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Our reference:
Your reference:
Date: 30 October 2013

To all Members of the Corporate Governance Group

Dear Councillor

A meeting of the **Corporate Governance Group** will be held on Thursday 7 November 2013 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely

Executive Manager Operations and Corporate Governance

AGENDA

1. Apologies for absence
2. Declarations of Interest
3. Notes of the Meeting held on Thursday 19 September 2013 (pages 1 - 10).
4. Internal Audit Progress Report 2013/14

The report of the Executive Manager – Finance and Commercial is attached (pages 11 - 16).

5. Health and Safety Interim Report 2013

The report of the Executive Manager - Operations and Corporate Governance is attached (pages 17 - 28).

6. Potential Relocation of the Civic Centre and Funding Models for the Development of the Arena Site

The report of the Report of the Executive Manager - Transformation is attached (pages 29 - 50).

7. Revenue and Capital Budget Monitoring

The report of the Executive Manager – Finance and Commercial is attached (pages 51 - 58).

8. Treasury Management Update Mid Year Report 2013/14

The report of the Executive Manager – Finance and Commercial is to follow.

9. Annual Audit Letter

The report of the Executive Manager – Finance and Commercial is attached (pages 59 - 66).

10. Work Programme November 2013

The report of the Executive Manager - Operations and Corporate Governance is attached (pages 67 - 68).

Membership

Chairman: Councillor G S Moore

Vice-Chairman: Councillor E A Plant

Councillors N A Brown, J E Cottee, A M Dickinson, R Hetherington, K A Khan, J E Thurman and H Tipton

Meeting Room Guidance

Fire Alarm Evacuation: in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble in the Nottingham Forest car park adjacent to the main gates.

Toilets are located opposite Committee Room 2.

Mobile Phones: For the benefit of others please ensure that your mobile phone is switched off whilst you are in the meeting.

Microphones: When you are invited to speak please press the button on your microphone, a red light will appear on the stem. Please ensure that you switch this off after you have spoken.



NOTES
OF THE MEETING OF THE
CORPORATE GOVERNANCE GROUP
THURSDAY 19 SEPTEMBER 2013

Held at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

PRESENT:

Councillors G S Moore (Chairman), N A Brown, J E Cottee, A M Dickinson,
R Hetherington, K A Khan, E A Plant, J E Thurman and H Tipton

ALSO IN ATTENDANCE:

Councillor J N Clarke
Councillor J A Cranswick
J Cornett KPMG
T Enticott KPMG
M Riley RSM Tenon
T Tandy KPMG

OFFICERS PRESENT:

A Goodman Member Support Officer
P Linfield Service Manager - Finance and Commercial
P Steed Executive Manager - Finance and Commercial
D Swaine Executive Manager – Operations and Corporate Governance

APOLOGIES FOR ABSENCE:

There were no apologies for absence

12. Declarations of Interest

There were none declared.

13. Notes of the Previous Meeting

The notes of the meeting held on Thursday 6 June 2013 were accepted as a true record.

14. Approval of the Statement of Accounts 2012/13 and External Auditor's Report to Those Charged with Governance 2012/13

The Executive Manager – Finance and Commercial presented a report outlining the Council's statutory Statement of Accounts for 2012/13. He was pleased to inform the Group that there had been few amendments made to this year Accounts following the Audit. He drew Members' attention to the breakdown and explanations of the variations contained within Appendix B of the report. In respect of the revenue account he stated that the Council had made a conscious effort to constrain expenditure, increase income and continue to deliver effective services. As a result the Council had achieved a balanced budget and a net transfer of £610,000 into Reserves, including £462,000 of New Homes Bonus.

In relation to the Council's Capital Programme 2012/13 the Council had spent £5.5m compared to an overall Capital Programme of £7.6m. Of the remaining £2.1m, £1.9m was committed to on-going Capital Schemes and had been carried forward into the 2013/14 Capital Programme.

In regard to a query about the Council's liabilities and funding for pensions the Executive Manager – Finance and Commercial referred Members to Section 21 - Unusable Reserves contained within the Statement of Accounts.

In response to a question regarding investment properties the Executive Manager – Finance and Commercial informed Members that the Council followed the CIPFA policy in the preparation of the Accounts and referred Members to Section 10 – Financing and investment Income and Expenditure.

Mr Cornett presented the External Auditor's Report to those Charged with Governance (ISA 260) 2012/13. He informed Members that the report summarised the key issues identified during the audit of the Council's financial statements for the year ending 31 March 2013 and an assessment of the Authority's arrangements to secure value for money in its use of resources. He anticipated issuing an unqualified audit opinion by 30 September 2013 and confirmed that the wording of Annual Governance Statement accorded with his understanding of the Council's governance arrangements. As part of the audit process, one error had been identified and the financial statements had been adjusted to correct the error.

Mr Cornett reported that over the last year, the Council had invested considerable effort and resources into building capacity within the finance team and developing strong processes for the production of the accounts. The financial statements were made available for audit in advance of the 30 June statutory deadline and the working papers presented to support the audit of the statements were of a high quality. He extended his thanks to officers who had dealt efficiently with audit queries and the audit process had been completed within the planned timescales.

Members were informed that the Audit team had worked in partnership with the Council's officers throughout the year to address any potential areas of risk and all issues had been addressed appropriately. He confirmed that the Authority's control environment was effective and controls over the key financial systems were sound. Following the Council meeting on 26 September and the signing of the letter of representation he assured Members that he would issue his unqualified opinion prepare the Annual Audit Letter and close the accounts. He stated that his Value For Money conclusion was that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.

The Chairman thanked Mr Cornett and his team for attending the meeting and answering Members questions. On behalf of the Group he congratulated the finance team on producing a clear set accounts within the given timescales.

It was AGREED that the Group

- a. Accepted the Statement of Accounts for 2012/13 and recommended them to Council for approval,

- b. Endorsed the Draft Management Representation Letter, and
- c. Supported the External Auditor's Report to Those Charged with Governance 2012/13 and forwarded it to Council for endorsement.

15. Internal Audit Annual Report 2012/13

Mr Riley, a representative from RSM Tenon, the Council's internal auditors, informed Members that seven reports had been finalised since the last meeting of the Group and that all the 2012/13 work was now completed. He informed Members that the assurance level for Partnerships and Development Control audits was green, the highest achievable. The audits of Governance, Debtors and Payroll had been given an assurance of amber/green and the areas of Risk Management and Insurance had been scored amber/red. There was only one high risk recommendation from the seven audits for the area of Debtors.

Mr Riley informed Members that Baker Tilly had taken on the trading business of RSM Tenon and that there should be no impact on the internal audit service provided to the Council.

In response to questions Members were informed that the amber/red assurance rating given to the audit of the main accounting system in March 2013 was based on the eight recommendations made at that time and did not have any impact on the Statement of Accounts. In respect of Risk Management officers were currently reviewing the risk strategy and the actions arising from the audit recommendations.

Mr Riley presented the Internal Audit Annual Report for 2012/13 that included an overall assessment of the assurances to Members and officers arising from their work last year. He drew Members' attention to the Internal Audit Opinion which stated that the adequacy and effectiveness of the Council's arrangements in terms of Governance, Risk Management and Control. The areas of Governance and Control had been given an assurance rating of green, the highest achievable and the area of Risk Management had been rated amber. Members were informed that due to on-going changes being made by the Executive Manager – Operations and Corporate Governance the amber status allocated to Risk Management had been anticipated and reflected work that was already underway to improve internal arrangements. An update on Risk Management, including the outcomes of such work, will be reported to the next meeting of the Group on 7 November 2013.

Mr Riley reported that all high and medium risk recommendations that had been made during the year had been accepted by Management and although some low risk recommendations had not been agreed they did not pose any significant risk. In respect of the follow up of the recommendations made in 2011/2012, the Council had made good progress in implementing the agreed recommendations.

It was AGREED that Final Progress Report 2012/13 and the Annual Report 2012/13 be noted.

16. **Internal Audit Progress Report 2013/14**

Mr Riley, a representative from RSM Tenon, the Council's internal auditors, informed Members that in line with the audit plan, three reports had been finalised since the last meeting of the Group, for the areas of Commercial Property Portfolio, Home Alarm Scheme, and Transformation and Cost Savings. He informed Members that the assurance level for all three audits was green, the highest achievable and that there was only one medium risk recommendation from the audit of Commercial Property Portfolio. There were currently two audits at the draft stage for Bingham market and Governance – Compliance with Expenses Policy and these would be presented to the next meeting of the Group in November.

It was AGREED that the Internal Audit progress Report 2013/14 be noted.

17. **Proposed Changes to Constitution - Member Champions**

The Executive Manager - Operations and Corporate Governance introduced the report setting out details of the proposed introduction of 'Member Champions' to support relevant Cabinet Portfolio Holders as necessary. He explained that at its meeting on 9 July Cabinet had considered the issue and agreed to refer the matter to the Corporate Governance Group in order that the necessary changes to 'Article 7 - The Cabinet', within the Council's Constitution could be determined. These proposed changes would then be referred to Council for approval.

By reference to the report the Executive Manager - Operations and Corporate Governance indicated that it was intended that the role of the 'Member Champions' would be to complement and support the responsibilities of Cabinet Portfolio Holders. He added that the roles would carry no additional allowance and as such they would not be reflected in the Council's Members' Allowance Scheme.

Commenting further the Executive Manager - Operations and Corporate Governance referred to paragraph four of the report which set out the role of the 'Member Champions' and paragraph five which highlighted the themes, or areas of work, where they might support a Cabinet Portfolio Holder. He explained that details of the required changes to the Council's Constitution were set out at paragraphs seven to ten, with Appendix A highlighting the proposed changes by way of underlined text.

The Chairman indicated that at this point in the meeting he wished to invite the Vice Chairman, Councillor Plant to speak. He explained that he had been contacted by Councillor MacInnes who indicated that he had written to the Executive Manager - Operations and Corporate Governance seeking clarification on a number of points in relation to the proposals in the report. Consequently he had agreed with Councillor MacInnes that details of these queries, and the responses provided would be circulated at the meeting in order to assist the deliberations.

Councillor Plant indicated that in order to assist the Group she would talk through the key points as set out in the paper now circulated. She stated that the primary concern was the issue of how the role of a 'Member Champion'

would conflict with role a Councillor had as a member of a scrutiny committee. Because of this conflict she believed that changes were also required to other parts of the Council's Constitution, particularly the rules of procedure for the Overview and Scrutiny function. This was in order to determine whether the 'Member Champions' would maintain an eligibility to serve on Scrutiny Committees and address the potential conflict arising from scrutinising decisions they had been directly involved in.

Commenting further Councillor Plant stated that the process for appointing the 'Member Champions' inferred they were controlled by the Leader and this would compromise their ability to scrutinise with objectivity. She believed the role would undermine the scrutiny function and she sought clarification as to whether it was intended to enable 'Member Champions' to be questioned when a Cabinet decision was called-in. In terms of the role of supporting the Cabinet Portfolio Holders Councillor Plant referred to the recent Electoral Review of the Borough which proposed a reduction from 50 to 44 Councillors. In view of this she said she was unable to understand why additional support was required if the intention was that less Councillors were needed.

At the request of the Chairman, the Executive Manager - Operations and Corporate Governance responded to these points as follows. In respect of the issue of a potential conflict of interest he stated that the 'Member Champions' were not members of the Cabinet. Therefore the proposed changes to the Constitution were consistent with the Local Government Act 2000 which indicated that Members of the Executive may not be members of overview and scrutiny committees. He added that it was important to consider that the role carried no additional allowance and that they had no decision making powers, consequently they should not be regarded as part of the Executive. On this basis they would not, and could not be directly involved in taking decisions which was the responsibility of Cabinet.

Commenting further the Executive Manager - Operations and Corporate Governance stated that as the 'Member Champions' were not part of the Executive they would still be able to participate in scrutinising decisions of the Cabinet if this was necessary. Additionally principles and provisions within the Councillor Code of Conduct relating to 'Integrity', 'Objectivity', 'Openness' and 'Honesty' suggested a view point that there were controls in place to ensure that any Councillor should act in a way that protects the public interest should a conflict arise. On this basis it would be for individual Councillors, if acting as a 'Member Champion' to determine if they should be involved in the Scrutiny process. When considering this it would be important for them to give regard to their role, the provisions within the Code of Conduct and also the level and detail of their involvement in the process so far. However, it would be equally important for them to give regard to the fact that they did not have any decision making authority and were not a member of the Council's Cabinet.

In response to the comment about the 'control' of the 'Member Champions' the Executive Manager - Operations and Corporate Governance referred to paragraph 7.3 within Appendix A to the report. He explained that this set out the arrangements for their appointment and no reference was made to the issue of their control.

With regard to the issue of 'Member Champions' being questioned at a scrutiny call-in exercise he stated that it was not proposed to make any changes to the existing arrangements. This was because they were not members of the Cabinet and had no decision making powers. In respect of the Electoral Review of the Borough and the reduction in the number of Councillors it was important to consider that this related to the electoral equality. Whilst Councillors' roles and responsibilities had formed part of the Council's initial submission for the review process it was not the fundamental principle upon which the reviews findings were based.

Councillor Dickinson commented that it appeared the introduction of 'Member Champions' was based on the principle of an increased workload for Cabinet Members. However if this was the case it might be more appropriate to increase the number of Cabinet Members or alternatively consider a reversion to the Committee structure. She added that she believed the 'Member Champions' should get a special responsibility allowance within the Members' Allowance Scheme.

Councillor Khan indicated that he supported the proposal in principle, but he thought the role of the 'Champions' was too vague and as such could be further developed. He stressed that he was not against the idea but believed it should be considered in more detail in order that the expertise of all Councillors was utilised to further inform the concept.

Councillor Cottee referred to the document circulated and stated that it would have been helpful to have received this in advance of the meeting. However, he believed the information within it was helpful and had assisted in the scrutiny exercise. He added that he welcomed the proposal and he held the view that the 'Member Champions' would assist Cabinet Members and enhance wider member involvement by championing the cause for particular themes and topics.

In conclusion the Chairman stated that the matter had been properly scrutinised and the paper circulated had assisted and informed the process. He added that the responses of the Executive Manager - Operations and Corporate Governance had aided the discussion and helped the Group consider the matter in detail, particularly in respect of potential conflicts of interest and the role of 'Member Champions' in the scrutiny process.

At the request of the Chairman the Executive Manager - Operations and Corporate Governance reiterated that the proposed changes to the Constitution were consistent with the Local Government Act 2000 and 'Member Champions' were not members of the Cabinet. They had no decision making powers and should not be regarded as part of the Executive. In terms of the potential conflict of interest issue the principles and provisions within the Councillor Code of Conduct indicated there were controls in place to protect the public interest should a conflict arise. However, it would be for individual Councillors as a 'Member Champion' to decide if they should be involved in the Scrutiny process.

It was AGREED that the proposed changes to 'Article 7 – The Cabinet' within the Council's Constitution, that reflected the introduction of 'Member Champions', be referred to Council for approval.

18. Revenue and Capital Budget Monitoring September 2013

The Group considered the report of the Executive Manager - Finance and Commercial that gave details and explanations of significant variances against the profiled budget to 31 July 2013.

The Revenue budget monitoring reports indicated an underspend against the profiled budget of £333,972, with a projected favourable variance of £77,720 for the year. Officers informed Members that the underspend reflected a number of positive variances which, included additional income from a number of major planning applications and the Garden Waste Scheme, and savings from a reduction in costs for the Garage and Streetwise services. Adverse variances included lower levels of rent income for the civic building and severance payments. The projected underspend was in part, due to the receipt of additional income from a number of grants and at the end of the year, the remaining unspent funds would be transferred to the Council Assets and Service Delivery Reserve.

In respect of the Capital budget monitoring, the report indicated a net underspend of £8,212 to the end of July 2013, with a projected favourable variance of £573,000 for the year. The main projected underspends related to £275,000 from the vehicle replacement programme, £49,000 in relation to repayment of decent homes grants, £92,000 from deferred leisure projects and £23,000 relating to the new cash receipting system that had been recharged to revenue. Members were informed that the budget for the affordable housing scheme had been increased by an additional £240,000 funded from current and future New Homes Bonus Receipts, as a result of the decision by Cabinet.

It was AGREED that the current projections for revenue and capital, including the potential for additional grant income to be transferred to the Council Assets and Service Delivery Reserve, be noted.

19. Treasury Management Outturn Position 2012/13 and 2013/14 Update

The Service Manager - Finance and Commercial presented the Treasury Management Outturn Position 2012/13 report that, in line with the Local Government Act 2003 and the CIPFA Code of Practice, provided a summary of the transactions undertaken by the Council as part of the Treasury Management function. The report reflected how the Council had invested its money during 2012/13, the rate of return achieved and the Counterparties that had been used.

The Service Manager - Finance and Commercial informed Members that the Council proposed to reintroduce £10 million counterparty limits, as this was more practical than the current 15% limits. As a result higher yields could be earned whilst assuring that the Council's capital remained protected.

Members were informed that to assist with the Council's development of a diverse investment portfolio, Funding Circle and the Local Authorities Property Fund had been added to the approved Counterparties list. These options were already covered within the Council's Treasury Management Strategy as 'non-specified' investments over one year.

The Service Manager - Finance and Commercial explained that the Funding Circle was a company which provided Local Authorities with an opportunity to invest in small and medium enterprises with good credit ratings, which were looking to access peer funding. Funding Circle already attracted funds from Central Government, who funded 20% of all loans made. Nottinghamshire County Council had recently announced that it intended to provide funding through this route in future. Investment in the Funding Circle would be limited to companies located in Rushcliffe and the total invested through this mechanism would not exceed £500,000.

The Local Authorities Property Fund was a pooled investment fund which was managed by CCLA. The Property Fund was designed to achieve long term capital growth and rising income from investments in the commercial property sector. At the advice of Arlingclose the Council's treasury advisors, investments would be limited to £3million for a period of three to five years due to the volatility that existed within the property market.

In response to questions, Members were informed that the decision on whether to invest in the Funding Circle and the amount of investment, was a treasury decision, and as such, would be made by either the Executive Manager - Finance and Commercial or the Services Manager - Finance and Commercial.

It was AGREED that the report and the amendments to the counterparty limits be noted

20. **Work Programme September 2013**

The Group considered the report of the Executive Manager – Operations and Corporate Governance that set out details of the proposed work programme for the municipal year 2013/14.

The Group AGREED the Work Programme as set out below:

Date of Meeting	Item
7 November 2013	<ul style="list-style-type: none"> • Internal Audit Progress Report 2013/14 • Annual Audit Letter • Revenue & Capital Budget Monitoring • Treasury Management Update • Health and Safety Interim report • Risk Management Update • Work Programme
6 February 2014	<ul style="list-style-type: none"> • Internal Audit Progress Report 2013/14 • Treasury Management Update and Presentation • Risk Management Update • Revenue & Capital Budget Monitoring • Work Programme

Date of Meeting	Item
23 April 2014	<ul style="list-style-type: none">• External Audit Plan 2013/14• Certification of Grants and Returns – Annual Report 2012/13• Internal Audit Progress Report 2013/14• Internal Audit Strategy 2013/14• Risk Management Update• Work Programme

The meeting closed at 8.55 pm.

Action Sheet
Corporate Governance Group - Thursday 19 September 2013

Minute Number	Actions	Officer Responsible
13 Notes of the Previous Meeting	None	
14 Approval of the Statement of Accounts 2012/13 and External Auditor's Report to Those Charged with Governance 2012/13	None	
15 Internal Audit Annual Report 2012/13	None	
16 Internal Audit Progress Report 2013/14	None	
17 Proposed Changes to Constitution - Member Champions	None	
18 Revenue and Capital Budget Monitoring September 2013	None	
19 Treasury Management Outturn Position 2012/13 and 2013/14 Update	None	
20 Work Programme September 2013	None	

Report of the Executive Manager – Finance and Commercial

Summary

1. The attached report has been prepared by the Council's internal auditors, Baker Tilly. It is the second report for the 2013/14 year and shows the current position against the 2013/14 audit plan along with any significant recommendations.
2. The report details five audits that have been finalised in the first seven months of the year with three medium recommendations as a result of those audits. Furthermore there are five audits which are either in draft or where work has commenced.
3. A member of the internal audit team will attend the meeting to present the report and be available to answer questions.
4. The auditors are also mindful of delivering value for money and it should be noted that the Council has negotiated a small cost reduction of £2,550 for 2013/14 with further savings to be identified as part of the 2014/15 budget setting process. These will also be reflected in the 2014/15 Audit Plan when it is presented to the Corporate Governance Group in 2014.

Recommendation

It is recommended that the Corporate Governance Group note the Progress Report 2013/14.

Financial Comments

The costs of the internal audit services are contained within existing budgets also paragraph 4 highlights budget reductions.

Section 17 Crime and Disorder Act

There are no section 17 implications.

Diversity

There are no diversity issues.

Background Papers Available for Inspection: Nil

Rushcliffe Borough Council

Internal Audit Progress Report – 2013/14

Corporate Governance Group: 7 November 2013

Introduction

The internal audit plan for 2013/14 was approved by the Corporate Governance Group (CGG) on 24 April 2013. This report provides an update on progress against that plan and summarises the results of our work to date.

Summary of Progress against the Internal Audit Plan

The CGG should note that the assurances given in our audit assignments will be taken into account when we form our overall opinion on the assurance that we can provide in our Annual Report at the end of the year. In particular the CGG should note that any negative (red) assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.

Assignment <i>(Reports considered today are shown in bold italics)</i>	Status	Opinion	Actions Agreed		
			High	Medium	Low
Commercial Property Portfolio	FINAL	GREEN	0	1	2
Home Alarm Scheme	FINAL	GREEN	0	0	0
Transformation and Cost Savings	FINAL	GREEN	0	0	0
<i>Bingham Market</i>	<i>FINAL</i>	AMBER / GREEN	<i>0</i>	<i>2</i>	<i>0</i>
<i>Housing Benefits</i>	<i>FINAL</i>	GREEN	<i>0</i>	<i>0</i>	<i>1</i>
Governance – Compliance with Expenses Policy	DRAFT				
Strategic Housing Capital	WIP				
Community Facilities	WIP				
Purchase Ordering & Creditors	WIP				
Risk Management	WIP				
Income & Debtors	04.11.13				
Community Support Grants	11.11.13				
NNDR	16.12.13				
Council Tax	06.01.14				
Capital Programme & Assets	06.01.14				

Payroll	27.01.14				
Treasury Management, Cash & Banking	27.01.14				
Tendering	17.02.14				
Temporary Accommodation	17.02.14				
Main Accounting System & Budgetary Control	03.03.14				
Follow Up	Ongoing				
Information Systems Assurance	TBC				

Other Matters

Planning and Liaison:

On-going liaison takes place with the Service Manager - Finance and other relevant managers in respect of scoping and planning each of the audit assignments.

Cost Savings:

Following a recent meeting with the Service Manager - Finance, we have agreed to review our costs for 2014/15 and will submit proposals for achieving this as part of the 2014/15 budget process.

In order to contribute towards the Council's budget restraints we have also agreed to reduce our agreed 2013/14 fee by £2,550.

Internal Audit Plan 2013/14 - Change Control:

Action	Date	Agreed By
Potential cost savings, by reduction in days.	October 2013	

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

This report, together with any attachments, is provided pursuant to the terms of our engagement. The use of the report is solely for internal purposes by the management and Board of our client and, pursuant to the terms of the engagement, it should not be copied or disclosed to any third party or otherwise quoted or referred to, in whole in part, without our written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

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Action Plans for Key Recommendations

(Medium or High recommendations only)

Bingham Market

Ref	Recommendation	Categorisation	Accepted	Management Comment	Implementation Date	Manager Responsible
1	The Council should re-issue all current, permanent traders with current Licences to Trade. Future licences to trade should be valid for a fixed period of time and have a clearly identified expiry date.	Medium	Y	Accepted	December 2013	KM/AH
2	The Council ensures that on a periodic basis i.e. every six months; a verification exercise is carried out to ensure that market traders have appropriate public liability insurance in place.	Medium	Y	Accepted	December 2013	KM/AH

Recommendation Categorisation

Our findings and recommendations are categorised as follows:

Priority	Description
High	Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses.
Medium	
Low	

Opinions

The definitions for the level of assurance that can be given are:

Opinion	Description	Opinion	Description
RED	Taking account of the issues identified, the Board cannot take assurance that the controls upon which the organisation relies to manage this risk/area are suitably designed, consistently applied or effective. Action needs to be taken to ensure this risk is managed.	AMBER / GREEN	Taking account of the issues identified, the Board can take reasonable assurance that the controls upon which the organisation relies to manage this risk/area are suitably designed, consistently applied and effective. However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.
AMBER / RED	Taking account of the issues identified, whilst the Board can take some assurance that the controls upon which the organisation relies to manage this risk/area are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.	GREEN	Taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage this risk/area are suitably designed, consistently applied and effective.

Report of the Executive Manager – Operations and Corporate Governance

Summary

1. In June 2013 the Corporate Governance Group considered the Council's annual report for health and safety. This annual report covered the period April 2012 to end March 2013 and its production was required as part of the Council's Health and Safety Management Framework.
2. Following the first annual report to the Corporate Governance Group in May 2009 the Group requested that an update report should be presented half way through the financial year. In line with this request a six month update is attached to this report summarising health and safety activities and performance for the period April 2013 to end September 2013. This update also sets out the work undertaken to achieve and deliver the Council's Health and Safety goals.

Recommendation

It is RECOMMENDED that that the Corporate Governance Group consider the six month health and safety update giving due regard to the information presented.

Financial Comments

There are no financial comments

Section 17 Crime and Disorder Act

There are no Section 17 implications

Diversity

There are no diversity implications

Background Papers Available for Inspection: Nil

HEALTH AND SAFETY REPORT

Six month summary
April 2013 to end September 2013

1. INTRODUCTION

- 1.1 This six monthly report sets out the Council's occupational health and safety performance. It is split into a number of sections highlighting the key issues that Elected Members need to be aware of. It sets out new policies which have been implemented as part of the control measures within the corporate health and safety framework.
- 1.2 Furthermore the update provides an indication of the effectiveness and success of the health and safety control measures the Council has in place with evidence showing training delivered, progress towards meeting health and safety aims and objectives and the number of accidents recorded.

2. KEY ACTIVITIES

2.1 Policy Review

The Council has a programme of policy review and implementation to support effective health and safety management. An update on the health and safety objectives endorsed by Corporate Governance Group at the last annual report in relation to policies can be found in section 3.1 of this report.

2.2 Training

Health and safety training needs are identified in a number of ways including Personal Development Reviews (PDRs), regular one to ones, team meetings and through the Executive Management Team. The Health and Safety Advisor also ensures that training is consistent with our duties and legal responsibilities.

- 2.3 All health and safety training needs identified in PDR's for this year have been programmed in to be completed by the end of the financial year.
- 2.4 One of the objectives for this year was to carry out a training needs analysis (TNA) on health and safety. The purpose of this TNA was to question employees on the effectiveness of training that they had attended in the past and to give them the opportunity to raise future training requirements. This was completed for a majority of staff electronically using Survey Monkey. Paper copies of the survey were provided for manual staff at the Depot and on three consecutive afternoons 2 members of the HR team attended the Depot site to encourage and support the manual staff on completing the survey.
- 2.5 164 employees (47%) responded to the survey. 80% of the responders stated that there were no additional health and safety training needs. Some specific training needs were identified and work has commenced on looking at the best method for meeting these needs. Some staff have requested refresher training in certain subject areas and these needs will be met by the end of the financial year.
- 2.6 The amount of training was limited during the first 6 months of the year as it was important to concentrate on carrying out the TNA and ensure that future training for the year reflected outcomes from the survey. The following health and safety training was organised through Human Resources in the last 6 months. In line with the request from Members of CGG previously, where necessary the number of staff attending training events has been presented as percentage of staff who should attend them.

Table of Staff Training

Course Subject	Number of Staff attended	% of those requiring training who have been trained	Outcome/impact
Health and safety Induction	6	86 %	Mandatory training attended by new employees. One new starter within this period could not attend the training due to other work commitments.
Evacuation marshal training	2	100%	New staff trained to replace staff who have left. Sufficient number of evacuation marshals trained.
Chief Evacuation Marshal training	1	100%	Training given to employees who work on ground floor reception at the Civic Centre. This training was for a new member of staff.
Fire safety Training e-learning	8 (197 total)	73 %	Refresher training for staff on fire safety issues. There are 270 employees who have access to the e-learning, however some are new employees and others have received training previously. The aim is to achieve 80%.
Display Screen Equipment e-learning	9 (188 total)	70 %	On-line training and assessment of computer workstations. There are 270 employees who have access to the e-learning, however some are new employees and others have received training previously. The aim is to achieve 80%.
Manual Handling e-learning	6 (159 total)	59 %	Refresher training on manual handling in low risk office environments. Some staff do not require this training as they have received more comprehensive manual handling training previously. The aim is to achieve 70%.

2.7 Executive Managers are given an up to date list quarterly of staff who have completed the e-learning. This enables them to determine outstanding training needs and can raise this in employee one to one meetings, personal development reviews and this can form part of service area training plans.

2.8 The above training is also supported by significant on the job training within all Service Areas but in particular at the higher risk Depot site. Training at the Depot is delivered in a number of ways including tool box talks which are brief practical sessions for employees on site. Other types of training also include for example robust induction training specific to the job role, tasks and equipment used, and driver training. The ultimate aim of the training is to ensure that the job is carried out in the correct safe manner to reduce accident rate

2.9 Meetings of Health and Safety Groups

The Council has in place four health and safety groups to ensure that health and safety is discussed through all levels of the Authority. The Executive Health and Safety Group meets quarterly and is attended by the Executive Management Team. This Group approves policies and reports and supports the Health and Safety Advisor in determining the Council's priorities in health and safety.

2.10 The Employee Health and Safety Group has been established since September 2009 and meets six monthly. This Group is chaired by Dan Swaine, Executive Manager (Operations) and comprises the Health and Safety Advisor and six work place representatives including Employee Liaison Group and Trade Union representatives. The Group last met on 21 May.

2.11 The One Great Depot Health and Safety Group deals more directly with issues relating to the Depot and usually meets quarterly. There has been a management review of the consultation groups at the Depot with a decision to change the format of the groups to encourage a refreshed approach to engagement with staff across the Depot site. The newly formed Group held its first meeting in October 2013.

2.12 The final Health and Safety Group is the Legionella and Asbestos Management Group which meets at twice yearly and monitors the effectiveness in both areas. This group met 15 May.

2.13 In the last six months these meetings have enabled consideration to be given to a number of issues including training, occupational health, accident statistics, legislation and policy update and service area feedback.

2.13 Occupational Health

The Council is supported by an external Occupational Health provider who is utilised to provide a host of occupational health packages. Within the last six months the services provided specifically relating to health and safety issues have included:

	Attendance numbers Apr to end Sept 13	Comment
Pre-employment medicals	14	All new employees are assessed through a pre-employment questionnaire prior to commencing their role with the Council
Hand arm vibration examination	16	All employees who use vibrating equipment are assessed annually via questionnaire and if required a medical examination is completed
Hearing Tests	15	All employees who use noise emitting equipment undergo an audiometry assessment on a regular basis
Hepatitis injections	4	Employees who are at risk of either needlestick injuries or coming into contact with contaminated waste are given the opportunity to go on the immunisation program
HGV Medical	1	Medical assessments as required for HGV drivers

- 2.14 In line with our commitment to employee wellbeing Flu injections are being offered again this year to all staff. The nurse will be attending the Civic Centre, Rushcliffe Community Contact Centre and the Depot on 5 November 2013.

3. PROGRESS TOWARDS ACHIEVING HEALTH AND SAFETY GOALS

- 3.1 At its meeting on 6 June 2013 the Corporate Governance Group supported the following health and safety goals. These were previously approved by the Council's Executive Health and Safety Group and are monitored and reviewed quarterly by them. Progress is set out below.

- ***To complete the policy review consultation for the Risk Assessment Policy and ensure successful implementation***

Policy is in first draft and ready for first stage consultation

- ***To review the next two top priority policies as determined by the health and safety policy review programme. These are:***
 - ***Display Screen Equipment Policy***
 - ***Control of Substances Hazardous to Health (COSHH) Policy***

The COSHH policy is in first draft stage and ready for first stage consultation.

Work is commencing on the review of the Display Screen Equipment Policy.

- ***Carry out a training needs analysis (TNA) on health and safety training provided to ensure all employees training needs are being met***

The TNA was completed in July. Training needs highlighted as an outcome of this survey have been analysed and appropriate action will be taken to meet these needs by the end of the financial year.

4. PERFORMANCE

- 4.1 *Accident report forms completed*

Corporately the number of accident report forms completed by employees and agency staff within the six month period is set out in the following table:

Accident report forms completed

	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	Apr – end Sept 2011	Apr – end Sept 2012	Apr – end Sept 2013
Establishment figure head count	386	392	388	370	358	385	370	351
Depot	71	71	83	38	45	17	20	19
Civic	3	9	9	4	5	2	4	4
Community Contact Centre			0	0	1	0	0	1
Community Facilities	2	1	2	5	5	1	2	1
Total	76	81	94	47	56	20	26	25

4.2 The table and graph above shows that the number of accidents to employees is comparable to the figures for the same period in the previous two years. This is encouraging as the last two years total annual figures were low compared to previous years. However, as discussed previously with Members the accident figures are affected significantly in extreme cold weather conditions both for manual handling injuries and slips and trips.

4.3 As requested by Members at the last annual report meeting, details of establishment figures have now been added to the table so that this can also be taken into consideration when comparing accident rates.

4.4 *Accident reports by type*

The table below sets out the accident figures by type.

Accident Report Forms by type

	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	Apr – end Sept 2011	Apr – end Sept 2012	Apr – end Sept 2013
Struck by Moving Object	17	21	21	16	14	7	10	5
Strike against fixed object	17	10	8	7	6	3	2	4
Slip / Trip / Fall	19	29	26	12	26	2	8	6
Manual Handling	18	11	21	8	6	6	3	5
Animal attack (e.g. dog)	5	6	9	1	3	1	2	1
Other (Shock/Contact with liquids)	0	4	9	3	1	1	1	4
Total	76	81	94	47	56	20	26	25

4.5 Key points to consider from the figures presented in this table are:

- Incidents involving being struck by moving objects have decreased by 50% compared to the previous year. This category includes a variety of incidents such as being hit by a moving wheeled bin, car door swinging back, stone flicking up whilst using a strimmer for example. There are no particular trends in this category and therefore no particular area which has improved
- Accidents which fall under the “other” category have increased. In this 6 month period 2 employees were involved in a road traffic accident when the tyre on a refuse vehicle had a blow-out. No major injuries were sustained as a result and the matter has been investigated to determine the cause.

4.6 *The number of employee days lost due to accidents*

	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	Apr – end Sept 2011	Apr – end Sept 2012	Apr – end Sept 2013
Number of days lost	216	57	155.5	36	166	21	92	27

4.7 The figure for days absent from work as a result of an accident whilst at work has decreased significantly when compared to the same time period for 2012, but are comparable to 2011.

4.8 The following table shows the incident and injury type for those accidents which resulted in time lost.

Incident Type	Location	Number of days
Slip, trip, fall	R2Go	5
Struck by moving object	R2Go	13
Road Traffic Accident	R2Go	3
Strike against fixed	R2Go	4
Manual handling	RCP	2
Total		27 days

4.9 5 of the 25 accident reports completed for this period resulted in time lost due to the accident.

4.10 The highest number of days absent was 13 days. This absence was due to a broken bone in the employees little finger. This occurred as the employee was carrying out refuse duties and as he brought two wheeled bins together he trapped his hand between the bins. This accident was reported to the Health and Safety Executive under the requirements of the RIDDOR legislation and the HSE have carried out no further action.

4.11 *The number of RIDDOR injuries, illnesses and dangerous occurrences involving Council employees*

In the 6 month period one accident (see 4.10) was reported to the Health and Safety Executive as required by the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) legislation. This compares to three in the same 6 months in 2012.

4.12 *The number of health and safety enforcement notices*

There have been no visits by the Health and Safety Executive (HSE) or Fire Service. There have not been any enforcement notices served on the Council.

5. LEISURE CENTRE FACILITY FIGURES

5.1 As requested by Members previously, figures below show the accident information for the leisure centres. Members should be aware that these facilities are privately managed and as such, responsibility for health and safety management lies with the companies delivering the facilities. The Council monitors these figures as part of the work to oversee delivery of the leisure contracts.

5.2 As requested, the figures have been broken down into more detail with information for each Leisure Centre and this can be found in appendix 1. The figures obtained from the contractor for the 6 month period April 2013 to end September 2013 are as follows:

- 254 accidents to members of the public in this 6 month period
- This compares to 233 for the same period in 2012 and 219 for 2011.

5.3 These figures need to be considered in the context of total centre usage of 679,907 people for the 6 month period. This equates to 0.36 per 1000 visitors, compared to 0.33 for the same 6 month period last year. Additionally it should be recognised that the incident statistics include injuries sustained during sporting activities such as swimming, football and racquet sports which are outside the control of the leisure provider.

5.4 The health and safety policies and practices of the leisure providers are monitored and scrutinised as a part of the regular meetings at both operational and strategic level. Each Leisure provider also reports annually to Performance Management Board which details their performance in relation to the strategic objectives within the leisure contract arrangements.

6. THE COUNCIL'S WIDER ROLE IN HEALTH AND SAFETY

6.1 The Council has health and safety duties to persons not in its employment, for example members of public visiting our sites. The risk assessment process and management of the Council's services ensures that risks to the public and contractors are assessed at the same time as the risk to our employees.

6.2 Actions the Council has taken to reduce risks to members of public when visiting our premises and also to those involved in activities with Council staff include:

- Fire risk assessments completed and in place for all Council occupied buildings

- Legionella risk assessments completed and in place within all appropriate sites
- The gritting of car parks during periods of inclement weather to ensure safe access to the public
- The training of Streetwise staff to note and report environmental issues such as potholes and other such hazards
- Scheduled inspections of play equipment at parks

6.3 The proactive actions outlined above help to reduce and manage risk at Council sites and venue. Furthermore they assist in maintaining low accident statistics for the public and contractors in comparison with the volume and numbers of people involved. The table below set out these figures and provides a previous year comparison.

	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/ 13	Apr – end Sept 2011	Apr – end Sept 2012	Apr – end Sept 2013
Member of Public	4	5	9	14	10	7	8	5
Contractor	1	0	0	0	0	0	0	0

7. CONCLUSION

- 7.1 The information reported in relation to the management of health and safety indicates that figures for number of accidents is consistent with those for 2011 and 2012 which is promising as both were good years.
- 7.2 The number of days absent from work due to accidents is also at a low level and comparable to 2011. As always, employees are encouraged to return to work and this can be helped by the use of the fit note process by the GP which allows employees to return to work earlier on phased return and/or with adaptations to duties.
- 7.3 Steady progress is being made on the health and safety objectives set at the beginning of the financial year and it is anticipated that these will be completed in time.

Table of accident statistics for Leisure Centres

April 2013 to end Sept 2013

	April	May	June	July	Aug	Sept	RIDDOR	Total Accidents	Total Staff	Total attendance figures
East Leake	6	2	1	0	1	2	0	12	0	96,997
Rushcliffe Leisure Centre	10	22	28	19	7	14	0	100	4	191,653
Bingham Leisure Centre	8	12	12	9	3	11	2	55	8	118,031
Cotgrave Leisure Centre	10	10	7	12	11	9	1	59	4	112,245
Rushcliffe Arena	2	3	2	3	0	2	1	12	2	93,142
Keyworth Leisure Centre	1	2	3	3	3	4	1	16	1	67,839
Total	37	51	53	46	25	42	5	254	19	679,907

April 2012 to end Sept 2012 for comparison

	April	May	June	July	Aug	Sept	RIDDOR	Total Accidents	Total Staff	Total attendance figures
East Leake	4	7	0	4	2	4	0	21	0	110,562
Rushcliffe Leisure Centre	10	15	5	21	16	17	1	85	3	211,201
Bingham Leisure Centre	5	3	9	6	9	3	0	35	2	118,043
Cotgrave Leisure Centre	4	14	4	10	12	11	3	58	3	112,574
Rushcliffe Arena	5	3	6	2	1	3	1	21	3	83,958
Keyworth Leisure Centre	4	3	0	3	1	2	0	13	0	66,475
Total	32	45	24	46	41	40	5	233	11	702,813



Corporate Governance Group

7 November 2013

**Potential Relocation of the Civic Centre and
Funding Models for the Development of the Arena
Site**

6

Report of the Executive Manager – Finance and Commercial

Summary

At its meeting of 15 October, Cabinet received a report detailing the Leisure Strategy update, a copy of which is appended to this report. It was agreed at this meeting that the proposed relocation of the council offices from the Civic Centre to the Arena site, and the funding model for the development of the Arena site, should be considered by Corporate Governance Group.

In order to inform decisions on the continuation of this project the outcomes of this meeting will be reported, alongside those of the Leisure Strategy Cabinet Member Working Group, to Cabinet on the 14th January.

Recommendation

It is RECOMMENDED that Members, in line with the Terms of Reference detailed at Paragraph 4:

- a. Consider the outline business case in relation to the relocation of the Civic Centre to the Arena site;
- b. Consider the cost implications of alternate delivery models for a new Civic Office;
- c. Consider financing proposals for the new leisure facility including or excluding a Civic Office.
- d. Provide a report on its considerations to Cabinet at its meeting on the 14 January 2014.

Background

1. At its meeting on the 10 January 2012 Cabinet considered a report outlining the findings of the Leisure Facilities Strategy Member Group. This report identified the desirability of the consolidation of existing leisure facilities within West Bridgford on the Rushcliffe Arena site.
2. On 15 October 2013 Cabinet considered an update on this proposal a copy of which is appended to this report. This report outlined that the consolidation of leisure provision on the Arena site now appeared a financially viable option and identified preferred solutions for both the building design and the funding requirements.

3. The report also identified that the Arena site could be a potential location for the relocation of the Civic Centre. This would result in a combined office / leisure redevelopment which could provide benefits including:
- An administrative centre that remains close to West Bridgford (the Arena is just over 1.5 miles from the current Civic Centre).
 - The development of a modern, flexible office development meeting modern standards with regard to space and energy consumption.
 - Development on a Council owned site eliminating the need for land purchases for buildings or car parking.
 - Joint use of car parking meeting Council demands during the day and leisure demands at evenings and weekends.
 - Increased staff access to leisure facilities providing additional income streams for the leisure provider.
 - Potential for shared plant and equipment between the office and leisure elements of the site.
4. The Leisure elements of this proposal have been referred to a Cabinet Member Working Group for consideration. However Cabinet also requested that Corporate Governance Group consider *“the proposed funding model and relocation from the Civic Centre to the Arena Redevelopment”*. The terms of reference for which were defined as follows:

Inclusions:

- a) To consider the outline business case in relation to the relocation of the Civic Centre to the Arena site;
- b) To consider the cost implications of alternate delivery models for a new Civic Office;
- c) The financing proposals for the new leisure facility including or excluding a Civic Office.
- d) To provide a report on its considerations to Cabinet at its meeting on the 14 January 2014.

Exclusions:

- e) Evaluation of the outline business case for the implementation of the Leisure Facilities Strategy in West Bridgford which will be considered by the Leisure Facilities Strategy Member Group.
 - f) The potential future uses and/or disposal of the current Civic Centre.
 - g) The concept designs for the replacement Arena site.
5. In order to facilitate a comprehensive debate it is intended that the details provided in the attached Cabinet Report will be supplemented by a detailed presentation focussed on the elements under consideration by the Corporate Governance Group. This will enable members to fully consider the supporting information behind the initial Cabinet Report. In summary however the key elements relevant to these Terms of Reference were:

- The provision of a 2,500m² office building combining elements of new build and the remodelling of part of the current bowling arena at an estimated cost of between £1.8 to £2.5m. This compares favourably to costs for alternate options of between £4.5m and £5m for a new build facility and £2.25m to £2.75 for the purchase and refurbishment of an alternate building elsewhere within Rushcliffe.
 - Funding would be provided as follows:
 1. Savings on existing capital projects (such as those planned for the Arena or Rushcliffe Leisure Centre) occurring as the direct result of the development would be transferred to project budgets.
 2. The cost of the Leisure facility (net of any funding transfers from the existing capital programme) would be funded from internal borrowing to be repaid over ten years from New Homes Bonus Receipts.
 3. The cost of the Civic Office development (net of any funding transfers from the existing capital programme) would be funded in full from relevant earmarked reserves.
6. Relevant capital schemes and earmarked reserves are detailed at Appendix 6 to the appended Cabinet Report.
7. In order to inform decisions on the continuation of this project the outcomes of this meeting will be reported, alongside those of the Leisure Strategy Cabinet Member Working Group, to Cabinet on the 14th January.

<p>Financial Comments</p>

<p>The financial issues are contained in the Cabinet report of 15 October. These will be explored in the presentation.</p>
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<p>Section 17 Crime and Disorder Act</p>

<p>There are no S17 implications</p>

<p>Diversity</p>

<p>There are no diversity implications</p>
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Background Papers Available for Inspection:

 <p>Rushcliffe Borough Council</p>	<p>Cabinet</p> <p>15 October 2013</p> <p>Leisure Strategy Update</p>	<p>5</p>
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Report of the Executive Manager – Finance and Commercial

Cabinet Portfolio Holders – Councillors J A Cranswick and J E Fearon

Summary

1. At its meeting on 10 January 2012 Cabinet considered a report outlining the findings of the Leisure Facilities Strategy Member Group. This identified the desirability of a consolidation of existing leisure facilities within West Bridgford on the Rushcliffe Arena site concluding that:

“There should be one leisure centre in West Bridgford. This should be a modern enhanced facility covering a broad range of leisure activities including pools on the site of the Rushcliffe Arena”

2. This report provides Cabinet with an update on the feasibility of delivering this aspiration within the current funding environment. In doing so it identifies that the requisite Leisure Facilities can be delivered at an affordable cost and outlines to Cabinet the key features of a new leisure centre for West Bridgford along with the costs and timescales for its delivery. It should be noted, however, that this report varies from the recommendations of the Leisure Strategy Member Group by proposing that arrangements are put in place to continue a reduced level of community use of facilities at Rushcliffe School in the evenings, weekends and school holidays.
3. In line with the Council's wider aspirations with regards to maximising the return on its property portfolio, and the suitability of the Civic Centre in particular, it is also recommended that the Council's main administrative hub be relocated to the Arena site. While such a relocation would release the current Civic Centre for letting, disposal or redevelopment; the potential capital and revenue benefits of such a change are not addressed in this report or in the current affordability calculations for the Arena project. As recognised at recommendation (e), the Chief Executive will address potential options for the Civic Centre in a future report to Cabinet.
4. Savings arising from the new leisure facility, new Civic offices and the alternate use or disposal of the Civic Centre will provide a major contribution towards meeting the Council's medium term funding pressures.
5. This report does not recommend that Cabinet commit to either the consolidation of leisure facilities in West Bridgford, or to the relocation of the Civic Centre. Instead it proposes that work be undertaken to review and scrutinise these proposals and that the results of this work be considered at Cabinet's meeting on the 14 January 2014.

Recommendations

It is RECOMMENDED that Cabinet:

- a) In line with the Terms of Reference at **Appendix 3**, form a Cabinet Member Working Group to undertake a review of the leisure aspects of this report.
- b) In line with the Terms of Reference at **Appendix 4**, refer the proposed funding model and relocation from the Civic Centre to the Arena redevelopment to the Corporate Governance Group.
- c) Authorise the Executive Manager (Finance and Commercial), in consultation with the Cabinet Member for Resources, to allocate up to £75,000 from the New Homes Bonus Reserve to meet essential project costs.
- d) Agree to receive a further report on the proposed Arena redevelopment at its meeting on the 14 January 2014.
- e) Request that the Chief Executive provide an update report on options for the future use of the current Civic Centre site identifying options for optimising financial returns for the Council.

Background

6. At its meeting on the 10 January 2012 Cabinet considered a report outlining the findings of the Leisure Facilities Strategy Member Group. This report identified the desirability of a consolidation of existing Leisure Facilities within West Bridgford on the Rushcliffe Arena site.
7. It was recognised that such a change could only be achieved following the review of the financial viability of any proposals. In line with the Council's Corporate Strategy the Executive Manager (Finance and Commercial) has led a review of the potential delivery of a single Leisure Centre. The results of this review are reported at paragraphs 8 to 12 (the Leisure Concept), 13 to 18 (potential delivery models) and 28 to 36 (Funding). Taken together this analysis identifies that an affordable solution can be provided through internal borrowing repaid from future New Homes Bonus receipts.

The Leisure Concept

8. At present the Council's Leisure provision in West Bridgford is principally provided through the Joint Use Leisure Centre at Rushcliffe School and the Rushcliffe Arena. As shown at **Appendix 7** these two sites are under a mile apart. Additional council outdoor facilities are also provided at West Park, Bridgford Park, Alford Road and Gresham.
9. In considering the future leisure needs for West Bridgford consideration has been given to the findings of the Leisure Strategy Cabinet Member Working Group, the position of Rushcliffe School and the nature of the Arena site. As detailed at **Appendix 1** it is proposed that the key elements of the new facility comprise the following:

- A six lane 25 metre pool, with separate learner pool
 - Sports hall
 - A four lane indoor bowling arena
 - A gym capable of providing at least 150 stations
 - Dedicated dance and studio spaces
 - Café and leisure space
10. Should the Council choose to only provide the core aspects of the site then the following facilities would not be replaced:
- Squash courts at Rushcliffe Leisure Centre
 - The current run riot facility, early years space or snooker tables at the Arena
11. Preliminary discussions with Rushcliffe School have identified that the school may wish to retain evening and weekend community use of the sports hall and external pitches. They currently have no desire to retain either the swimming pool or public use of facilities during the school day. If operated without reference to the Arena development this would represent a potential element of competition that could impact upon the viability of both sites moving forward. In order to ensure the cost effectiveness of the overall leisure provision in West Bridgford it is therefore proposed that the Council work with the school to integrate their retained facilities into the final delivery model. In simple terms it is anticipated that this would enable existing club use to be maintained without requiring work to be undertaken to increase capacity of the sports hall at the Arena site.
12. As identified in the Terms of Reference at **Appendix 3**, the elements included in the specification are aspects which the Cabinet Member Working Group will be asked to consider.

Potential Delivery Models

13. As detailed below an evaluation has been undertaken of three different options for delivery at the Arena site.

Option (a) - Complete new build

14. A new build solution provides a useful benchmark against refurbishment and extension of the existing building. New build has several attractions primarily based around achieving a design and specification built to exact client requirements with no compromise. This option scored well against all criteria but lost points on cost savings. Whilst running costs would be slightly less than a refurbished facility it is unlikely that the additional capital investment would be paid back over the whole life cost of the building. Capital investment cost and total cost savings are a key driver on this project and the potential additional investment is difficult to justify when the existing building can meet the Council's requirements at significantly reduced cost.

Option (b) - Renovation of the site retaining the current bowls arena with new facilities (including the pool) built over two floors to the front of the existing building.

15. This option scored poorly primarily due to development costs approaching those of a new build facility. As option (c) demonstrates it may be possible to

reduce costs by adjusting the design to utilise the flexibility provided by the steel frame structure of the bowling arena. However in its current form this option is not cost effective and has been discounted.

Option (c) - Renovation of the site with the majority of new facilities being in a vertical extension above the current bowls arena.

16. During survey and assessment work of the existing Rushcliffe Arena facility it became very clear that the existing layout and floor plate was very inefficient and that there was a great deal of scope to create additional space at relatively low cost. The scope for the full creation of additional space is dependant of three factors:
- The existing structure is steel framed and as such, highly flexible and adaptable to additional horizontal or vertical extension.
 - Planning permission. Planners have indicated that they are receptive to approving vertical extension of the existing facility.
 - Reducing the number of indoor bowling lanes from 8 to 4. Indoor bowling membership at the Arena has halved since 2006 and as such there is no business justification for retaining any more than 4 indoor bowling lanes.
17. As with the option (b) this option would see the new pool located on the front of the current building. It would however see the majority of development being focussed in the current bowls arena whose steel frame would be extended to provide an additional first and second floor. As the result of space efficiencies gained by a reduction in bowls lanes from 8 to 4 and the vertical expansion of the steel frame to provide all the space requirements needed to meet the non-swimming expansion of the sports and leisure facilities option (c) is therefore significantly more cost effective than option (b).
18. As a result it is recommended that option (c), a remodelled site utilising the structure of the current bowling arena, be adopted as the preferred solution for this project. The refurbished facility would be designed and specified to a 'fabric first' approach, ensuring that the building has reduced running costs and low energy demand. At £6 million this is the cheapest of the three options with (a) and (b) both projected to cost just over £9 million to deliver.

Additional Opportunities

19. In examining the options for implementing the Leisure Strategy it is apparent that the Arena site could be a potential location for the relocation of the Civic Centre. This opportunity could be realised through a combined office / leisure redevelopment and could provide benefits including:
- An administrative centre that remains close to West Bridgford (the Arena is just over 1.5 miles from the current Civic Centre).
 - The development of a modern, flexible office development meeting modern standards with regard to space and energy consumption.
 - Development on a council owned site eliminating the need for land purchases for buildings or car parking.
 - Joint use of car parking meeting council demands during the day and leisure demands at evenings and weekends.

- Increased staff access to leisure facilities providing additional income streams for the leisure provider.
 - Potential for shared plant and equipment.
20. Options (a) and (c) would enable such a co-location to be achieved on the Arena site. As Option (c) is the recommended leisure solution, initial concept designs have been developed for the joint site on this basis, details of which are provided at **Appendix 2**.
21. A new build office building for Rushcliffe Borough Council would require 2500m² (including civic function space). Option (c) would enable over half of this space to be provided in the extension above the current bowls arena with the remainder in a linked new build facility.
22. In this design access to the Civic offices would be through a new building to the north of the Arena site for which dedicated visitor parking would be provided. In addition to this building the remainder of the civic offices would be located in the newly created first and second floors above the current bowls arena utilising the space released through its remodelling and extension. It should be noted that this development will also incorporate the Council Chamber and a range of meeting rooms.
23. The reduced requirement for new build floor area means that the overall additional cost of relocating to the Arena site (including land and parking) would be between £1.8 million and £2.5 million. As detailed below this is cheaper than any other option currently available to the Council (the alternate refurbishment comparator is based on the estimated cost of purchasing, extending and renovating a suitable building elsewhere in Rushcliffe).

	Capital Cost		Annual Savings	Average Rate of Return
	Minimum £'000	Maximum £'000	£'000	£'000
New Build	4,500	5,000	125	2.6%
Alternate Refurbishment	2,250	2,750	25	1.0%
The Arena	1,800	2,500	100	4.7%

24. This table also identifies that, at 4.7%, the savings from the Arena site provide the best return on the Council's investment should it decide to relocate its Civic offices. Such savings will provide a significant direct contribution to meeting the funding pressures facing the Council in the medium term. It should also be remembered that these returns are prior to any contribution from the disposal or letting of the current Civic Centre.
25. Not only is this option the most cost effective but it is also highly innovative in its use of space and creates additional social benefits for staff members wishing to use leisure facilities in lunch breaks or outside of the working day. The combination of space usage with low build costs, cost savings and reduced whole life cycle costs makes this a desirable solution which is recommended to Cabinet.
26. As an alternative the Council could, should it so wish, choose to stay at the current Civic Centre and undertake a refurbishment programme to enable it to

further reduce the space taken up by its services. While this may be cheaper in terms of capital investment it would result in the building being retained in the medium to long term with three or four floors permanently unavailable for letting. As a result this is, in the long term, likely to be the least cost effective option available for the Authority.

27. It should be noted that The Rushcliffe Community Contact Centre would remain as the Council's key face to face interface with the public and neither it, nor the Depot, would be relocated to the Arena site.

Funding

28. As part of the affordability review, work has been undertaken to assess the options available for funding any new developments.
29. As a debt free authority Rushcliffe carries no Public Works Loan Board (PWLB) borrowing and would be in a position to obtain a loan to meet all capital project costs in full. At current rates a £6 million PWLB loan over 25 years would result in repayments of interest and principal of £396,500 per annum.
30. To reduce such costs the Council could, instead of accessing the PWLB, look to borrow the costs of the project from its reserves and then make repayments over time to replenish these resources. Due to the impact on the Council's future flexibility these repayments would need to be made over a shorter timescale than that envisaged for a PWLB solution. For modelling purposes it has been assumed that these repayments would be made over a ten year period.
31. Any costs of borrowing, whether from internal resources or the PWLB will represent an additional spending pressure which the Council would have to meet. At its meetings on the 11 October 2011 and 9 July 2013 Cabinet indicated its support, subject to further reports, for the allocation of New Homes Bonus to facilitate the delivery of the Council's Leisure Strategy. An allocation of this type would therefore be in line with the intentions previously outlined by the Cabinet.
32. Members will be aware that earlier this year the government announced that from 2015/16 a proportion of New Homes Bonus allocations would be allocated to the Local Enterprise Partnerships and that, as the Leader reported to Council on the 26 September, lobbying continues to be made at a national level for this allocation to be funded from sources other than the New Homes Bonus. Should this lobbying be unsuccessful then it is estimated that from 2017/18 New Homes Bonus allocations for Rushcliffe will be £1,493,000 per annum. An amount that would be sufficient to meet either the costs of internal borrowing or PWLB repayments.
33. In addition to these resources the Council has, through prudent financial management over time, identified a number of earmarked reserves that are available for investment in council assets and invest to save activity. Relevant reserves are identified at **Appendix 6** and a proportion of these receipts could be utilised to directly fund the Arena and Civic office developments.
34. **Appendix 6** also identifies six existing capital programme projects, including five leisure schemes totalling £154,000, which would be removed or reduced

by the development of the Arena site. These changes will present an opportunity for the Council to either reduce its capital commitments or to redirect previously allocated capital resources to the Arena and /or Civic Office developments.

35. In addition to the range of funding options available Cabinet may also wish to establish a clear delineation between the development of improved Leisure facilities which is focussed on maintaining and enhancing community leisure facilities and the replacement of the Civic Centre which is predicated upon the basis of delivering a fit for purpose workspace which will provide on-going revenue savings and a future income streams or capital receipts dependent upon the future use of the Civic Centre.
36. On this basis it is proposed that the following funding model be adopted. As outlined at **Appendix 4** this aspect of the project will be considered by Corporate Governance Group.
 - Identified savings on existing capital projects occurring as the direct result of the development to be allocated to the Arena / Civic developments.
 - The cost of the Leisure facility (net of any funding transfers from the existing capital programme) be funded from internal borrowing to be repaid over ten years from New Homes Bonus receipts.
 - The cost of any Civic Office development (net of any funding transfers from the existing capital programme) be funded in full from relevant earmarked reserves.

Programme Delivery

37. To date the project has been run from within existing staffing resources supplemented by the allocation of £16,000 from the capital contingency budget. This has enabled initial traffic survey and geotechnical work to be undertaken neither of which have identified significant problems with the Arena site being used for leisure or administrative purposes.
38. It should be noted that whilst some work has already been undertaken, if Cabinet determines to proceed with the redevelopment of the Arena site (with or without a Civic Office) then additional professional resources will be required to ensure that the project is successfully managed. This will include a blend of dedicated project staff supplemented by specialist external firms providing support with distinct aspects (for example structural engineers assisting in the design of additions to the steel frame of the current bowling arena). Such costs are factored in to the overall estimated costs of the project.
39. To meet the project timetable outlined at **Appendix 5** some of this work will need to be commenced prior to the consideration of the outcomes of the Cabinet Member Working Group and Corporate Governance Group by Cabinet on the 14 January 2014. As such it is proposed that an initial allocation of up to £75,000 be made available from the New Homes Bonus Reserve (the uncommitted balance on this reserve at the 31 March 2014 is currently projected at £386,000). In line with the Council's Financial Regulations the release of such funding would be subject to the agreement of

the Executive Manager – Finance and Commercial, in consultation with the Cabinet Member for Resources.

40. The future use or disposal of the existing Civic Centre is not addressed within this report and any revenue savings, income or capital receipts would represent an additional benefit arising from its replacement. Work has already been commissioned by the Chief Executive to identify future options for the Civic Centre and an update on this will be provided to a future Cabinet.

Member Scrutiny and Review

41. This report details proposals for the consolidation of Leisure within West Bridgford and the potential relocation of the Civic offices to the Arena site. This represents one of the largest projects that Rushcliffe has been involved in during its recent history and has the potential to define how the Council will relate to residents into the medium and long term. It is therefore important to ensure that such decisions are subject to member scrutiny prior to any formal commitment to proceed. To facilitate this process it is proposed that the following two reviews be undertaken during 2013, reporting back to Cabinet at its meeting on the 10 January 2014.

- A Cabinet Member Group be created to undertake a review of the leisure aspects of this proposal.
- The proposed relocation from the Civic Centre to the Arena redevelopment be referred to the Corporate Governance Group.

42. Terms of reference for these reviews are attached at **Appendices 3 and 4** respectively.

Consultation and Engagement

43. As the initial stage of the project has focussed on establishing the financial viability of a scheme, the Council is yet to engage with the public and users about the potential changes to Leisure within West Bridgford. Subject to the recommendations in this report being adopted, such consultation will be undertaken during the remainder of this calendar year enabling the results to be taken into account by the Cabinet Member Group prior to their report being considered by Cabinet in January 2014.

44. Similarly work will be undertaken to engage with staff and partners to inform the nature of any future office development. This could potentially result in other bodies co-locating with the Council at the Arena site.

Delivery Timelines

45. As demonstrated by the outline project plan at **Appendix 5** it is anticipated that, subject to Cabinet approval in January 2014, building would commence in late 2014 with the new Arena site opening to the public in early 2016.

Financial Comments

The financial issues are primarily addressed in the above report.

Budget costs used in this document have been developed with reference has been to Building Cost Information Service data (BCIS cost data is nationally recognised and draws cost data from recently completed projects of similar scope) supplemented by quotes on some key elements. In particular prices for glazing and steel frame were obtained from direct quotations.

While this approach is suitable for addressing the affordability aspects of the project a detailed pre-tender cost analysis based on a detailed specification will be required prior to the tendering of any works. As identified at paragraphs 37 and 38 this is an aspect of the work which will continue to be developed alongside consideration of the wider business case by the Cabinet Member Working Group and the Corporate Governance Group.

The funding of investment through internal borrowing and direct revenue contributions to capital (as outlined at paragraph 36) will reduce the Council's available reserves. Such reductions will not, however, impact on planned capital investment on other projects and, as reported at paragraph 30, the impact on reserve levels will be mitigated through the repayment of internal borrowing over a ten year period rather than the 25 years envisaged for any PWLB loan. As identified at paragraph 32, such repayments are affordable when compared to projected future receipts from the New Homes Bonus.

The consolidation of leisure on the Arena site will result in significant savings for the Authority primarily through a reduced management charge from Parkwood and savings on utilities. While these are subject to negotiation and the final design it is anticipated that the Council will see cost savings of at least £250,000 per annum for the Core Leisure Facility, increasing to more than £350,000 per annum if the Replacement Civic Building is also located at the site. Based upon current projections this would represent over ten percent of the savings that are required to maintain a balanced budget between 2014/15 and 2018/19.

As identified at Paragraph 40 no allowance has been made in the report for capital receipts or savings from the disposal or alternate use of the existing Civic Centre. Again any savings resulting from such changes are likely to have a significant impact on the funding gap identified in the Medium Term Financial Forecast.

Section 17 Crime and Disorder Act

There are no S17 implications

Diversity

There are no diversity implications

Background Papers Available for Inspection: Nil

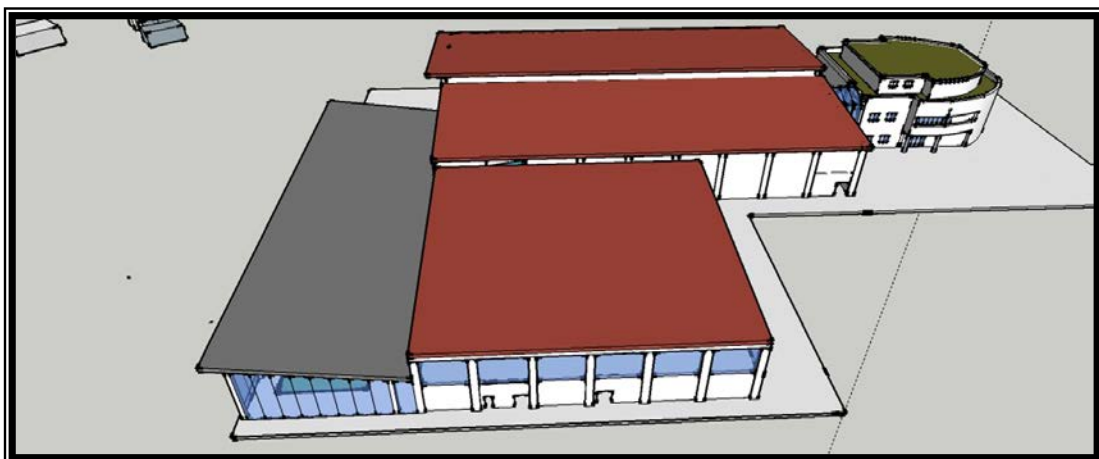
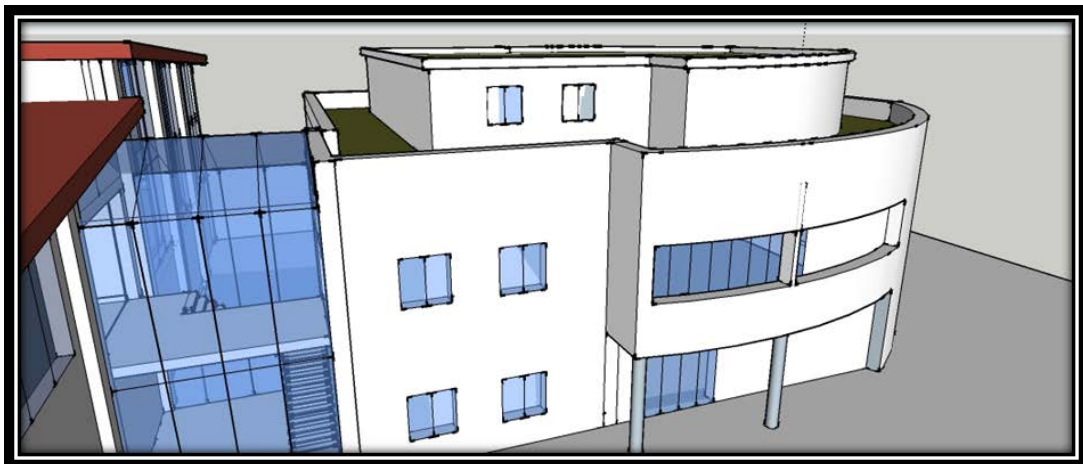
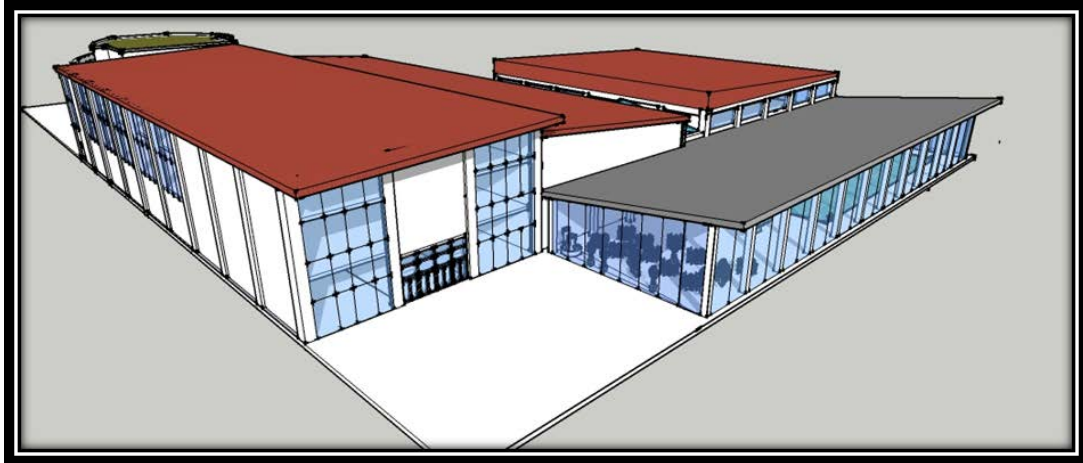
Proposed Elements of Revised Leisure Facilities

Activity	CORE REQUIREMENT	OPTIONAL
<u>Swimming</u>		
Swimming Pool	6 lane, 25m length	-
Training pool	Required, size to be finalised	Moveable floor if cost effective
Leisure Pool	Not required	Leisure area only if design allows
Spectator seating	Minimal, unlikely that the Arena will be utilised for large competitive swimming galas.	Café viewing area overlooking the pool
<u>Indoor Sports</u>		
Sports Hall	Sports hall with 4 courts supplemented by retention of indoor sports facilities at Rushcliffe School. Sports hall must be able to cater for sports such as Badminton, Basketball, Handball, Volley ball, Indoor Hockey, Indoor Netball, Tennis and Boxing	Extension to existing sports hall if Rushcliffe School's Hall is no longer available for community use
Table Tennis Martial Arts	Sports hall and / or other spaces must be able to meet this requirement	-
Indoor athletics	No requirement for athletics as Harvey Haddon is the prime location for such sport in the area.	Not required
Squash courts	Not required.	Maximum of 2 courts
Climbing wall	Not required	Potential demand to be modelled to understand cost effectiveness of designing as an element of existing spaces.
<u>Outdoor Sports</u>		
All weather pitch	Not required Other local pitches available include Gresham, Clifton Campus, Rushcliffe School, Lenton.	All weather pitch x 2
Outdoor gym space	Not required	Potential demand to be modelled to understand cost effectiveness of inclusion.

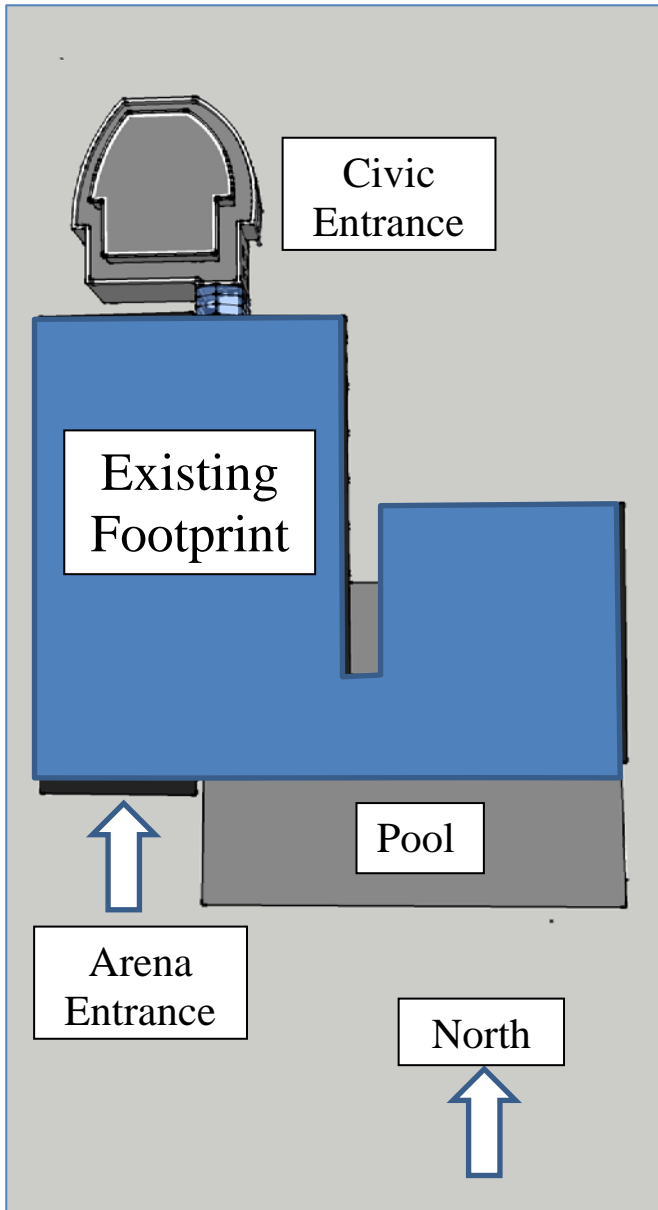
Activity	CORE REQUIREMENT	OPTIONAL
<u>Gym and Fitness</u>		
Gym stations	Projected allocation of 800m ² would enable the inclusion of 160 stations compared to current 109 across RLC / Arena.	Smaller area allocated reducing flexibility of space and potential for future growth in demand.
Fitness Studio	Three multi-use studios	Additional studio space
<u>Bowling</u>		
Indoor Bowling	4 lanes reflecting 50% reduction in usage between 2005/06 and 2012/13.	No bowling provision 6 lanes max
Outdoor Bowling	Not required. Existing facility no longer used.	Not required
<u>Other Facilities</u>		
Cafeteria / Catering	Required. Potential for servicing of Council requirements	-
Licensed bar	Not required on a daily basis with temporary facility available for events.	Not required
Run Riot	Not required	Not required
Pre-school room	Not required. Party demands to be met through flexible space and cafeteria	Not required
Snooker tables	Not required	Two to be retained if they can be accommodated in the design

Concept Drawings

It should be noted that these drawings represent initial concept diagrams for a combined leisure / office solution and the final structure of the site will vary as full architectural plans, and planning considerations, are developed.



As can be seen below this development is focussed on maximising the use of the existing floor plan of the Arena with extensions being required to the south to accommodate the new swimming pool area and the north for the civic entrance



Terms of Reference for the Leisure Facilities Strategy Member Group

Membership

9 Members

It is anticipated that the Group will meet twice: November 2013 and December 2013

Terms of Reference

Inclusions:

- a) To consider and appraise the Outline Business Case for the delivery of the Leisure Strategy in West Bridgford.
- b) To consider, with reference to affordability constraints, the proposed core and optional elements of any new facility including the retention of community facilities at Rushcliffe School;
- c) To receive and consider the results of consultation with the public and current users;
- d) To provide a report on its considerations to Cabinet at its meeting on the 14 January 2014.

Exclusions:

- e) The development or implementation of other elements of the Leisure Strategy.
- f) Evaluation of the outline business case for the inclusion of a replacement Civic Office which will be scrutinised by the Corporate Governance Group.
- g) The financing proposals for the new Leisure facility including or excluding a Civic Office which will be scrutinised by the Corporate Governance Group.
- h) The concept designs for the replacement Arena site.

Terms of Reference for the Corporate Governance Group Scrutiny of the Potential Relocation of the Civic Centre

It is anticipated that the Group will meet once on the 7 November 2013

Terms of Reference

Inclusions:

- a) To consider the Outline Business Case in relation to the relocation of the Civic Centre to the Arena site;
- b) To consider the cost implications of alternate delivery models for a new Civic Office;
- c) The financing proposals for the new Leisure facility including or excluding a Civic Office.
- d) To provide a report on its considerations to Cabinet at its meeting on the 14 January 2014.

Exclusions:

- e) Evaluation of the outline business case for the implementation of the Leisure Facilities Strategy in West Bridgford which will be considered by the Leisure Facilities Strategy Member Group.
- f) The potential future uses and/or disposal of the current Civic Centre.
- g) The concept designs for the replacement Arena site.

Project Timelines

Leisure Strategy - Outline Timeline

2013	October	Cabinet	<div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>Contracting</p> <hr/> <p>Build</p> <hr/> <p>Commissioning</p> <hr/> <p>Site Opening and Staff Transfer</p> </div>
	November	CGG and Cabinet	
	December	Member Group	
2014	January	Cabinet	
	February	Finalise	
	March	Specification	
	April	Planning Consent	
	May		
	June		
	July		
August			
September			
2015	October		
	November		
	December		
	January		
	February		
	March		
	April		
	May		
	June		
	July		
	August		
	September		
2016	October		
	November		
	December		
	January		
	February		
	March		
	April		
	May		
	June		

Capital Programme and Reserves Analysis

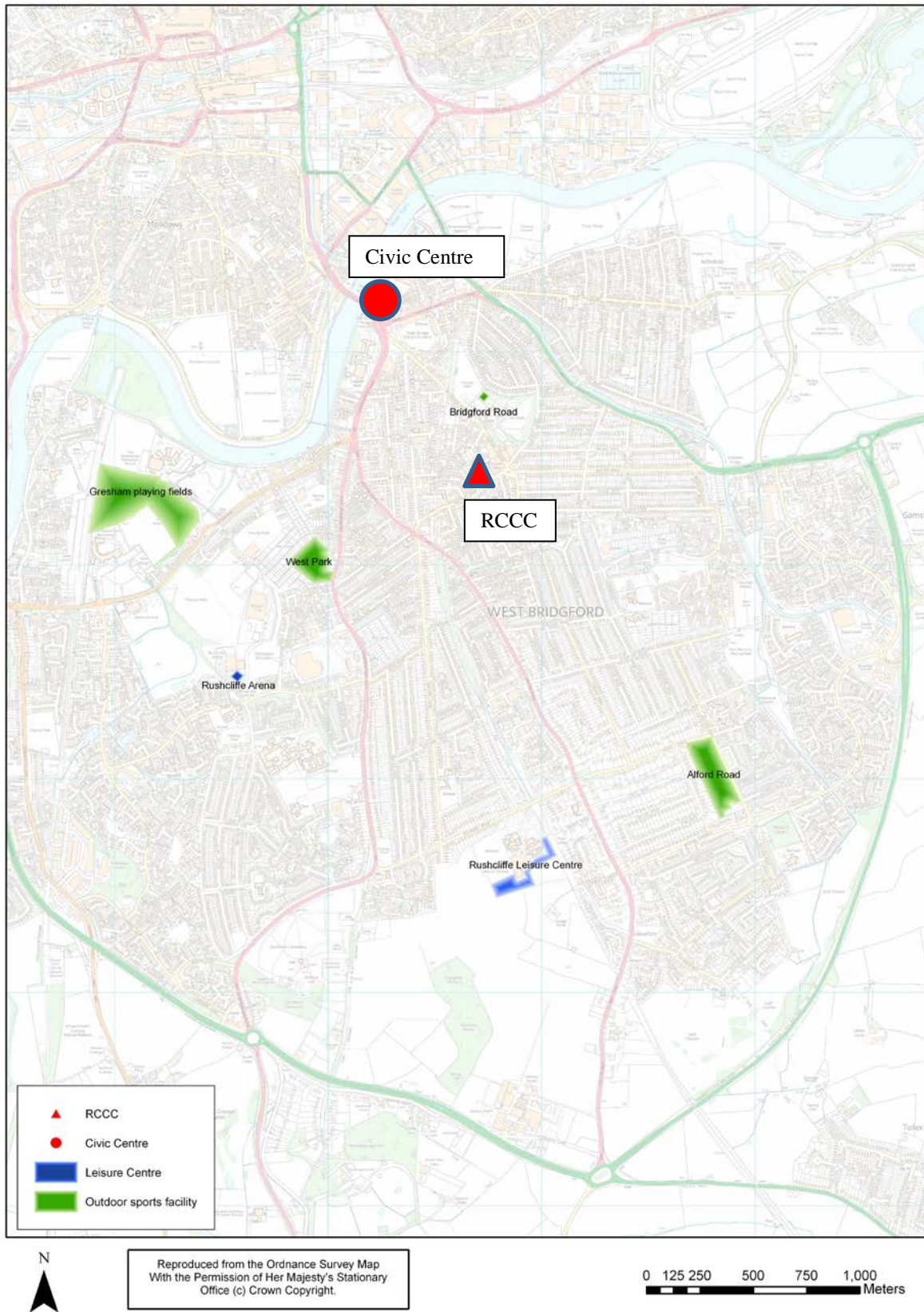
Capital Schemes

Capital Scheme	Current Planned Spend £'000	Potential for Inclusion
<u>Schemes no longer required</u> Car Park Surfacing - Rushcliffe LC	29	No longer required
Warm Air Unit – Rushcliffe LC	17	Scheduled for 2013/14, expenditure will be deferred until clear decision is made about future of the site.
Supply and Extraction Units – Rushcliffe LC	14	Scheduled for 2013/14, expenditure will be deferred until clear decision is made about future of the site.
Bowls Rink Cloth - Arena	36	Scheduled for 2013/14, expenditure will be deferred until clear decision is made about future of the site.
Sports Hall Floor - Arena	58	Would be subsumed into overall works programme.
Total	154	
<u>Other potential savings</u> Information Systems Strategy	430	Replacing the Civic Centre will involve a renewal of information technologies. This should mean that there will, in the years immediately after transfer, be a reduced call for investment in new equipment and for the replacement of existing equipment. This could result in a reduced level of investment from the current £430,000.

Relevant Earmarked Reserves

Reserve	Uncommitted Balances at 31 st March 2013 £'000	Reason for Reserve	Basis for Inclusion
Regeneration and Community Projects	2,136	To provide funding to support capital improvement projects across the Borough	Redevelopment of the Arena and Civic Centre are potentially key improvements for the Borough.
Council Assets and Service Delivery	684	To provide funding to support improvements and rationalisation of council owned assets and facilitate the implementation of innovative service delivery models.	Relocation of the Civic Centre would enable improvements and innovation with regards to service delivery. It would also facilitate alternate uses for, or disposal of, the Civic Centre.
Invest to Save	661	To fund projects requiring pump priming to generate future savings.	The new Civic Offices would provide direct revenue budget savings.
Organisational Stabilisation reserve	560	To provide resilience against risks surrounding the Medium Term Financial Strategy.	Savings delivered from the project would mitigate medium term financial pressures facing the Council.
Planned Maintenance	100	To provide funding for potential higher value repairs and maintenance of existing buildings and land.	Potential risks relating to repairs and maintenance would be significantly reduced.
Total	4,141	<i>NB this does not represent the Council's total earmarked reserves but just those elements that could be utilised in supporting an office relocation</i>	

Map of Council Office and Leisure Facilities in the West Bridgford Area



Report of the Executive Manager - Finance and Commercial

Background

This report presents the budget position for revenue and capital as at 30 September 2013 along with recommendations as appropriate. Given the current financial climate it is imperative that the Council maintains due diligence with regards to its finances and ensures necessary action is taken to maintain a robust financial position.

Recommendations

It is RECOMMENDED that Members note the current projections for revenue and capital.

Revenue Monitoring

1. The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis for September 2013 attached at **Appendix B**. This shows an underspend against profiled budget to date of £493,682 and a projected underspend for the year of £316,880. It is anticipated that this will continue to improve throughout the remainder of the year as managers continue to drive cost savings, and raise income, against existing budgets.
2. As documented at **Appendix B** the underspend to date reflects a number of positive variances including income from planning fees arising from a number of major applications and green waste income, reduced staffing costs within the Garage and Streetwise operations as well as savings on the latter's supplies and services. It should be noted that there are a number of accounting adjustments that will be made through the year (for example, the reversal of expenditure accruals) which will reduce the variance at year end.
3. The main adverse variance relates to severance payments which, in line with the Council's budget, have been met from funds transferred from earmarked reserves for this purpose.

Capital Monitoring

4. The updated Capital Programme monitoring statement for September 2013 is attached at **Appendix C**. A summary of the projected outturn and funding position is shown in the table below: -

**CAPITAL PROGRAMME MONITORING –
SEPTEMBER 2013**

EXPENDITURE SUMMARY	Current Budget £000	Projected Actual £000	Projected Variance £000
Transformation & Innovation	2,006	1,258	(748)
Neighbourhoods	2,530	2,252	(278)
Communities	802	767	(35)
Corporate Governance	365	342	(23)
Finance & Commercial	2,465	2,373	(92)
Contingency	134	0	(134)
	8,302	6,992	(1,310)
FINANCING ANALYSIS			
Capital Receipts	(6,066)	(4,798)	1,268
Government Grants	(950)	(946)	4
Other Grants/Contributions	(1,146)	(1,108)	38
Use of Reserves	(140)	(140)	0
	(8,302)	(6,992)	1,310

5. The projected outturn on the capital programme remains lower than the budget with a £1.31 million underspend predicted. Summary details of schemes and variances are provided below.

Transformation

6. The projected underspend of £748,000 comprises of £598,000 on Cotgrave Masterplan and £150,000 on Community Contact Centres. The projected actual spend on the Cotgrave project includes the acquisition of two further properties at Scotland Bank. Expenditure on Community Contact Centres is currently under review.

Neighbourhoods

7. The projected underspend of £278,000 primarily relates to the re-modelling of the vehicle replacement programme due to the on-going service reviews and Streetwise franchise project which has resulted in a projected underspend of £248,000. There is a further £38,000 underspend in relation to the repayment of Decent Homes Grants which are waiting re-allocation once applications have been received and approved. Any expenditure plans will be in line with the current Private Sector Housing Renewal Policy. The total underspend is temporarily offset by an overspend of £12,000 to buy additional green wheeled bins. A virement request has been submitted to transfer budget from the vehicle replacement programme for this overspend.

Corporate Governance

8. The projected underspend relates to the unallocated balance of the Information System Strategy Provision.

Communities

9. The projected underspend primarily relates to the actual expenditure on Partnership Grants being less than originally estimated as works are commissioned and carried out by third parties.

Finance & Commercial

10. The projected underspend of £92,000 largely relates to deferred leisure projects as a result of the Leisure Strategy review. These include projects regarding infrastructure at Rushcliffe Leisure Centre, the Arena (eg Warm Air Unit and the Bowls Rink Cloth) and the Keyworth Leisure Centre Pitch Upgrade which will now take place during 2014/15.

Summary

11. This report continues previous trends of the authority's managers maintaining expenditure within the funding envelope agreed by the council and identifies that savings will continue to be delivered on capital and revenue budgets throughout the remainder of the current financial year. There remain external financial pressures from developing issues such as changes in national funding associated with the localisation of Business Rates, welfare reform and continued financial pressures on individuals, businesses and partners. Against such a background it is imperative that the council continues to keep a tight control of its expenditure and maintains positive progress against its four year plan.

Financial Comments

Financial comments are included within the body of the report

Section 17 Crime and Disorder Act

There are no section 17 implications

Diversity

There are no diversity implications

Background Papers Available for Inspection: Nil

Appendix A

Revenue Variance Analysis by Service Area April 2013 - September 2013 (6 Months)

	Actual vs Budget to Date			Projected Outturn vs Budget		
	Budget YTD	Actual YTD	Variance (Under)/Over	Current Budget	Projected Outturn	Variance (Under)/Over
Communities	625,898	432,199	(193,699)	1,323,350	1,244,150	(79,200)
Corporate Governance	1,625,633	1,611,233	(14,400)	3,071,300	3,061,300	(10,000)
Finance & Commercial	1,912,371	1,971,441	59,070	3,426,530	3,393,620	(32,910)
Neighbourhoods	1,242,462	972,001	(270,461)	3,195,510	3,102,160	(93,350)
Transformation	244,219	170,027	(74,192)	662,420	654,790	(7,630)
Additional Grants						(93,790)
Total	5,650,583	5,156,901	(493,682)	11,679,110	11,456,020	(316,880)
Potential (Call on)/ Contribution to Earmarked Reserves						316,880
Reserves/Contingency						0
Budgeted Use of Balances						0
Net Use of Balances Available						0

Appendix B

ADVERSE VARIANCES	Variance	Projected
	YTD	Outturn
	£'000	£'000
Communities		
- Building Control fee earning work less than anticipated.	12	20
Corporate Governance		
- IT Rechargeables. Additional costs due to new or replacement contracts. In previous years this was facilitated by use of the IT Reserve.	47	46
Finance & Commercial		
- Finance/Council Tax/Council Tax Benefits/Housing Benefits. Severance/Payments in lieu of notice and agency costs. To be funded from contingency.	148	222
- Leisure Centres. Settlement of gas invoicing for prior years.	12	30
- Leisure Centres. Accrued Income from joint use contributions not yet received.	182	(19)
Neighbourhoods		
- Homelessness. Under-occupancy.	9	26
Total Adverse Variances	410	325

FAVOURABLE VARIANCES	Variance	Projected
	YTD	Outturn
	£'000	£'000
Communities		
- Development Control - Savings from vacant posts.	(21)	(30)
- Development Control - Income from Planning Fees up due to a number of major applications.	(126)	(16)
- Local Development Framework - Planning Inspectorate costs accrued for but not invoiced until the end of the scheme and slippage	4	(50)
Corporate Governance		
- Democratic Representation. Savings on mayor's transport, civic receptions and members' basic allowances.	(30)	(13)
Finance & Commercial		
- Corporate Management. Accrual for Municipal Mutual Insurers	(51)	0
- Contingencies. Funding of planned additional expenditure regarding of payments in lieu of notice to be met from this reserve. Virements to be carried out.	0	(118)
- Leisure Centres. Management fees.	(133)	0
- Leisure Centres. Underspends on electricity and repairs.	(33)	0
- Car Parks. Charge to NCC during library refurbishment greater than anticipated.	(23)	(23)
- Car Leasing. Savings from cessation.	(23)	(70)
- Investment Interest. Investments higher than anticipated.	(13)	(30)
- Non Distributed Costs. Savings on superannuation backfunding and pensions increase act payments	(12)	(29)
Neighbourhoods		
- Housing Standards. HIMO Licence Income prepaid for 5 years and accrued via the Balance Sheet.	(25)	0
- Waste Collection. Savings on parts and stable fuel price	(21)	(30)
- Waste Collection. Green Waste invoices.	(84)	(6)
- Waste Collection. Employee costs.	(15)	(20)
- Depot. New. More efficient boiler.	(18)	(13)
- Fleet & Garage. Vacancy	(20)	(30)
- Streetwise. 2 vacant posts to be filled from September 2013.	(20)	(20)
- Streetwise. Low levels of activity, expect to spend at greater rate by year end due to winter months.	(21)	(10)
Transformation		
- Industrial Sites. High occupancy rates to date but future vacancies anticipated.	(17)	6
Total Favourable Variances	(702)	(502)
Sum of Minor Variances	(202)	(140)
TOTAL VARIANCE	(494)	(317)

2013/14 Capital Programme
April 2013 - September 2013 (6 Months)

CAPITAL PROGRAMME MONITORING - SEPTMBER 2013			
	Current Budget	Projected Actual	Variance
	£000	£000	£'000
TRANSFORMATION & INNOVATION			
Cotgrave Masterplan	858	260	(598)
Rushcliffe Community Contact Centre - Spokes	150	0	(150)
Carbon Management Plan - Lighting	72	72	0
Civic Centre Enhancements - General Provision	61	61	0
Civic Centre Enhancements - External Works	430	430	0
Civic Centre Boiler Replacement	140	140	0
Nottinghamshire Broadband	245	245	0
Footpath Enhancements	50	50	0
	2,006	1,258	(748)
NEIGHBOURHOODS			
Disabled Facilities Grants	600	600	0
Decent Homes Grants	49	11	(38)
Support for Registered Housing Providers	958	954	(4)
Wheeled Bins Acquisition	60	72	12
Vehicle Replacement	863	615	(248)
	2,530	2,252	(278)
COMMUNITIES			
Gresham Pavilion Legionella	3	3	0
Gresham Security Works	0	12	12
Community Partnership Reward Grants	54	54	0
Nottinghamshire County Cricket Club – Grant	90	90	0
Rushcliffe Country Park - Play Area	120	120	0
Partnership Grants	92	45	(47)
Alford Road Pavilion Redevelopment	350	350	0
Boiler Replacement	53	53	0
The Hook Multi Use Games Area	40	40	0
	802	767	(35)
CORPORATE GOVERNANCE			
IS Strategy	365	342	(23)
	365	342	(23)

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2013			
	Current Budget	Projected Actual	Variance
FINANCE & COMMERCIAL			
Rushcliffe Leisure Centre - Changing Room Supply & Extraction Unit	14	0	(14)
Keyworth Leisure Centre – Pitch Upgrade	25	0	(25)
Rushcliffe Leisure Centre – Warm Air Unit	17	0	(17)
Cotgrave Leisure Centre Car Park Resurfacing	3	3	0
Rushcliffe Arena - Bowls Rink Cloth	36	0	(36)
Bingham Leisure Centre - Roof Replacement	104	104	0
Leisure Strategy Review	16	16	0
Nottinghamshire County Cricket Club - Loan	2,000	2,000	0
Dualling of A453 - Contribution	250	250	0
	2,465	2,373	(92)
CONTINGENCY			
Contingency	134	0	(134)
	134	0	(134)
TOTAL	8,302	6,992	(1,310)

Report of the Executive Manager – Finance and Commercial

Summary

1. The attached letter from KPMG summarises progress on the audit process for the 2012/13 financial year. It reiterates the key conclusions of the Auditors Report on the 2012/13 Accounts and the Report to those Charged with Governance, both of which were considered by the Corporate Governance Group on 19 September 2013.
2. The letter also notes that in line with the agreed timetable audit work on the 2012/13 grants is yet to be concluded. The results of this work will be reported to the Authority via a Certification of Grants and Returns 2012/13 Report which is scheduled to be considered by the Corporate Governance Group on 23 April 2014.
3. No actions are required in relation to the report.

Recommendation

It is recommended that Corporate Governance Group note the receipt of the Annual Audit Letter.

Financial Comments

None arising from this report.

Section 17 Crime and Disorder Act

There are no section 17 implications.

Diversity

There are no diversity issues.

Background Papers Available for Inspection: Nil

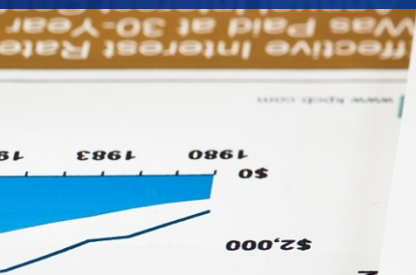


cutting through complexity™

Annual Audit Letter 2012/13

Rushcliffe Borough Council

October 2013



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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.

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 John Cornett, 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 findings from our 2012/13 audit of Rushcliffe Borough Council (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2012/13 financial statements and the 2012/13 VFM conclusion.

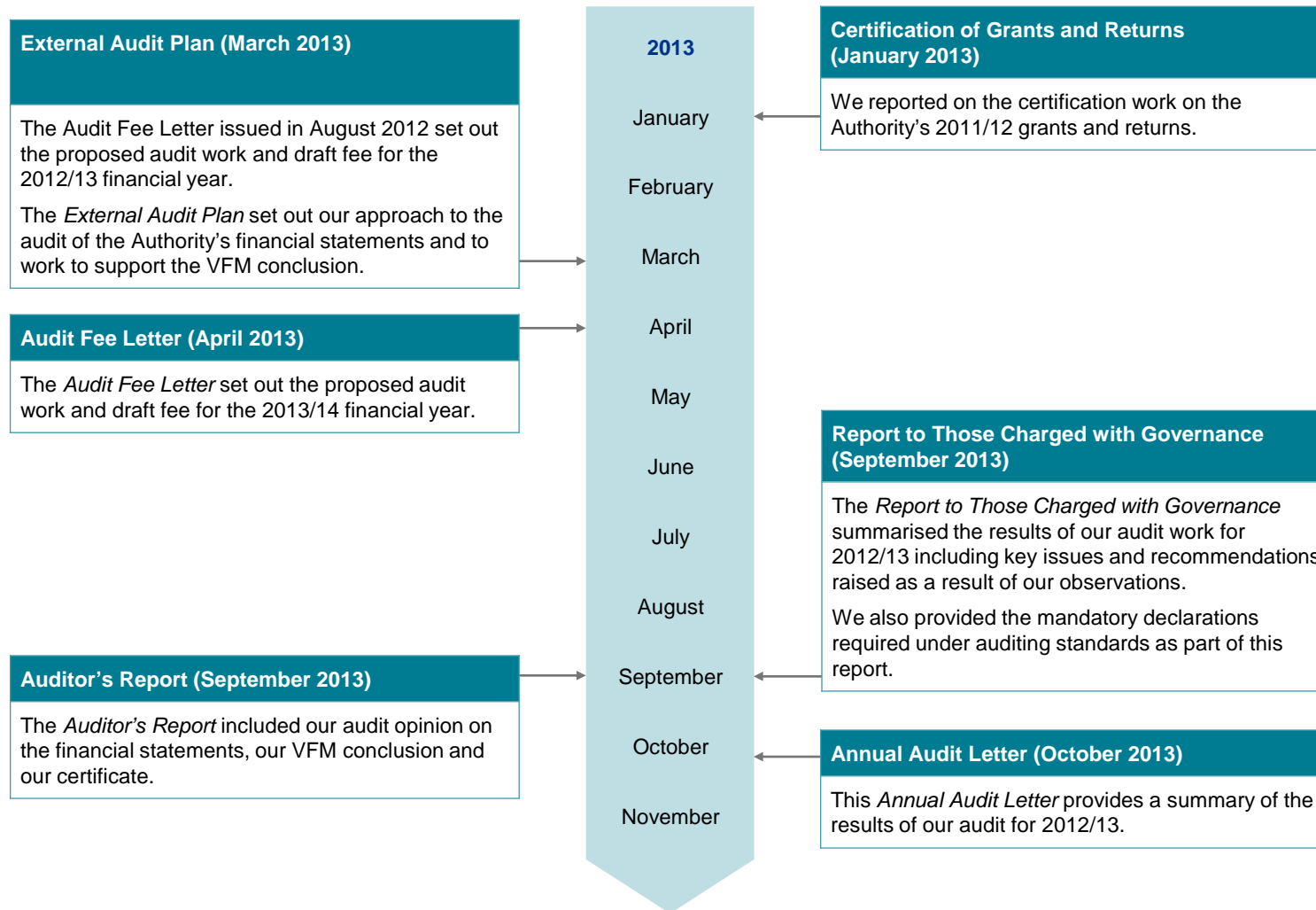
VFM conclusion	<p>We issued an unqualified value for money (VFM) conclusion for 2012/13 on 30 September 2013.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p>
VFM risk areas	<p>Our initial risk assessment took into account the Authority's key business risks which are relevant to our VFM conclusion.</p> <p>We specifically considered the actions being taken by the Authority to achieve the savings identified to meet ongoing financial pressures. The Authority was on target to make the savings required and no additional significant issues had emerged in the year. We were satisfied that sufficient work in relation to this risk was being carried out by the Authority to mitigate the audit risks for our VFM conclusion. We concluded that we did not need to carry out any specific additional work ourselves.</p>
Audit opinion	<p>We issued an unqualified opinion on your financial statements on 30 September 2013. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
Financial statements audit	<p>We reported the significant matters arising from the financial statements audit to the Corporate Governance Group in our Report to those Charged with Governance. We did not need to report any significant audit differences. We found that you had good processes in place for the production of your accounts and provided good quality supporting working papers with your draft accounts. Officers dealt efficiently with audit queries and the audit process was completed within the planned timescales.</p>
Annual Governance Statement	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding of your governance arrangements.</p>

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

Whole of Government Accounts	We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.
Certificate	We issued our certificate on 30 September 2013. The certificate confirms that we have concluded the audit for 2012/13 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> .
Audit fee	Our fee for 2012/13 was £54,150, excluding VAT. Further detail is contained in Appendix 2.

Appendix 1: Summary of reports issued

This appendix summarises the reports we issued this year.



This appendix provides information on our final fees for 2012/13.

To ensure openness between KPMG and your Audit Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2012/13 planned audit fee.

External audit

Our final fee for the 2012/13 audit of the Authority was £54,150. The Audit Commission's scale fee for the 2011/12 audit was £90,250. The 2012/13 fee reflects the reductions that the Audit Commission has been able to make to its scale fees following the market testing of audit services. The final fee is the same as the planned fee.

We also provided a Final Accounts Workshop to the finance team, the fee was £1,358.

Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2012/13* which we are due to issue in January 2014.



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Report of the Executive Manager - Operations and Corporate Governance

This report sets out a proposed work programme for the next year. In determining the proposed work programme due regard has been given to matters usually reported to the Group and the timing of issues to ensure best fit within the Council's decision making process.

Recommendation

It is RECOMMENDED that the Group agrees the work programme as set out in the table below.

Date of Meeting	Item
7 November 2013	<ul style="list-style-type: none"> • Internal Audit Progress Report 2013/14 • Annual Audit Letter • Potential Relocation of the Civic Centre • Revenue and Capital Budget Monitoring • Treasury Management Update • Health and Safety Interim report • Work Programme
6 February 2014	<ul style="list-style-type: none"> • Internal Audit Progress Report 2013/14 • Treasury Management Update and Presentation • Risk Management Update • Revenue and Capital Budget Monitoring • Work Programme
23 April 2014	<ul style="list-style-type: none"> • External Audit Plan 2013/14 • Certification of Grants and Returns – Annual Report 2012/13 • Internal Audit Progress Report 2013/14 • Internal Audit Strategy 2013/14 • Risk Management Update • Work Programme

The above table does not take into account any items that need to be considered by the Group as special items. These may occur, for example, through changes required to the Constitution or financial regulations, which have an impact on the internal controls of the Council.

Financial Comments

No direct financial implications arise from the proposed work programme.

Section 17 Crime and Disorder Act

In the delivery of its work programme the Group supports delivery of the Council's Section 17 responsibilities particularly in relation to audit, fraud and irregularities.

Diversity

The policy development role of the Group ensures that its proposed work programme supports delivery of the Council's Corporate Priorities.

Background Papers Available for Inspection: Nil