

Ebbsfleet Development Corporation

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| Board Meeting Part | One |
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| Date of meeting : | 16 May 2018 | Paper Number: | EDC 018/043 |
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| Title of paper | Governance Update |
| Presented by | Gerard Whiteman, Director of Finance |
| Sub-committee | Not applicable |

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| Purpose of Paper and Executive Summary | |
| To provide the Board with an update on key matters, affecting the Corporation's Governance arrangements. | |
| EDC business plan and KPIs | |
| Recommendation | <p>FOR INFORMATION</p> <p>The Board is asked to NOTE the report</p> <p>FOR APPROVAL</p> <p>The Board is asked to APPROVE the following recommendations:</p> <p>The Board champion role covering Human Resources (HR) as described in section 2.</p> <p>The Board champion role covering Whistleblowing as described in section 3.</p> <p>The Board champion role covering Health and Safety as described in section 4.</p> <p>That the three current Audit and Risk Assurance Committee (ARAC) Board members are reappointed to the Committee for a period of 3 years as described in section 5.</p> <p>The updated Scheme of Delegations (Annex A)</p> <p>The updated Risk Management Strategy (Annex B)</p> <p>The updated Anti-Fraud, Bribery and Corruption Policy (including a Fraud Response Plan) (Annex C)</p> |
| Annexes | <p>Annex A: Scheme of Delegation</p> <p>Annex B: Risk Management Strategy</p> |

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| | Annex C: Anti-Fraud, Bribery and Corruption Policy (including a Fraud Response Plan) |
| Delegation | Not applicable. |

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| Financial impact | Revised capital delegation for the EDC Board |
| Legal impact | To comply with Governance arrangements |
| Stakeholder impact | Not applicable. |
| Sponsor impact | Revised capital delegation for the EDC Board |

1. Introduction

- 1.1 The Tailored Review made a recommendation that MHCLG review the financial delegation limit for the Corporation. A revised limit has now been determined for capital expenditure – see section 8 of this report.
- 1.2 Also, at last month’s Board meeting members requested more information before making a decision on which members should be considered for some Board champion roles.
- 1.3 Information has been provided (see table below) to Board members along with a request for nominees to the Board Champion roles.

| Activity | Board Members | Status |
|----------------------------------|---|----------|
| Health and Safety Board Champion | To be appointed | New |
| HR Board Champion | To be appointed | New |
| Whistleblowing Champion | To be appointed | New |
| Healthy New Towns | David Holt | Current |
| Stewardship / Legacy | Jeremy Kite | Current |
| Quality Mark | David Lock / Bob Lane / Louise Hardy / Jeremy Kite | Current |
| Water Strategy | Louise Hardy | Current |
| Masterplanning | David Lock / Bob Lane / Louise Hardy / Sandra Fryer | Current |
| Communications | Jeremy Kite | Historic |

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| Procurement – review of briefs / interviewing suppliers / meetings with Local Authorities (Additional Housing) etc. | Various – Bob Lane, Louise Hardy, David Lock | Current and ongoing |
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1.4 Additionally, there is now a requirement to consider which Board Members are on the Audit and Risk Assurance Committee (ARAC).

1.5 Finally, two EDC policy documents have been updated. These documents have been reviewed by ARAC and are now before Board seeking approval.

2. Human Resources (HR) Board Champion

2.1 The Tailored Review recommended a Board Member should be identified to take a more in depth interest in HR matters, including whistleblowing. (Following the Board discussion, HR and Whistleblowing will be two separate Board champion roles).

2.2 xxx has indicated he / she is willing to be the HR Board Champion

3. Whistleblowing Board Champion

3.1 As stated above the Tailored Review recommended a Board Member should be identified for this.

3.2 David Holt has indicated he is willing to be the Whistleblowing Board Champion.

4. Health and Safety

4.1 A Board Level Champion for Health and Safety is also required.

4.2 Louise Hardy has indicated she is willing to be the Health and Safety Board Champion.

5. Audit and Risk Assurance Committee (ARAC)

5.1. Under the Terms of Reference for the ARAC, “appointment to the Committee shall be for a period of up to three years, which may be extended for further periods up to three years.”

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- 5.2. All three existing ARAC board members have stated their willingness to be reappointed to the Committee. They are David Holt, Bob Lane and Louise Hardy.
- 5.3 The ARAC terms of reference state that – “The Committee shall be appointed by the Corporation’s Board from among its members and shall consist of normally five, but no fewer than three members nominated by the Board Chairman”.

6. Risk Management Strategy document

- 6.1. The original EDC Risk Management Strategy was approved by the EDC Board in April 2015. Attached at Annex A is the updated strategy incorporating the comments from the Audit and Risk Assurance Committee, who reviewed the document at their January and April 2018 meetings.
- 6.2. The document now reflects the current risk reporting structure within the EDC and has new sections on the ARAC responsibilities within Chapter 2 and the Board risk appetite within Chapter 3.
- 6.3 Board are requested to approve the revised strategy document.

7. Anti-Fraud, Bribery and Corruption Policy (including a Fraud Response Plan) document

- 7.1. Board approved (back in April 2015) two fraud policy documents. Internal Audit carried out an audit on EDC’s Fraud Risk Assessment process and made the following comment: An ‘Anti-fraud and Bribery Policy’ and an ‘Anti-fraud and Corruption Policy’ are in place and are available to Ebbsfleet Development Corporation (EDC) staff on its shared documents drive. We note that there is some duplication within the two policies on areas of bribery and corruption.
- 7.2 They also made the following recommendation: EDC should bring the two existing policies together to form a single ‘Anti-fraud, Bribery and Corruption Policy’ with a separate ‘Fraud Response Plan’. The latter would help clarify reporting and investigation arrangements and make it easier for someone to check what to do if fraud is suspected.
- 7.3 Attached at Annex B is the revised combined policy with a separate Fraud Response Plan. The document incorporates the comments from the Audit and Risk Assurance Committee, who reviewed it at their April 2018 meeting.
- 7.4 Board are requested to approve the revised document.

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8. Scheme of Delegation

- 8.1 Board approved the original scheme of delegation back in April 2015.
- 8.2 Following the recommendation contained within the Tailored Review, MHCLG have reviewed the delegation limit for the EDC and have, with immediate effect enabled the EDC Board to approve capital expenditure for project activity up to £10 million. The scheme of delegation has been revised to reflect this change.