submissions considered and final recommendations produced. Final Recommendations are published and decision by Council end of June 2014.

Effective Date: 1 September 2014

Order made. Thereafter Council publishes the Reorganisation Order and requests the Electoral Commission to approve any consequential changes.

ELECTORATE FORECASTS

In considering the electoral arrangements of the parishes stated within these Terms of Reference, the District Council is required to consider any change in the number or distribution of the electors which is likely to occur in the period of five years beginning with the day when the review starts. The District Council has used the Register of Electors 2013 to provide existing local government electorate figures. Electorate forecasts will be prepared using all available information.

THE PRESENT STRUCTURE OF PARISHES AND THEIR ELECTORAL ARRANGEMENTS

Present Structures of parish governance in the areas to be reviewed

Parish Number of Councillors Electors per seat

Gamston with West Drayton and Eaton: 16

Bole: Not applicable

Parishes

The Council wishes to ensure that electors should be able to identify clearly with the parish in which they are resident. It considers that this sense of identity and community lends strength and legitimacy to the parish structure, creates a common interest in parish affairs, encourages participation in elections to the parish council, leads to representatives and accountable government, engenders visionary leadership and generates a strong, inclusive community with a sense of civic values, responsibility and pride. The Council considers that parishes should reflect distinctive and recognisable communities of interest, with their own
sense of identity; the feeling of local community and the wishes of local inhabitants are primary considerations in this Review.

The Council is anxious to balance carefully the considerations of changes that have happened over time, through population shifts or additional development for example, and that have led to a different community identity with historic traditions in its area. The Council notes the government's Guidance that community cohesion should be taken into account in this Review.

The Council also notes the government's strongly stated Guidance that it "expects to see a trend in the creation, rather than the abolition, of parishes" and that "the abolition of parishes should not be undertaken unless clearly justified". The Council also notes that the government also considers that, where existing parishes are abolished, "It would be undesirable to see the area becoming unparished with no community governance arrangements in place.

ELECTORAL ARRANGEMENTS

What does ‘Electoral Arrangements’ mean?

An important part of our Review will comprise giving consideration to ‘Electoral Arrangements’.

The term covers the way in which a council is constituted for the parish. It covers:

- The ordinary year in which elections are held;
- The number of councillors to be elected to the council;
- The division (or not) of the parish into wards for the purpose of electing councillors;
- The number and boundaries of any such wards;
- The number of councillors to be elected for any such ward;
- The name of any such ward.

Ordinary year of election

The Local Government Act 1972 states that ordinary election of parish councils shall take place in 1976, 1979 and every fourth year thereafter (i.e. 2007, 2011, 2015, etc.). However, the government has indicated that it would want the parish electoral cycle to coincide with the cycle for the district council, so that the costs of elections can be shared.

If the Review finds that it is appropriate to create new posts for parish councillors then these will come in to effect at the next ordinary day of election i.e. 7 May 2015.

A council for a parish

The legislation lays down the different duties that the Council has with regard to the creation of a council for a parish:

- Where the number of electors is 1,000 or more – a parish council must be created;
- Where the number of electors is 151-999 – a parish council may be created, with a parish meeting being the alternative form of parish governance;
- Where the number of electors is 150 or fewer – a parish council is not created.
What considerations cover the number of parish councillors?

The government has advised, and this Council concurs that, “it is an important demographic principle that each person’s vote should be of equal weight so far as possible, having regard to other legitimated competing factors, when it comes to the elections of councillors.

Likewise, the Council notes that the number of parish councillors for each parish council shall not be less than five. There is no maximum number. There are no rules relating to the allocations of councillors. However, in dealing with a request the following guidelines, which are based on recommendations from the National Association of Local Councils, will be followed:

**Number of Parish Councillors Guidelines**

<table>
<thead>
<tr>
<th>Electors</th>
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<th>Electors</th>
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<tbody>
<tr>
<td>Up to 900</td>
<td>7</td>
<td>10,400</td>
<td>17</td>
</tr>
<tr>
<td>1,400</td>
<td>8</td>
<td>11,900</td>
<td>18</td>
</tr>
<tr>
<td>2,000</td>
<td>9</td>
<td>13,500</td>
<td>19</td>
</tr>
<tr>
<td>2,700</td>
<td>10</td>
<td>15,200</td>
<td>20</td>
</tr>
<tr>
<td>3,500</td>
<td>11</td>
<td>17,000</td>
<td>21</td>
</tr>
<tr>
<td>4,400</td>
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<td>24</td>
</tr>
<tr>
<td>7,700</td>
<td>15</td>
<td>45,000</td>
<td>25</td>
</tr>
<tr>
<td>9,000</td>
<td>16</td>
<td></td>
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</tbody>
</table>

The government’s guidance is that “each area should be considered on its own merits, having regard to its population, geography and the pattern of communities” and therefore the Council is prepared to pay particular attention to existing levels of representation, the broad pattern of existing council sizes which have stood the test of time and the take-up of seats at elections in its consideration of this matter.

By law, the Council must have regard to the following factors when considering the number of councillors to be elected for the parish:

- The number of local government electors for the parish;
- Any change in that number which is likely to occur in the period of five years beginning with the day when the review starts.

**Parish warding**

The Act requires that in considering whether a parish should be divided into wards for the purposes of elections of the parish council the Council should consider the following:

Whether the number, or distribution, of the local government electors for the parish would make a single election of councillors impracticable or inconvenient;

Whether it is desirable that any area or areas of the parish should be separately represented on the council.

The government’s guidance is that “the warding of parishes in largely rural areas that are based predominately on a single centrally-located village may not be justified. Conversely, warding may be appropriate where the parish encompasses a number of villages with
separate identities, a village with a large rural hinterland or where, on the edges of towns, there has been some urban overspill into the parish."

The Council will be mindful of all this guidance, noting further that "each case should be considered on its merits and on the basis of the information and evidence provided during the course of the review."

The Council notes that warding arrangements should be clearly and readily understood by and should have relevance for the electorate of the parish; they should reflect clear physical and social differences within a parish; one parish but comprising different parts.

The Council recognises that ward elections should have merit; not only should they meet the two tests laid down in the Act, but they should also be in the interests of effective and convenient local government. They should not be wasteful of a parish’s resources.

**District Warding and County Division Boundaries**

At present only one of the proposed areas for consideration in this review might require any alterations to the boundaries of District Wards or County Divisions.

The Electoral Commission is responsible for deciding whether boundary changes of this nature should be made and will require evidence that the Council has consulted on any such recommendations. If the need for changes becomes apparent during the course of this review the Council will endeavour to incorporate them within the consultation at the earliest opportunity.

**REORGANISATION OF COMMUNITY GOVERNANCE ORDERS AND COMMENCEMENT**

The Review will be completed when the Council adopts the Reorganisation of Community Governance Order. Copies of this Order, the map(s) that show the effects of the order in detail, and the document(s) which set out the reasons for the decisions that the Council has taken (including where it has decided to make no change following a Review) will be deposited at the Council’s Offices, website and Community Offices.

In accordance with the Guidance issued by the Government, the Council will issue maps to illustrate each recommendation at a scale that will not normally be smaller than 1:10,000.

These maps will be deposited with the Secretary of State at the Department of Communities and Local Government and at the Council’s office at Queen’s Buildings, Potter Street, Worksop. Prints will also be supplied, in accordance with the regulations, to Ordnance Survey, the Registrar General, the Land Registry, the Valuation Office Agency, the Boundary Commission for England and the Electoral Commission.

It is proposed that the Order will take effect for financial and administrative purposes on 1 September 2014.

The electoral arrangements for a new or existing parish council will come into force at the next elections to the parish council which will be on 8 May 2015.

**CONSEQUENTIAL MATTERS**

**General principles**

The Council notes that a Reorganisation Order may cover any consequential matters that appear to the Council to be necessary or proper to give effect to the Order. These may include:
• The transfer and management or custody of property;
• The setting of precepts for new parishes;
• Provision with respect to the transfer of any functions, property, rights and liabilities;
• Provision for the transfer of staff, compensation for loss of office, pensions and other staffing matters.

In these matters, the Council will be guided by Regulations that have been issued following the 2007 Act.

**How to contact us**

Should you wish to submit a written representation regarding this review, please address this to:

Senior Manager Support Services  
Bassetlaw District Council  
Queen’s Buildings  
Potter Street  
Worksop  
S80 2AH

Alternatively your submission may be emailed to:

electoralregistration@bassetlaw.gov.uk

Should you require any further information or need clarification on the review process, please contact:

Stephen Brown  
Senior Manager Support Services  
Telephone: 01909 533767  
Email: steve.brown@bassetlaw.gov.uk

**Publication of Terms of Reference**

These Terms of Reference will be published on the District Council web site http://www.bassetlaw.gov.uk and will be available for inspection at the offices at Queen’s Buildings, Potter Street, Worksop S80 2AH

Notices advertising this Community Governance Review and the availability of these Terms of Reference will also be posted within each Parish.

**Date of publication**  
1 November 2013
1. **Public Interest Test**

   The author of this report, Stephen Brown, has determined that the report is not confidential.

2. **Purpose of the Report**

   2.1 To advise the Council of the proposed Polling District and Places Review starting on 1st October 2013.

   2.2 To seek Council’s approval for the establishment of a Member Working Group to undertake the review and make recommendations to the Council.

3. **Background and Discussion**

   3.1 In accordance with the Representation of the People Act 1983, local authorities are required to divide their area into polling districts, to designate polling places for those polling districts, and to keep their electoral arrangements under review.

   3.2 The Electoral Administration Act 2006 introduced a duty for all polling districts and polling places to be reviewed every four years. The Council’s first review was carried out in autumn 2007 and a subsequent review took place autumn 2011.

   3.3 The Electoral Registration and Administration Act 2013 amended this duty to require the next statutory review to take place in the period of 16 months from 1st October 2013 and the period of 16 months beginning 1st October of every fifth year after that.

   3.4 Each polling district must offer reasonable facilities for voting for all its electors, as far as it is practicable in the circumstances.
3.5 **Aim of the Review**

3.5.1 In conducting this review, the Council must seek to ensure that:

- all electors in the constituency have such reasonable facilities for voting as are practicable in the circumstances;
- polling places are accessible to all electors and all sections of the community; and
- when considering or reviewing the designation of a polling place, have regard to the accessibility needs of disabled persons.

3.5.2 A Member Working Group would be responsible for co-ordinating the review and presenting recommendations to Council. The Working Group will also receive updates on the Individual Elector Registration (IER) work.

3.6 **Definitions**

3.6.1 **Polling district**: this is the area created by the division of a constituency or ward. Within this area, a polling place must be determined, which is convenient to electors registered in that area.

3.6.2 **Polling place**: the building or area in which polling stations will be selected by the Returning Officer.

3.6.3 **Polling station**: the room or building where the poll takes place. This is chosen by the Returning Officer for the election and is published on various official notices and communicated to the electorate via poll card.

3.7 **Review Principles**

3.7.1 It is intended that the Electoral Services Team will follow a number of principles whilst conducting the review. These principles have been determined from best practice and feedback since the previous review.

3.7.2 The principles that are proposed are:

- Continue to use as many existing polling stations as practicable for voter continuity.
- Ensure polling stations are accessible for all voters with regard to facilities and location. Where possible they should be located on or near public transport routes.
- Ensure disabled access facilities are fit for purpose and accessible to users.
- Ensure that facilities for election staff are of a good standard i.e. toilet, cooking facilities, running water, heating and lighting.
- To reduce costs where possible. Any reduction of cost identified will not be to the detriment of the voting experience.
• Incorporate feedback received into the decision making process during the review.

• Have regard to guidance published by the Electoral Commission.

3.8 Timetable

3.8.1 The review will be completed in time for the publication of the revised electoral register on 1st December 2014.

3.8.2 A detailed timetable will be developed shortly and distributed to all stakeholders.

4. Implications

a) For service users

To ensure that polling stations are provided in such a way that facilitates the democratic rights but reflects value for money.

b) Strategic & Policy

Effective, transparent and equitable democratic and decision making processes are an essential pre-requisite to the delivery of all the Council’s priorities.

c) Financial - Ref: 14/494

None.

d) Legal – Ref: 270/09/13

The legal provisions are set out in the report.

e) Human Resources

None.

f) Community Safety, Equalities, Environmental

As indicated in the report, the review will need to give consideration to access arrangements for polling places/stations.

g) Whether this is a key decision, and if so the reference number.

No.

5. Options, Risks and Reasons for Recommendations

The Council can choose not to support the recommendations but the statutory requirements to undertake a review are set out in the report.
6. **Recommendations**

That Council approves:

6.1 The commencement of a review of polling districts and polling stations within the District of Bassetlaw.

6.2 That the review be undertaken by a Member Working Group and that the Political Groups make nominations on a 3:1:1 basis.

6.3 The Terms of Reference of the Review Working Group as set out in Appendix ‘A’ be approved.
Appendix ‘A’

Terms of Reference for the Review of polling districts and polling stations

Polling Districts
The Review will consider and propose polling districts with the aim of ensuring that:

- The District of Bassetlaw area is divided into polling districts.
- Each polling district offers reasonable facilities for voting for all its electors, as far as is practicable in the circumstances.
- Each Parish is contained within a polling district(s).

Polling Places
The Review will consider and propose polling places with the aim of ensuring that:

- All electors in a constituency within its area have such reasonable facilities for voting as are practicable in the circumstances.
- Polling places are sited in buildings that are suitable for use as polling stations by all sections of the community.
- Polling places have appropriate access for disabled voters.
- Polling places are located in an area of the corresponding polling district unless special circumstances make it desirable to designate an area that is wholly or partly outside of the polling district.
- Polling places are not so large that it is not clear to electors how they will be able to gain access

Individual Electoral Registration

To receive updates on the preparation for IER.
1. **Public Interest Test**

1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. **Purpose of the Report**

2.1 To provide Members of the Council with an annual overview and review of the audit work programme of the Audit and Risk Scrutiny Committee during 2012/13, and to outline the work programme for the year 2013/14, in accordance with functional responsibilities of the Committee as detailed in Part 3 of the Council’s Constitution.

3. **Background and Discussion**

3.1 In May 2012, the Audit and Risk Scrutiny Committee and a separate Performance Sub-Committee replaced the former Audit and Performance Scrutiny Committee, thereby altering its remit and responsibilities in the process. In doing so, the Audit and Risk Scrutiny Committee has taken on the additional functions of Risk Management, and the oversight of the anti-fraud and anti-corruption arrangements. During 2012/13 it operated on an 8 meeting cycle, plus a further 4 meetings being dedicated to the Performance Sub-Committee.

3.2 The Audit functions include:

- Approve (but not direct) internal audit’s strategy, plan and performance;
- Review summary internal audit reports;
- Consider the reports of external audit and inspection agencies;
- Be satisfied that Bassetlaw’s assurance statements, including the Annual Governance Statement, properly reflects the risk environment;
- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies;
- Review the financial statements, external auditor’s opinion and reports to Members, and monitor management action in response to issues raised by external audit;
• Produce an Annual Report to be presented to full Council on its activities during the year and how it discharged its responsibilities.

3.3 The Risk Management functions include:

• Consider the effectiveness of the Council’s risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements;
• Monitor action taken on risk-related issues identified by management, auditors and inspectors.

(Extracts from Bassetlaw District Council Constitution Part 3 (July 2012) pages 3.17 and 3.18)

3.4 The performance aspects of the Committee were re-designated into a Performance Sub-Committee which held meetings on a quarterly basis. The work of the Performance-Sub Committee was closely aligned to overview and scrutiny, and from May 2013 the work has been merged into the Overview and Scrutiny Committee on an on-going basis.

3.5 Therefore this report highlights the Audit and Risk Management aspects only for 2012/13.

3.6 During 2012/13, the Committee received and commented on the following:

• May 2012:
  o Director of Corporate Services – The Work Programme for 2012/13.
  o Head of Finance & Property – Review of the Effectiveness of the System of Internal Audit for 2011/12.

• June 2012:
  o Head of Finance & Property – Financial Outturn 2011/12.
  o Principal Environmental Health Manager – Update on Potentially Contaminated Sites.
  o Chair of Performance Sub-Committee - Performance Sub-Committee Update.
  o Director of Corporate Services - Local Code of Corporate Governance.

• July 2012:
  o Director of Community Services - Presentation – Creative Village Project.
  o RSM Tenon - Internal Audit Progress Reports 2012/13 (1 report).
  o Head of Finance & Property - Annual Fraud and Irregularities Report 2011/12.
  o Head of Finance & Property - Write-Offs Annual Report 2011/12.
  o Head of Finance & Property - Corporate Risk Management Quarter 1 2012/13.

• September 2012:
  o Head of Finance & Property – Budget Monitoring and Capital Programme Update Report to 30th June 2012.
o RSM Tenon - Internal Audit Progress Reports 2012/13 (12 reports).

- November 2012:
  o Head of Finance & Property – Budget Monitoring and Capital Programme Update Report to 30th September 2012.
  o RSM Tenon - Internal Audit Progress Reports 2012/13 (5 reports).
  o Head of Community Prosperity - Update on the Changes to Warden Services.
  o Sector – Presentation – Treasury Management.

- January 2013:
  o Head of Finance & Property – Housing Revenue Account Budget 2013/14 and Future Years to 2015/16.
  o RSM Tenon – Internal Audit Progress Reports 2012/13 (8 reports).
  o Head of Finance & Property - Corporate Risk Management Quarter 2 2012/13.

- February 2013:
  o Head of Finance & Property – General Fund Budget 2013/14 to 2015/16.
  o Head of Finance & Property – General Fund Capital Programme 2013/14 to 2017/18.
  o Head of Finance & Property – Capital Investment Strategy 2013/14 to 2017/18.
  o Head of Finance & Property – Property Asset Management Plan 2013/14 to 2017/18.
  o Head of Finance & Property – Robustness of Estimates and Adequacy of Reserves 2013/14.
  o RSM Tenon – Internal Audit Progress Reports 2012/13 (3 reports).
  o KPMG – Certification of Grants and Returns 2011/12.

- March 2013:
  o Head of Finance & Property – Budget Monitoring and Capital Programme Update Report to 31st December 2012.
  o RSM Tenon – Internal Audit Progress Reports (5 reports).
  o Head of Finance & Property - Corporate Risk Management Quarter 3 2012/13.
  o Head of Finance & Property – National Developments in Counter Fraud.
  o Economic Development Officer – Presentation - Bridge Street Project Management.

3.7 The Work Programme for 2013/14 reflects a similar workload to that experienced during 2012/13. However, in future, this Committee is also now responsible for promoting and maintaining high standards of conduct by Members and Co-opted Members of the Authority (Bassetlaw District Council Constitution Part 3 (May 2013) page 3.20).
4. **Implications**

a) Service Users

None from this report.

b) Strategic and Policy

The Audit and Risk Scrutiny Committee is tasked to undertake the functions of an Audit Committee as outlined in the Council’s Constitution.

c) Financial Ref: 14/854

None from this report.

d) Human Resources

None from this report.

e) Legal Ref: 286/09/13

The requirement to report to full Council ensures that the Committee can demonstrate how it has discharged its responsibilities in accordance with Constitutional requirements.

f) Community Safety, Equalities, Environmental

None from this report.

g) This is not a key decision.

5. **Options, Risks and Reasons for Recommendations**

5.1 The Council has an obligation to comply with statutory requirements and to ensure that the Audit and Risk Scrutiny Committee is fulfilling its duties and responsibilities.

6. **Recommendations**

6.1 The Council notes the content of the report.

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<thead>
<tr>
<th>Background Papers</th>
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<tr>
<td>Constitution</td>
<td>Legal Services</td>
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REPORT OF THE DIRECTOR OF RESOURCES & INTERIM CHIEF EXECUTIVE

KPMG ISA 260 ANNUAL GOVERNANCE REPORT
AND STATEMENT OF ACCOUNTS FOR 2012/13

Cabinet Member: Finance
Contact: Mike Hill
Ext: 3174

1. Public Interest Test
1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report
2.1 To present to Council KPMG’s Annual Governance Report for 2012/13 (ISA 260 report), and the Audited Statement of Accounts (incorporating the Annual Governance Statement) for 2012/13, for consideration and approval.

3. Background and Discussion
3.1 This report is presented to Council, as this is the constituted body charged with dealing with governance issues.

3.2 There is a statutory requirement for the external auditor’s ISA 260 Annual Governance Report, and the Audited Statement of Accounts, to be presented to Council by the end of September 2013.

3.3 Within the Report, the external auditor comments on the audit as follows: “The Authority has good processes in place for the production of the accounts and good quality supporting working papers. Officers dealt efficiently with audit queries and the audit process could be completed within the planned timescales.”

3.4 There is a requirement that the external auditor provides details of all of the errors in the financial statements that need amendment within the Report. A small number of non-trivial adjustments have been made since the draft accounts were initially reported to Council on 27th June 2013, most of which were of a presentational nature. There was no impact on the Council’s General Fund.

3.5 Following the completion of the annual audit, the external auditor expects to issue an unqualified opinion on the financial statements, and an unqualified value for money conclusion for the financial year 2012/13. The external auditor will be attending the Council meeting, and will provide a verbal update on the night.
3.6 As part of the external auditor’s ISA 260 Annual Governance Report, the Section 151 Officer is required to give written representations about the financial statements and governance arrangements in place at the Council. The draft letter forms part of KPMG’s ISA 260 Annual Governance Report (Appendix 3).

4. **Implications**

   a) For service users – there are no implications arising from this report.

   b) Strategic & Policy – the Annual Governance Report is a key element of the Council’s corporate governance arrangements, and is used by external assessors to make informed judgements on the Council.

   c) Financial - Ref: 14/198 – as contained within the report.

   d) Legal – Ref: 271/09/13 - This report has been discussed with the Council’s Monitoring Officer and has been published to ensure compliance with the statutory deadline imposed.

   e) Human Resources – there are no implications arising from this report.

   f) Community Safety, Equalities, Environmental – there are no implications arising from this report.

   g) This is key decision number 373.

5. **Options, Risks and Reasons for Recommendations**

   5.1 The recommended option is for Members to approve the report. This is a positive report and provides Members with the assurance that the Council is maintaining high standards for financial reporting and management.

   5.2 The other option is to not approve the report, which will have a negative impact on the Council.

6. **Recommendations**

   6.1 That KPMG’s ISA 260 Annual Governance Report for 2012/13 be considered and approved.

   6.2 That the Audited Statement of Accounts (incorporating the Annual Governance Statement) for 2012/13 be approved.

   6.3 That the Head of Finance & Property, as the Council’s Section 151 Officer, be approved to sign the Letter of Representation on behalf of Bassetlaw District Council.

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**Background Papers**

Final Outturn report – Council 27th June 2013

**Location**

Head of Finance & Property’s office.
Report to those charged with governance (ISA 260) 2012/13

Bassetlaw District Council

September 2013
## The contacts at KPMG in connection with this report are:

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission’s website at [www.auditcommission.gov.uk](http://www.auditcommission.gov.uk).

External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Sue Sunderland, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG’s work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission’s complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 03034448330.
This report summarises:

- the key issues identified during our audit of Bassetlaw District Council’s (the Authority’s) financial statements for the year ended 31 March 2013; and
- our assessment of the Authority’s arrangements to secure value for money (VFM) in its use of resources.

### Financial statements

Our External Audit Plan 2012/13 presented to you in January 2013 set out the four stages of our financial statements audit process:

1. **Planning**
2. **Control Evaluation**
3. **Substantive Procedures**
4. **Completion**

This report focuses on the second and third stages of the process: control evaluation and substantive procedures. Our on site work for these took place in two tranches during April 2013 (interim audit) and July 2013 (year end audit). We carried out the following work:

- Evaluate and test selected controls over key financial systems
- Review internal audit function
- Review accounts production process
- Review progress on critical accounting matters

- Planning and performing substantive audit procedures.
- Concluding on critical accounting matters.
- Identifying audit adjustments.
- Reviewing the Annual Governance Statement.

We are now in the final phase of the audit. Some aspects are also discharged through this report:

- Declaring our independence and objectivity.
- Obtaining management representations.
- Reporting matters of governance interest.
- Forming our audit opinion.

### VFM conclusion

Our External Audit Plan 2012/13 explained our risk-based approach to VFM work, which follows guidance provided by the Audit Commission. We have completed our work to support our 2012/13 VFM conclusion. This included:

- assessing the potential VFM risks and identifying the residual audit risks for our VFM conclusion;
- considering the results of any relevant work by the Authority, the Audit Commission, other inspectorates and review agencies in relation to these risk areas.

### Structure of this report

This report is structured as follows:

- Section 2 summarises the headline messages.
- Section 3 sets out the key findings from our audit work in relation to the 2012/13 financial statements.
- Section 4 outlines the key findings from our work on the VFM conclusion.

### Acknowledgements

We would like to take this opportunity to thank Officers and Members for their continuing help and co-operation throughout our audit work.
This table summarises the headline messages. The remainder of this report provides further details on each area.

<table>
<thead>
<tr>
<th>Proposed audit opinion</th>
<th>We anticipate issuing an unqualified audit opinion by 30 September 2013. We will also report that the wording of your Annual Governance Statement accords with our understanding.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit adjustments</td>
<td>We are pleased to report that our audit of your financial statements did not identify any material adjustments. The Authority made a small number of non-trivial adjustments, most of which were of a presentational nature. There was no impact on the General Fund. For completeness, we have included a list of all non-trivial audit differences in Appendix 1. The Authority have agreed that all of these will be adjusted.</td>
</tr>
<tr>
<td>Accounts production and audit process</td>
<td>The Authority has good processes in place for the production of the accounts and good quality supporting working papers, with the exception that it failed to provide explanations for the gross income and expenditure variances within its Comprehensive Income and Expenditure Statement, resulting in additional work being undertaken. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales. We have had regular meetings with Officers throughout the year which has facilitated delivery of the audit.</td>
</tr>
<tr>
<td>Control environment</td>
<td>The Authority’s organisation and IT control environment is effective, and controls over the key financial systems are sound. We are satisfied that internal audit are compliant with the Code of Practice for Internal Audit in Local Government and we have used their work to inform our assessment of the Authority’s control environment and risks relevant to our work.</td>
</tr>
<tr>
<td>Completion</td>
<td>At the date of this report our audit of the financial statements is substantially complete. Before we can issue our opinion we require a signed management representation letter, a draft of which is included at Appendix 2. We confirm that we have complied with requirements on objectivity and independence in relation to this year’s audit of the Authority’s financial statements, as detailed in Appendix 3.</td>
</tr>
<tr>
<td>VFM conclusion</td>
<td>We have concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We therefore anticipate issuing an unqualified VFM conclusion by 30 September 2013.</td>
</tr>
</tbody>
</table>
Proposed opinion and audit differences

Proposed audit opinion
We anticipate issuing an unqualified audit opinion by 30 September 2013.

Audit differences
In accordance with ISA 260 we are required to report uncorrected audit differences to you. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

We did not identify any material misstatements within the primary statements but we did identify a material classification error in disclosure within note 14 to the Group Accounts.

Our audit identified two other areas of audit differences, which we set out in Appendix 1 along with the Group Account disclosure issue. Both of these have been adjusted for in the final version of the financial statements.

There is no net impact on the General Fund as a result of these audit adjustments.

In addition, we identified a small number of presentation adjustments required to ensure that the accounts are compliant with the Code of Practice on Local Authority Accounting the United Kingdom 2012/13 (‘the Code’). The Authority has also adjusted these within the final version of the financial statements.

Annual Governance Statement
We have reviewed the Annual Governance Statement and confirmed that:

- it complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and
- it is not misleading or inconsistent with other information we are aware of from our audit of the financial statements.

The wording of your Annual Governance Statement accords with our understanding.

We have identified no issues in the course of the audit (other than a classification error) that are considered to be material.
The Authority has good processes in place for the production of the accounts and good quality supporting working papers.

Officers dealt efficiently with audit queries and the audit process could be completed within the planned timescales.

Section three – financial statements
Accounts production and audit process

Accounts production and audit process
ISA 260 requires us to communicate to you our views about the significant qualitative aspects of the Authority’s accounting practices and financial reporting. We also assessed the Authority’s process for preparing the accounts and its support for an efficient audit.

We considered the following criteria:

<table>
<thead>
<tr>
<th>Element</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting practices and financial reporting</td>
<td>The Authority has good financial reporting arrangements in place. We consider that accounting practices are appropriate.</td>
</tr>
<tr>
<td>Completeness of draft accounts</td>
<td>We received a complete set of draft accounts on 12 June 2013.</td>
</tr>
<tr>
<td>Quality of supporting working papers</td>
<td>Our Accounts Audit Protocol, which we issued in January 2013 and discussed with the Corporate Accountancy Manager, set out our working paper requirements for the audit. The quality of working papers provided met the standards specified in our Accounts Audit Protocol, with the exception that it failed to provide explanations for the gross income and expenditure variances within its Comprehensive Income and Expenditure Statement resulting in additional work being undertaken.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Element</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical accounting matters (key audit risks)</td>
<td>We have discussed with officers throughout the year the areas of specific audit risk and undertaken specific audit procedures. There are no matters to draw to your attention.</td>
</tr>
<tr>
<td>Response to audit queries</td>
<td>Officers resolved all audit queries in a reasonable timeframe.</td>
</tr>
<tr>
<td>Group audit</td>
<td>To gain assurance over the Authority’s group accounts, we placed reliance on work completed by Baker Tilly UK Audit LLP on the financial statements of A1 Housing Bassetlaw Limited. There are no specific matters to report pertaining to the group audit.</td>
</tr>
<tr>
<td>Prior year recommendations</td>
<td>There were no recommendations to follow up from the Authority’s ISA 260 Report 2011/12.</td>
</tr>
</tbody>
</table>
Section three – financial statements

Control environment

The Authority’s organisation and IT control environment is effective, and controls over the key financial systems are sound.

We are satisfied that internal audit are compliant with the Code of Practice for Internal Audit in Local Government and have been able to place reliance on their work where this was relevant to our work.

During April 2013 we completed our control evaluation work. We did not issue an interim report as there were no significant issues arising from this work. For completeness we reflect on key findings from this work.

Organisational and IT control environment

Controls operated at an organisational level often have an impact on controls at an operational level and if there were weaknesses this would have implications for our audit. We therefore obtain an understanding of the Authority’s overall control environment and determine if appropriate controls have been implemented.

The Authority also relies on information technology (IT) to support both financial reporting and internal control processes. In order to satisfy ourselves that we can rely on the use of IT, we test controls over access to systems and data, system changes, system development and computer operations.

We found that your organisational and IT control environment is effective overall.

Review of Internal Audit

We work with your internal auditors to assess the control framework for certain key financial systems and seek to rely on any relevant work they have completed to minimise unnecessary duplication of work.

Where we intend to rely on internal audit’s work in respect of the Authority’s key financial systems, auditing standards require us to complete an overall assessment of the internal audit function and to evaluate and test aspects of their work.

We have reviewed internal audit’s reports throughout the year to inform ourselves of any significant risks in relation to our opinion work. However, there have been no specific instances during the course of the year where we have sought to rely on the work of internal audit.

Based on our attendance at the Audit & Risk Scrutiny Committee, review of internal audit reports and regular meetings during the course of the year, we are not aware of any instances where internal audit have failed to comply with the Code of Practice for Internal Audit in Local Government.

Since April 2013, the United Kingdom Public Sector Internal Audit Standards (PSIAS) apply across the whole of the public sector, including local government. These standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.

Internal Audit have embraced these new requirements and have, in conjunction with the Authority, put in place a signed Charter setting out the respective roles and responsibilities of each party. This was approved by the Authority’s Audit & Risk Scrutiny Committee on 30 May 2013.

Additionally, a detailed review of compliance with the new standards has been undertaken and reported to the July 2013 Audit & Risk Scrutiny Committee. This has demonstrated that Internal Audit are fully compliant with these new standards.

Controls over key financial systems

Where we have determined that this is the most efficient audit approach to take, we test selected controls that address key risks within the financial systems. The strength of the control framework informs the substantive testing we complete during our final accounts visit.

Based on the work of your internal auditors, and our own work on controls over the year end process, the controls over the financial systems are sound.
Section three – financial statements

Completion

We confirm that we have complied with requirements on objectivity and independence in relation to this year’s audit of the Authority’s financial statements.

Before we can issue our opinion we require a signed management representation letter.

Once we have finalised our opinions and conclusions we will prepare our Annual Audit Letter and close our audit.

Declaration of independence and objectivity

As part of the finalisation process we are required to provide you with representations concerning our independence.

In relation to the audit of the financial statements of Bassetlaw District Council for the year ending 31 March 2013, we confirm that there were no relationships between KPMG LLP and Bassetlaw District Council, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission’s requirements in relation to independence and objectivity.

We have provided a detailed declaration in Appendix 2 in accordance with ISA 260.

Management representations

You are required to provide us with representations on specific matters such as your financial standing and whether the transactions within the accounts are legal and unaffected by fraud. We have provided a template to the Head of Finance & Property, a draft of which is reproduced in Appendix 3. We require a signed copy of your management representations before we issue our audit opinion.

Other matters

ISA 260 requires us to communicate to you by exception ‘audit matters of governance interest that arise from the audit of the financial statements’.

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report relating to the audit of the Authority’s 2012/13 financial statements.
Section four – VFM conclusion

VFM conclusion

Background
Auditors are required to give their statutory VFM conclusion based on two criteria specified by the Audit Commission. These consider whether the Authority has proper arrangements in place for:

- securing financial resilience: looking at the Authority’s financial governance, financial planning and financial control processes; and
- challenging how it secures economy, efficiency and effectiveness: looking at how the Authority is prioritising resources and improving efficiency and productivity.

We follow a risk based approach to target audit effort on the areas of greatest audit risk. We consider the arrangements put in place by the Authority to mitigate these risks and plan our work accordingly.

The key elements of the VFM audit approach are summarised in the diagram below.

Conclusion
We have concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

<table>
<thead>
<tr>
<th>VFM criterion</th>
<th>Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing financial resilience</td>
<td>✓</td>
</tr>
<tr>
<td>Securing economy, efficiency and effectiveness</td>
<td>✓</td>
</tr>
</tbody>
</table>

The following page includes further details of our VFM risk assessment.
**Section four – VFM conclusion**

**Specific VFM risks**

We have identified a single specific VFM risk.

We are satisfied that internal scrutiny provides sufficient assurance that the Authority’s current arrangements in relation to this risk area is adequate.

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### Work completed

In line with the risk-based approach set out on the previous page, and in our Audit Plan we have:

- assessed the Authority’s key business risks which are relevant to our VFM conclusion;
- identified the residual audit risks for our VFM conclusion, taking account of work undertaken in previous years or as part of our financial statements audit; and
- considered the results of relevant work by the Authority, the Audit Commission, other inspectorates and review agencies in relation to these risk areas.

### Key findings

Below we set out the findings in respect of those areas where we have identified a residual audit risk for our VFM conclusion.

We concluded that we did not need to carry out additional work for these risks as there was sufficient relevant work that had completed by the Authority in relation to these risk areas.

### Key VFM risk

<table>
<thead>
<tr>
<th>Risk description and link to VFM conclusion</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at November 2012, the Authority was forecasting that it will deliver its 2012/13 budget in overall terms. This includes a savings programme totalling £1.2 million. The Authority reports that £1.2 million (100 per cent) of these savings have been delivered to date. These forecasts are currently being updated. The Authority currently estimates that another £0.8 million in savings will need to be achieved during 2013/14 (with further savings for 2014/15) to address the further reductions to local authority funding. Against a backdrop of continued demand pressures it will become more and more difficult to deliver these savings in a way that secures longer term financial and operational sustainability. If there are any related liabilities at year end, these will need to be accounted for in the 2012/13 financial statements as appropriate. This is relevant to the financial resilience criteria of the VFM conclusion.</td>
<td>The Authority has delivered its 2012/13 budget with under spends being recorded for both the General Fund and HRA services. A balanced budget has been set for 2013/14 although significant further savings need to be identified for 2014/15. Discussions with the Head of Finance &amp; Property supported by a review of the Medium Term Financial Strategy have confirmed that adequate arrangements are in place to manage the Authority’s finances. However, the Authority faces significant ongoing challenges in reducing expenditure and/or increasing income to counter balance reducing government funding. <strong>Specific risk based work required:</strong> No</td>
</tr>
</tbody>
</table>
We are required by ISA 260 to report all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance (which in the Authority’s case is the Full Council). We are also required to report all material misstatements that have been corrected but that we believe should be communicated to you to assist you in fulfilling your governance responsibilities.

**Corrected audit differences**

For completeness the following table sets out all the non-trivial audit differences identified by our audit of Bassetlaw District Council’s financial statements for the year ended 31 March 2013. All of these have been adjusted for in the revised set of financial statements.

<table>
<thead>
<tr>
<th>No</th>
<th>Cash Flow Statement</th>
<th>Cash Flow Statement</th>
<th>Group Accounts Note 14</th>
<th>Group Accounts Note 14</th>
<th>Collection Fund</th>
<th>Collection Fund</th>
<th>Basis of audit difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dr Investing activities £179</td>
<td>Cr Adjustment for non-cash movements £102</td>
<td>Cr Financing activities £77</td>
<td>Cr Financing activities £77</td>
<td>Cr Financing activities £77</td>
<td>Cr Financing activities £77</td>
<td>Mis-analysis of non-cash movements in respect of the cash flow statement</td>
</tr>
<tr>
<td>2</td>
<td>Dr Depreciation, revaluation and impairment £6,319 Dr Fees, charges and other service income £4,859</td>
<td>Cr Other service expenses £6,319 Cr Proceeds from sale of non-current assets £1,764 Cr Expected returns on pension assets £3,095</td>
<td>Cr Other service expenses £6,319 Cr Proceeds from sale of non-current assets £1,764 Cr Expected returns on pension assets £3,095</td>
<td>Cr Expected returns on pension assets £3,095</td>
<td>Cr Expected returns on pension assets £3,095</td>
<td>Cr Expected returns on pension assets £3,095</td>
<td>Mis-analysis of amounts disclosed within the Council’s segmental reporting note</td>
</tr>
</tbody>
</table>
This appendix sets out the non-trivial audit differences. All of these have been adjusted for in the revised set of financial statements.

### Appendix 1: Audit differences (continued)

<table>
<thead>
<tr>
<th>No</th>
<th>Cash Flow Statement</th>
<th>Cash Flow Statement</th>
<th>Group Accounts Note 14</th>
<th>Group Accounts Note 14</th>
<th>Collection Fund</th>
<th>Collection Fund</th>
<th>Basis of audit difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Dr Business rates payments to the pool £622</td>
<td>Cr Allowance for impairment £622</td>
<td>Incorrect calculation of NNDR losses in collection</td>
</tr>
<tr>
<td></td>
<td>Dr £179</td>
<td>Cr £179</td>
<td>Dr £11,178</td>
<td>Cr £11,178</td>
<td>Dr £622</td>
<td>Cr £622</td>
<td>Total impact of adjustments</td>
</tr>
</tbody>
</table>
Appendices

Appendix 2: Declaration of independence and objectivity

Requirements

Auditors appointed by the Audit Commission must comply with the Code of Audit Practice (the Code) which states that:

“Auditors and their staff should exercise their professional judgement and act independently of both the Commission and the audited body. Auditors, or any firm with which an auditor is associated, should not carry out work for an audited body that does not relate directly to the discharge of auditors’ functions, if it would impair the auditors’ independence or might give rise to a reasonable perception that their independence could be impaired.”

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code, the detailed provisions of the Statement of Independence included within the Audit Commission’s Standing guidance for local government auditors (Audit Commission Guidance) and the requirements of APB Ethical Standard 1 Integrity, Objectivity and Independence (Ethical Standards).

The Code states that, in carrying out their audit of the financial statements, auditors should comply with auditing standards currently in force, and as may be amended from time to time. Audit Commission Guidance requires appointed auditors to follow the provisions of ISA (UK &I) 260 Communication of Audit Matters with Those Charged with Governance’ that are applicable to the audit of listed companies. This means that the appointed auditor must disclose in writing:

- Details of all relationships between the auditor and the client, its directors and senior management and its affiliates, including all services provided by the audit firm and its network to the client, its directors and senior management and its affiliates, that the auditor considers may reasonably be thought to bear on the auditor’s objectivity and independence.

- The related safeguards that are in place.

- The total amount of fees that the auditor and the auditor’s network firms have charged to the client and its affiliates for the provision of services during the reporting period, analysed into appropriate categories, for example, statutory audit services, further audit services, tax advisory services and other non-audit services. For each category, the amounts of any future services which have been contracted or where a written proposal has been submitted are separately disclosed. We do this in our Annual Audit Letter.

Appointed auditors are also required to confirm in writing that they have complied with Ethical Standards and that, in the auditor’s professional judgement, the auditor is independent and the auditor’s objectivity is not compromised, or otherwise declare that the auditor has concerns that the auditor’s objectivity and independence may be compromised and explaining the actions which necessarily follow from his. These matters should be discussed with the Full Council.

Ethical Standards require us to communicate to those charged with governance in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on our independence and the objectivity of the Audit Partner and the audit team.
Appendices

Appendix 2: Declaration of independence and objectivity (continued)

General procedures to safeguard independence and objectivity

KPMG’s reputation is built, in great part, upon the conduct of our professionals and their ability to deliver objective and independent advice and opinions. That integrity and objectivity underpins the work that KPMG performs and is important to the regulatory environments in which we operate. All partners and staff have an obligation to maintain the relevant level of required independence and to identify and evaluate circumstances and relationships that may impair that independence.

Acting as an auditor places specific obligations on the firm, partners and staff in order to demonstrate the firm’s required independence. KPMG’s policies and procedures regarding independence matters are detailed in the Ethics and Independence Manual ("the Manual"). The Manual sets out the overriding principles and summarises the policies and regulations which all partners and staff must adhere to in the area of professional conduct and in dealings with clients and others.

KPMG is committed to ensuring that all partners and staff are aware of these principles. To facilitate this, a hard copy of the Manual is provided to everyone annually. The Manual is divided into two parts. Part 1 sets out KPMG’s ethics and independence policies which partners and staff must observe both in relation to their personal dealings and in relation to the professional services they provide. Part 2 of the Manual summarises the key risk management policies which partners and staff are required to follow when providing such services.

All partners and staff must understand the personal responsibilities they have towards complying with the policies outlined in the Manual and follow them at all times. To acknowledge understanding of and adherence to the policies set out in the Manual, all partners and staff are required to submit an annual Ethics and Independence Confirmation. Failure to follow these policies can result in disciplinary action.

Auditor declaration

In relation to the audit of the financial statements of Bassetlaw District Council for the financial year ending 31 March 2013, we confirm that there were no relationships between KPMG LLP and Bassetlaw District Council, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission’s requirements in relation to independence and objectivity.
Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Bassetlaw District Council (“the Authority”), for the year ended 31 March 2013, for the purpose of expressing an opinion as to whether these:

1. give a true and fair view of the financial position of Bassetlaw District Council and its Group as at 31 March 2013 and of the Authority’s and Group’s expenditure and income for the year then ended; and

2. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

These financial statements comprise the Authority and Group Balance Sheet, the Authority and Group Comprehensive Income and Expenditure Statement, the Authority and Group Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and the Collection Fund and the related notes.

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Authority has fulfilled its responsibilities, as set out in regulation 8 of the Accounts and Audit (England) Regulations 2011, for the preparation of financial statements that:

   ■ give a true and fair view of the financial position of the Authority and the Group as at 31 March 2013 and of the Authority’s and the Group’s expenditure and income for the year then ended; and

   ■ have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Authority in making accounting estimates, including those measured at fair value, are reasonable.

3. All events subsequent to the date of the financial statements and for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 require adjustment or disclosure have been adjusted or disclosed.

Information provided

4. The Authority has provided you with:

   ■ access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;

   ■ additional information that you have requested from the Authority for the purpose of the audit; and

   ■ unrestricted access to persons within the Authority and Group from whom you determined it necessary to obtain audit evidence.

5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
Appendix 3: Draft management representation letter (continued)

6. The Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

7. The Authority has disclosed to you all information in relation to:
   a) Fraud or suspected fraud that it is aware of and that affects the Authority and the Group and involves:
      ■ management;
      ■ employees who have significant roles in internal control; or
      ■ others where the fraud could have a material effect on the financial statements; and
   b) allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

8. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

9. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

10. The Authority has disclosed to you the identity of the Authority’s and the Group’s related parties and all the related party relationships and transactions of which it is aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as the Authority understands them and as defined in IAS 24, except where interpretations or adaptations to fit the public sector are detailed in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

11. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business.

The Authority further confirms that:
   a) all significant retirement benefits, including any arrangements that:
      ■ are statutory, contractual or implicit in the employer’s actions;
      ■ arise in the UK and the Republic of Ireland or overseas;
      ■ are funded or unfunded; and
      ■ are approved or unapproved.
      have been identified and properly accounted for; and
   b) all settlements and curtailments have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Full Council on 26 September 2013.

Yours faithfully,

Council Chairman, Head of Finance & Property