

**When telephoning, please ask for:** Member Services  
**Direct dial** 0115 914 8481  
**Email** memberservices@rushliffe.gov.uk

**Our reference:**  
**Your reference:**  
**Date:** 25 November 2015

To all Members of the Corporate Governance Group

Dear Councillor

A meeting of the Corporate Governance Group will be held on Thursday 3 December 2015 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely



Service Manager Corporate Governance

### **AGENDA**

1. Apologies for absence
2. Declarations of Interest
3. Notes of the Meeting held on Thursday 3 September 2015 (pages 1 - 7).
4. Annual Audit Letter

The report of the Interim Executive Manager – Finance and Commercial is attached (pages 8 - 15).

5. Internal Audit Progress Report 2015/16

The report of the Interim Executive Manager – Finance and Commercial is attached (pages 16 - 25).

6. Health and Safety Interim Report

The report of the Executive Manager – Operations and Transformation is attached (pages 26 - 38).

7. Risk Management Review Update

The report of the Executive Manager – Operations and Transformation is attached (pages 39 - 59).

8. Treasury Management Six Month Monitoring Report

The report of the Interim Executive Manager – Finance and Commercial is attached (pages 60 - 67).

9. Revenue & Capital Budget Monitoring 2015/16 – Quarter 2 Update

The report of the Interim Executive Manager – Finance and Commercial is attached (pages 68 - 75).

10. Work Programme

The report of the Service Manager Corporate Governance is attached (pages 76 - 77).

Membership

Chairman: Councillor G S Moore

Vice-Chairman: G Davidson

Councillors: N A Brown, M Buckle, A M Dickinson, R Hetherington, A MacInnes, S C Matthews and J E Thurman

<b>Meeting Room Guidance</b>
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**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.



Rushcliffe  
Borough Council

**NOTES**  
**OF THE MEETING OF THE**  
**CORPORATE GOVERNANCE GROUP**  
**THURSDAY 3 SEPTEMBER 2015**

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

**PRESENT:**

Councillors G S Moore (Chairman), N A Brown, M Buckle, G Davidson,  
A M Dickinson, R Hetherington, A MacInnes, S C Matthews and J E Thurman

**ALSO IN ATTENDANCE:**

A Bush KPMG  
T Tandy KPMG

**OFFICERS PRESENT:**

A Goodman Member Support Officer  
A Hall-Wright Group Accountant Capital and Resources  
P Linfield Interim Executive Manager - Finance and Commercial

**APOLOGIES FOR ABSENCE:**

There were no apologies for absence

**13. Declarations of Interest**

There were none declared.

**14. Notes of the Previous Meeting**

The notes of the meeting held on Monday 29 June 2015 were accepted as a true record.

**15. Approval of the Statement of Accounts 2014/15 and External Auditors Report To Those Charged with Governance 2014/15**

The Interim Executive Manager – Finance and Commercial presented a report outlining the Council's statutory Statement of Accounts for 2014/15. He was pleased to inform the Group that no significant issues have arisen from the audit this year. The Council's External Auditors KPMG had reported that the Authority had good processes in place for the production of the accounts and good quality supporting working papers. However the closure of accounts process had not been without difficulty, as this was the first year the Streetwise Accounts had been produced, and Group financial statements were required. He drew Members' attention to page 75 of the Statement of Accounts and explained that there had been an alteration of £21,000 in respect of the Group Accounts. This was as a result of an amendment to the Streetwise accounts however it did not affect the overall main Statement.

The Interim Executive Manager – Finance and Commercial highlighted the Explanatory Forward contained in the Statement of Accounts that summarised the key events and their financial impact. 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 with reserves increasing by a net £1.235 million to £11.457 million. A total of £2.566 million had been transferred into reserves, £1.474 million from the New Homes Bonus with the remainder largely due to year-end underspend. Much of the £1.331 million use of Reserves was in relation to capital projects including the Leisure Strategy and providing affordable housing.

In relation to the Council's Capital Programme 2014/15 the Council had spent £3.3 million compared to an overall Capital Programme of £10.1 million. Of the remaining £6.8 million, £4.1 million was committed to on-going Capital Schemes and had been carried forward into the 2015/16 Capital Programme, and the remaining £2.7 million comprised of savings and sums no longer required. During 2014/15 Capital Receipts represented the largest funding source at £1.504 million and at 31 March 2015, the balance in the Usable Capital Receipts Reserve stood at £11.797 million compared to £10.949 million in 2013/14.

The Interim Executive Manager – Finance and Commercial outlined the Major Service Developments and Future Challenges. He informed Members that during 2014/15 the Council continued to respond positively to challenges presented by the funding restrictions facing local government. The success of the Council in addressing this difficult financial context could be seen in the positive Value for Money conclusion given by the external Auditors KPMG in their 2014 Annual Audit Letter, the delivery of transformational activity such as that being delivered with partners at Cotgrave, and looking forward, the development of leisure and office facilities, and the maintenance of a balanced revenue budget without reductions in service quality. It also reflected the continued work in the Transformation Strategy to identify efficiency savings of £1.3m until 2019/20 through initiatives based upon three core principles of business cost reduction, income generation and service redesign. Looking ahead the Council faced a range of challenges and opportunities. These included; Meeting the financial challenge of maintaining a sustainable Medium Term Financial Strategy, Changes to Local Government funding, Pension Contributions and Commitment to Growth.

Mr Bush presented the External Auditor's Report to those Charged with Governance (ISA 260) 2014/15. 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 2015 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 2015 and the Annual Governance Statement complied with the guidance issued by CIPFA/SOLACE in June 2007. The audit of the financial statements did not identify any material adjustments, however, a small number of non-trivial adjustments were required, most of which were of a presentational nature.

Mr Bush informed Members that as part of the External audit plan, issued in March 2015, the Consolidated Group Accounts in respect of Streetwise were identified as a risk specific to the Council. The Audit Team had worked with officers throughout the year to discuss this risk and there are no matters of any significance arising as a result of the audit work in this risk area. Mr Bush reported that the Authority had good processes in place for the production of the accounts and had produced good quality supporting working papers. Officers had dealt efficiently with audit queries and the audit process has been completed within the planned timescales. He noted that the authority had made particular progress in reviewing and streamlining the bank reconciliation process which had enabled the Auditors to review the year-end bank reconciliation earlier this year, as part of an interim audit visit. He confirmed that the External Audit team had complied with requirements on objectivity and independence in relation to this year's audit of the Authority's financial statements. Following the Council meeting on 24 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 (VFM) conclusion was that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in the use of its resources and anticipated issuing an unqualified conclusion.

In response to questions, Mr Bush explained that the duration of the audit was approximately two months, the equivalent of 60 man days. The main on site work lasted between two and three weeks, however interim site visits were carried out prior to the main audit to conduct preparatory work. The Interim Executive Manager - Finance and Commercial confirmed that the External Auditors were appointed independently.

In respect of materiality and the reporting of audit differences, Mr Bush explained that the threshold of two percent of gross expenditure was standard across public bodies including Local Government and the National Health Service. Although materiality was set at £840,000 the audit procedures had been designed to detect errors in specific accounts at a lower level of precision and differences would only normally be considered to be clearly trivial if less than £42,000. Mr Bush confirmed that for some areas including payroll, cash and expenses all differences were investigated regardless of the amount. Some Members expressed concern that the level was £42,000 and the public perception of this, however it was noted that this was equivalent to less than £1 on council tax band D.

The Group discussed the challenges and opportunities that the Council faced looking ahead. Members expressed concern over the increase in the Pension Fund liabilities and the potential long term effect on the Council's finances. Mr Bush explained that although the liability exceeded the Council's net worth, this was an area that was out of the Council's control, and was not of concern. There were statutory arrangements and legislation in place to ensure the Pension Fund remained healthy, and on-going reforms were reducing the funding gap.

On behalf of the Group, the Chairman thanked Mr Tandy and his team for their work in undertaking the Audit and congratulated the Finance Team on producing a clear set of accounts within the given timescales.

It was AGREED that the Group

- a. Accepted the Statement of Accounts for 2014/15 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 2014/15 and forwarded it to Council for endorsement.

16. **Treasury Management Outturn Position 2014/15**

The Interim Executive Manager - Finance and Commercial presented the Treasury Management Outturn Position 2014/15 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 2014/15, the rate of return achieved and the Counterparties that had been used.

The Interim Executive Manager - Finance and Commercial informed the Group that during 2014/15 the Council had complied with its legislative and regulatory requirements. The actual expenditure for the capital programme for 2014/15 was £3.33 million against the approved budget of was £10.1 million. This included carry forwards of £4.05 million approved by Cabinet on 21 July 2015 and savings totalling £2.72 million. Consequently there had been no requirement to borrow and therefore no change in the Capital Financing Requirement (CFR). The Council had maintained its gross borrowing within the authorised limit and operational boundary for external debt. The indicator for Ratio of Financing Costs to Net Revenue Streams was negative denoting that investment yields had exceeded borrowing costs.

During 2014/15, the Bank Rate remained at 0.5% and the short term money market rates also remained at very low levels, which had a significant impact on investment income. The overall rate of return on investments for the year was greater than that projected in the budget at 1.09%, which compared favourably with 0.63% for 2013/14. This was due to the investments with the CCLA property Fund and Newcastle City Council, which resulted in a return on investments of £343,000 against the budget £260,000.

In relation to the table showing details of investments for 2014/15, as previously requested, the Group felt that it would be beneficial for the dates the investments commenced to be included.

**Action                    The Interim Executive Manager - Finance and Commercial to recirculate the table containing start dates for investments and include in future reports**

In response to questions, Members were informed that the parameters for investments were set out in the Treasury Management Strategy that was agreed by Council. Independent expert advice was provided by Arlingclose Limited, the Council's treasury management advisors who also provided the training for Members. The Group felt that the latest version of the Treasury

Management Strategy should be made available at the upcoming training session as some newly elected Members may not have received a copy.

**Action            The Interim Executive Manager - Finance and Commercial to provide copies of the Treasury Management Strategy at the training session on 7 September**

It was AGREED that the report be noted.

**17. Revenue & Capital Budget Monitoring 2015/16 – Quarter 1 Update**

The Group considered the report of the Interim Executive Manager - Finance and Commercial that gave details and explanations of significant variances against the profiled budget to 30 June 2015.

The Revenue budget monitoring reports indicated an underspend against the profiled budget of £227,000, with a projected favourable variance of £415,000 for the year. He informed Members that the underspend reflected a number of positive variances which, included additional income from a number of major planning applications, better income returns on investments, the lack of current calls made on the contingency budget and on-going rental income from the lease of the garage to Nottinghamshire County Council. A revenue loan of £30,000 had been made via the Funding Circle to support local businesses which would be met from the projected revenue underspend for the year.

In respect of the Capital budget monitoring, the report indicated a net underspend of £128,000 to the end of June 2015, with a projected favourable variance of £1,735,000 for the year. The main key variations included £300,000 due to uncertainty of projecting expenditure levels for strategic acquisitions in Cotgrave, £599,000 for the Bridgford Hall refurbishment, £100,000 to address any health and safety work at the Civic Centre, £409,000 underspend on Support for Registered Housing Providers and the acceleration of £479,00 for the vehicle replacement programme. There was currently a variance of £500,000 in respect of the Funding Circle, as to date no capital loans had been agreed, however one revenue loan of £30,000 had been granted.

Members queried the underspend in respect of the Support for Registered Housing Providers and the need for affordable housing. Officers explained that discussions were currently underway with Metropolitan and Waterloo Housing to explore future development options, including a further programme of garage site developments. However as it was unlikely that the funds would be spent this year, the unspent balance would be carried forward to support new schemes in future years.

It was AGREED that the Corporate Governance Group

- a) note the projected revenue and capital underspend positions for the year of £415,000 and £1,735,000 respectively; and
- b) note the use of £30,000 revenue underspend, reflected in the £415,000 figure quoted above, in relation to the first approved Funding Circle loan.

## 18. Work Programme

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 2015/16.

The Group AGREED the Work Programme as set out below:

Date of Meeting	Item
3 December 2015	<ul style="list-style-type: none"><li>• Internal Audit Progress Report 2015/16</li><li>• Health and Safety Interim report</li><li>• Risk Management Update</li><li>• Annual Audit Letter</li><li>• Treasury Management Six Month Monitoring Report</li><li>• Revenue &amp; Capital Budget Monitoring</li><li>• Work Programme</li></ul>
11 February 2016	<ul style="list-style-type: none"><li>• Internal Audit Progress Report 2015/16</li><li>• Treasury Management Update</li><li>• Revenue and Capital Budget Monitoring</li><li>• Certification of Grants and Returns – Annual Report 2014/15</li><li>• Work Programme</li></ul>
21 April 2016	<ul style="list-style-type: none"><li>• External Audit Plan 2015/16</li><li>• Internal Audit Progress Report 2015/16</li><li>• Internal Audit Strategy 2016/167</li><li>• Risk Management Update</li><li>• Revenue &amp; Capital Budget Monitoring</li><li>• Work Programme</li></ul>

The meeting closed at 8.25 pm.



## Action Sheet

### Corporate Governance Group - Thursday 3 September 2015

Minute Number	Actions	Officer Responsible
14 Notes of the Previous Meeting	None	
15 Approval of the Statement of Accounts 2014/15 and External Auditors Report To Those Charged with Governance 2014/15	None	
16 Treasury Management Outturn Position 2014/15	a) recirculate the table containing start dates for investments and include in future reports b) provide copies of the Treasury Management Strategy at the training session on 7 September	Interim Executive Manager - Finance and Commercial
17 Revenue & Capital Budget Monitoring 2015/16 – Quarter 1 Update	None	
18 Work Programme	None	

## Report of the Interim Executive Manager - Finance and Commercial

### 1. Summary

- 1.1. The attached letter from KPMG summarises progress on the audit process for the 2014/15 financial year. It reiterates the key conclusions of the Auditors' Report on the 2014/15 Accounts and the Report to those Charged with Governance, both of which were considered by the Corporate Governance Group on 3 September 2015.
- 1.2. No actions are required in relation to the report.

### 2. Recommendations

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

### 3. Reasons for Recommendation

- 3.1 To ensure that due regard has been given to issues and concerns raised by the Council's external auditors.

### 4. Supporting Information

- 4.1. The Annual Audit Letter for 2014/15 is attached at **Appendix A**.

### 5 Other Options Considered

- 5.1. There are no other options for consideration.

### 6. Risk and Uncertainties

- 6.1. There are no issues arising from this report.

### 7. Implications

#### 7.1 Finance

Audit costs are covered by existing budget provision.

#### 7.2 Legal

None

### 7.3 Corporate Priorities

External audit exists to provide the public, members and other stakeholders that the Council is conducting its affairs in an efficient and effective manner.

### 7.4 Other Implications

None.

<b>For more information contact:</b>	Name: Peter Linfield Service Manager - Finance and Commercial 0115 914 8439 Email <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers available for inspection</b>	None
<b>List of Appendices (if any):</b>	Appendix A – KPMG Annual Audit Letter 2014/15

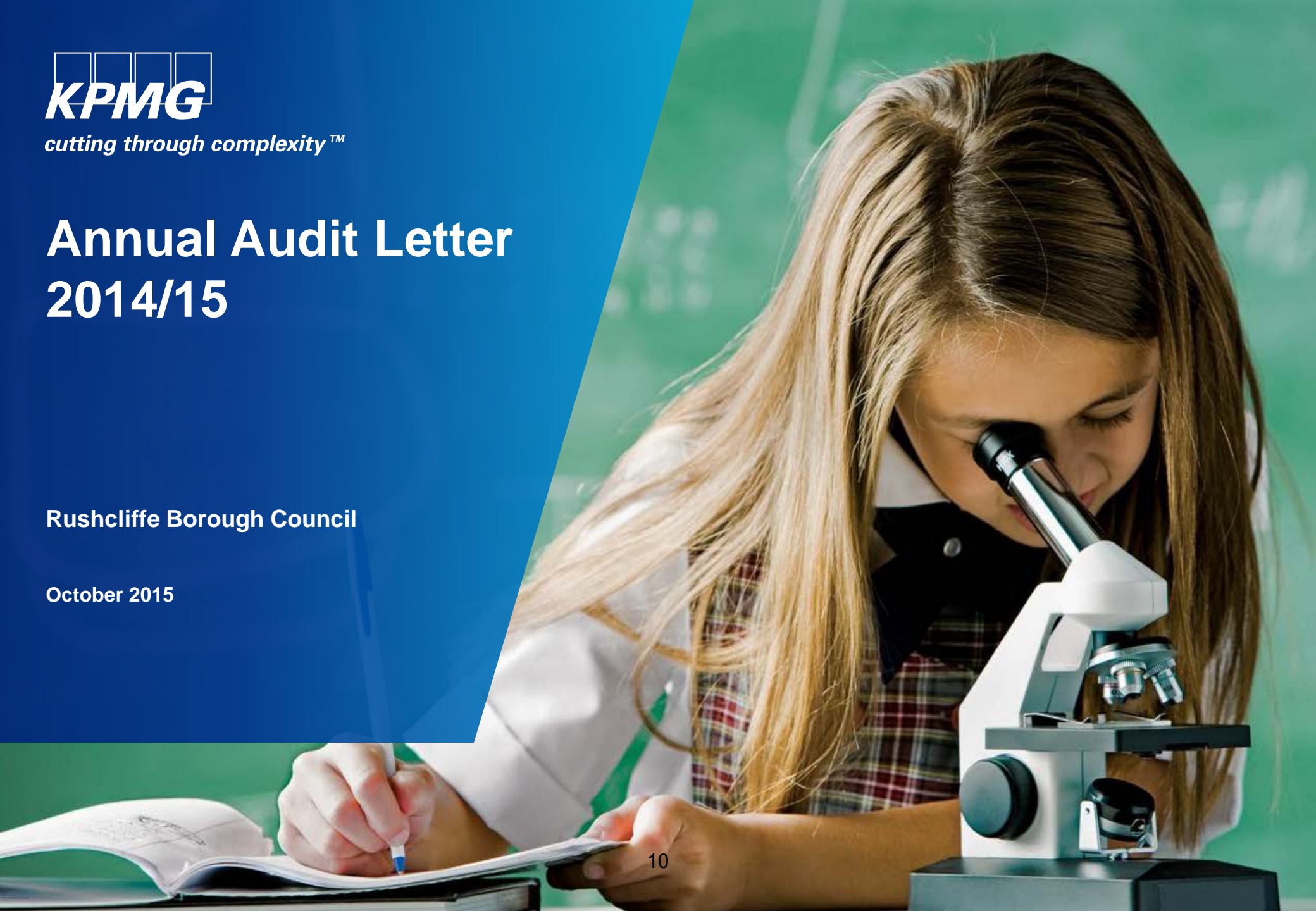


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# Annual Audit Letter 2014/15

Rushcliffe Borough Council

October 2015



**The contacts at KPMG in connection with this report are:**

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## Report sections

- Headlines

## Appendices

2. Summary of reports issued
3. Audit fees

## Page

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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 issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies* summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psa.co.uk](http://www.psa.co.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.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Bush, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Trevor Rees (on 0161 246 4000, or by email to [trevor.rees@kpmg.co.uk](mailto:trevor.rees@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

**This report summarises the key findings from our 2014/15 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.**

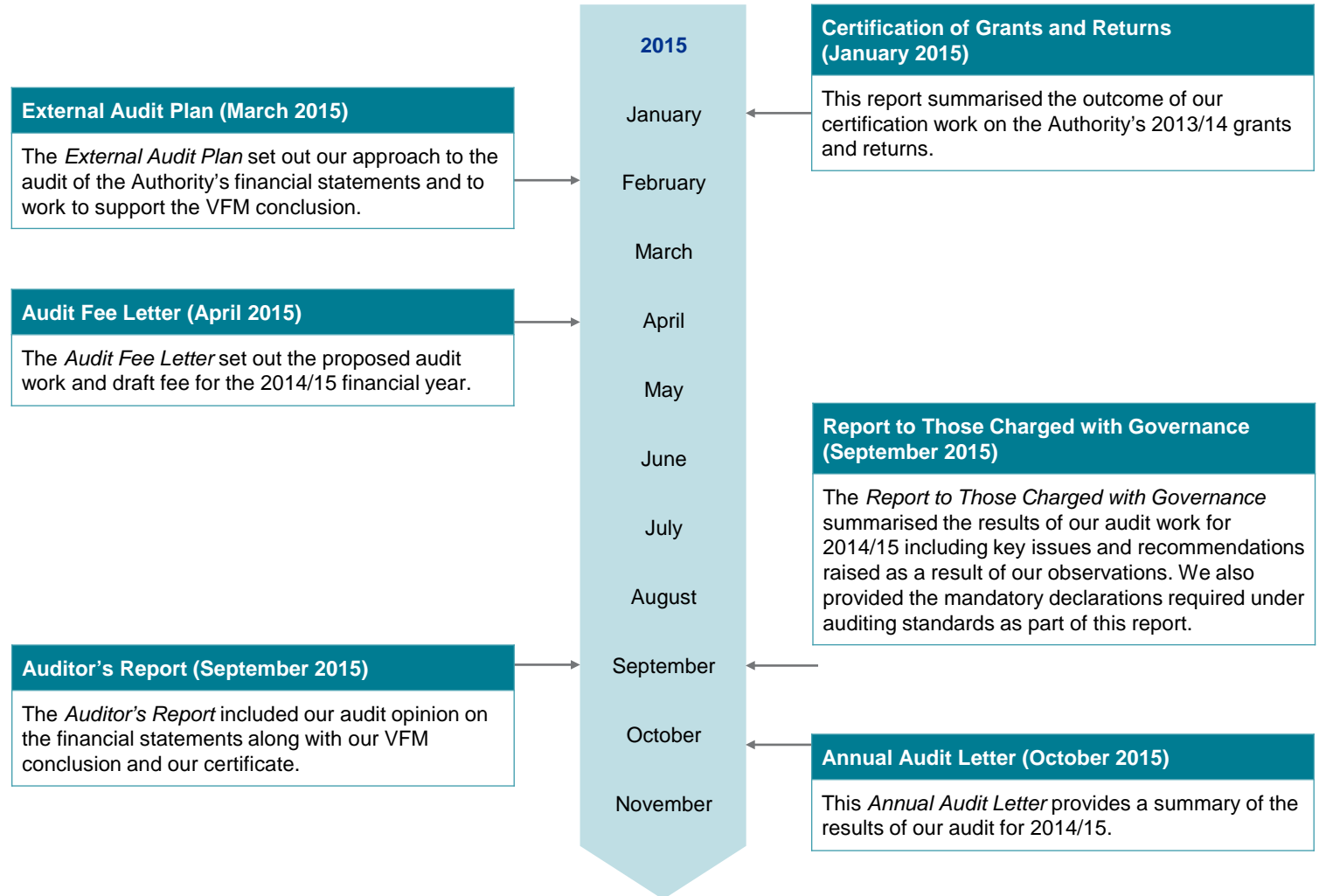
**Our audit covers the audit of the Authority's 2014/15 financial statements and the 2014/15 VFM conclusion.**

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

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2014/15 on 29/09/2015. This means we are satisfied that that Authority had proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at the Authority's financial governance, financial planning and financial control processes, as well as the arrangements for prioritising resources and improving efficiency and productivity.</p>
<b>VFM risk areas</b>	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the Authority's financial statements on 29/09/2015. 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>
<b>Financial statements audit</b>	<p>We review risks to the financial statements on an ongoing basis. We identified the consolidation of group accounts as a key financial statements audit risk in our External Audit plan issued in March 2015 and found no significant matters arising as a result of our work in this area.</p> <p>The Authority has good processes in place for the production of the accounts and good quality supporting working papers. Officers dealt efficiently with audit queries and the audit process was completed within the planned timescales. The audit of your financial statements did not identify any material adjustments. The Authority made a small number of non-trivial adjustments, most of which were presentational.</p>
<b>Annual Governance Statement</b>	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>
<b>Whole of Government Accounts</b>	<p>The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.</p>
<b>Recommendations</b>	<p>We raised no recommendations as a result of our 2014/15 audit work.</p>
<b>Certificate</b>	<p>We issued our certificate on 29/09/2015. The certificate confirms that we have concluded the audit for 2014/15 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p>
<b>Audit fee</b>	<p>Our fee for 2014/15 was £55,050, excluding VAT. Further detail is contained in Appendix 2.</p>

## Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.



**This appendix provides information on our final fees for the 2014/15 audit.**

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2014/15 planned audit fee.

**External audit**

Our final fee for the 2014/15 audit of the Authority was £55,050, which is in line with the planned fee. Our fees are still subject to final determination by Public Sector Audit Appointments.

**Certification of grants and returns**

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work in January 2016.

**Other services**

We provided no other services to the Authority in 14/15.





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## Report of the Interim Executive Manager - Finance and Commercial

### 1. Summary

- 1.1 The attached report has been prepared by the Council's internal auditors RSM. It is the first report for the financial year 2015/16 and shows the current position on the audit programme, along with any significant recommendations with regards to the audits completed during this period.
- 1.2 For information the Council's internal auditors were previously known as Baker Tilly. Baker Tilly were part of the wider RSM group of firms, clients and business prospects. Following an internal company wide name change all firms under the RSM umbrella became known as RSM from the 26 October 2015.

### 2. Recommendation

- 2.1 It is RECOMMENDED that the Corporate Governance Group notes Internal Audit's first Progress Report for 2015/16 (**Appendix A**).

### 3. Reasons for Recommendation

- 3.1 To conform with best practice and Public Sector Internal Audit Standards; and give assurance to the Corporate Governance Group regarding the Council's internal control environment.

### 4. Supporting Information

- 4.1 The attached report highlights the completion and issuing of a final report on one audit assignment (Transformation), with no actions recommended. Consequently this assignment has been given substantial assurance.
- 4.2 A draft report has been issued on one audit assignment and audit fieldwork has commenced on three further assignments with final reports due to be reported at the next meeting of this group in February 2016. The remainder of the audit plan is due to be completed over the remaining four months of 2015/16.

### 5. Other Options Considered

- 5.1 Not Applicable

## 6. Risk and Uncertainties

- 6.1 If recommendations are not acted upon there is a risk internal controls are weakened and the risk materialises.

## 7 Implications

### 7.1 Finance

There are no direct financial implications to the report. Indirectly a better internal control environment suggests risk has reduced and can result in a reduced audit workload and therefore cost.

### 7.2 Legal

None

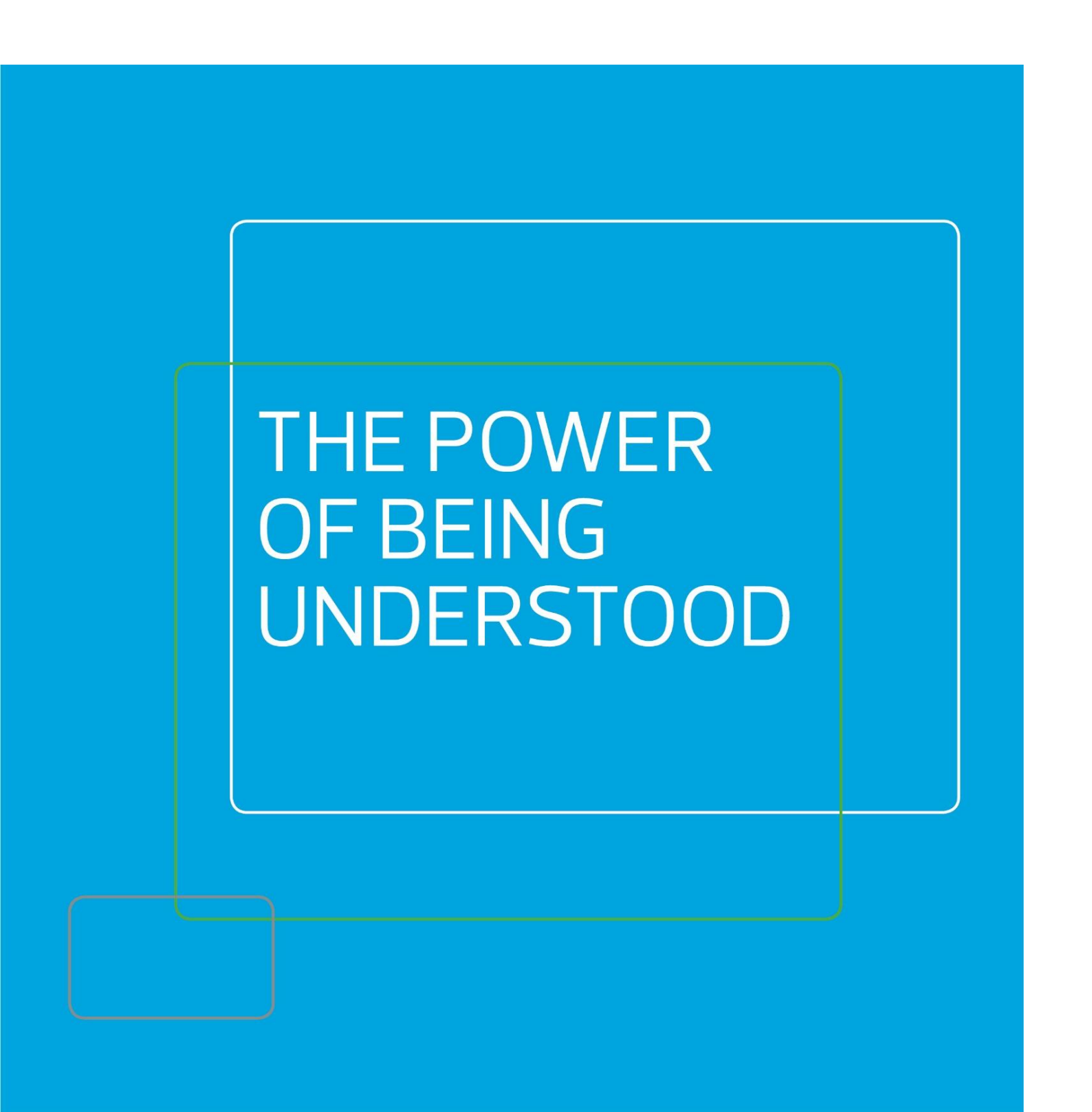
### 7.3 Corporate Priorities

Not applicable

### 7.4 Other Implications

None

<b>For more information contact:</b>	Peter Linfield Interim Executive Manager (Finance and Commercial) 0115 914 8439 email <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Internal Audit Reports 2015/16
<b>List of appendices (if any):</b>	Appendix A – Internal Audit Progress Report 2015/16



# THE POWER OF BEING UNDERSTOOD

**RUSHCLIFFE BOROUGH COUNCIL**

**Internal Audit Progress Report**

**Corporate Governance Group**

**3 December 2015**

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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management’s responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person’s reliance on representations in this report.

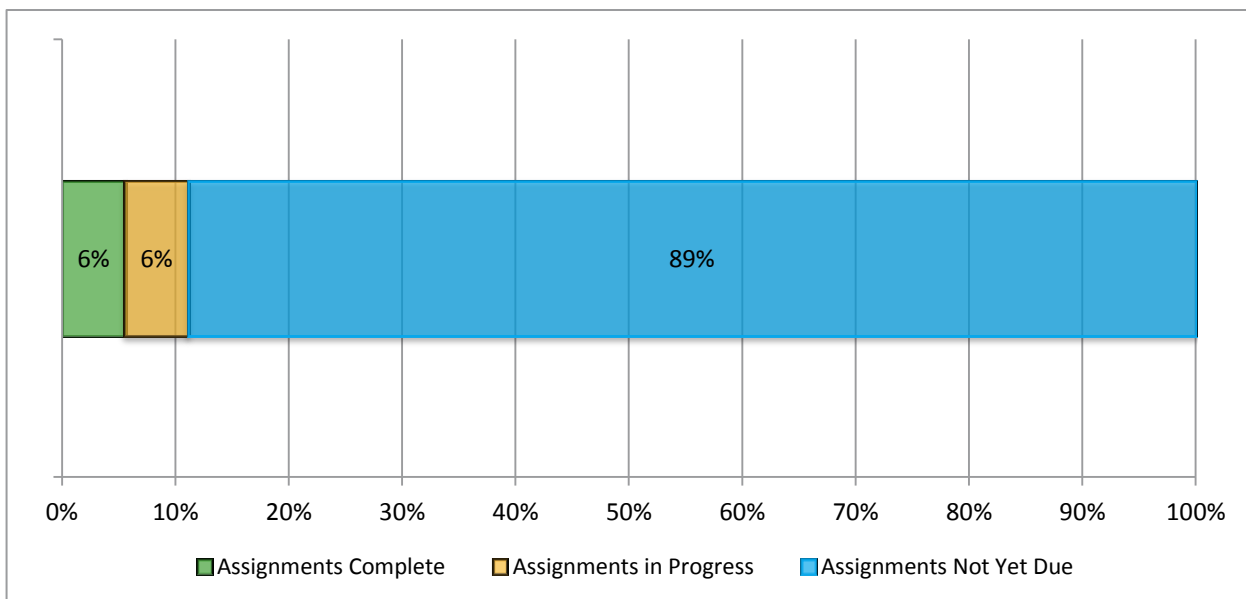
This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

# 1 INTRODUCTION

The internal audit plan for 2015/16 was approved by the Corporate Governance Group in 29 June 2015. Below provides a summary update on progress against that plan and summarises the results of our work to date. Please see chart below for current progress with the plan.



## 2 REPORTS CONSIDERED AT THIS AUDIT COMMITTEE

This table informs of the audit assignments that have been completed and the impacts of those findings since the last Audit Committee held. The internal audit plan for 2015/16 was approved by the Corporate Governance Group in June 2015. Below provides a summary update on progress against that plan and summarises the results of our work to date. The Executive Summary and Key Findings of the assignments below are attached to this progress report

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
Transformation	Final Report Issued		0	0	0

### 2.1 Impact of findings to date



There are no significant issues arising from our work that would impact on our year end overall opinion.

### 3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2015/16	Status	Target Corporate Governance Group per the IA Plan 2015/16
Streetwise	September 2015	Draft report issued 10 November 2015 for discussion.	November / December 2015
Taxi Licensing	October 2015	Debrief issued 9 November and discussions being held with client to agree actions.	November / December 2015
Building Control	October 2015	Debrief scheduled to be undertaken w/c 16 November 2015	November / December 2015
Member Services	September 2015	Start of audit delayed due to staff illness. Debrief scheduled to be undertaken w/c 16 November 2015	November / December 2015
Fleet Services	October 2015	Officer request to postpone start of audit due to staff unavailability. Audit scheduled to commence 14 December 2015	February 2016
Income and Debtors	November 2015	Audit fieldwork commenced 9 November 2015	February 2016
Housing Benefits	November 2015	Audit fieldwork scheduled to commence 30 November 2015	February 2016
Council Tax	November 2015	Audit fieldwork scheduled to commence 7 December 2015	February 2016



Risk Management	October 2015	Audit postponed due to Executive Manager leaving employment of Council. Fieldwork is now scheduled to commence 14 December 2015	February 2016
NNDR	January 2016	Audit fieldwork scheduled to commence 18 January 2016	March 2016
Treasury Management, Cash and Bank	January 2016	Audit fieldwork scheduled to commence 18 January 2016	March 2016
Main Accounting and Budgetary Control	January 2016	Audit fieldwork scheduled to commence 25 January 2016	March 2016
Follow Up of Previous Recommendations	January 2016	Audit fieldwork scheduled to commence 11 January 2016	March 2016
Tendering and Contracts	February 2016	Audit fieldwork scheduled to commence 1 February 2016	March 2016
Corporate Governance	October 2015	Audit postponed due to Executive Manager leaving employment of Council. Fieldwork is now scheduled to commence 8 February 2016	February 2016
Payroll	February 2016	Audit fieldwork scheduled to commence 8 February 2016	March 2016

## 4 OTHER MATTERS

### 4.1 Changes to the audit plan

There have been no changes to the audit plan

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## Report of the Executive Manager – Operations and Transformation

### 1. Summary

- 1.1. In June 2015 the Corporate Governance Group considered the Council's Annual Report for health and safety. This Annual Report covered the period April 2014 to end March 2015 and its production was required as part of the Council's Health and Safety Management Framework.
- 1.2. Following the first Annual report to 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 2015 to end September 2015. This update also sets out the work undertaken to achieve and deliver the Council's Health and Safety goals.

### 2. Recommendation

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

### 3. Implications

#### 3.1. Finance

- 3.1.1. There are no financial implications.

#### 3.2. Legal

- 3.2.1. There are no legal implications.

#### 3.3. Corporate Priorities

- 3.3.1. Maintaining and enhancing our residents' quality of life.

#### 3.4. Other Implications

- 3.4.1. None

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<b>Background papers Available for Inspection:</b>	
<b>List of appendices (if any):</b>	Health and Safety Report - Six month summary April 2015 to end September 2015

# HEALTH AND SAFETY REPORT

Six month summary  
April 2015 to end September 2015

## 1. INTRODUCTION

- 1.1 This six monthly report sets out the Council's occupational health and safety performance during the six month period 1 April 2015 to 30 September 2015. As with previous reports to the Corporate Governance Scrutiny Group it is split into a number of sections highlighting the key issues that the Group need to be aware of. It also 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 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**

<b>Course Subject</b>	<b>Number of Staff attended</b>	<b>% of those requiring training who have been trained</b>	<b>Outcome/impact</b>
Health and safety Induction	5	100%	Mandatory training attended by new employees.
Defibrillator training	6	100%	Practical session to give skills in CPR and use of the defibrillator at the Civic Centre.

First Aid requalification	4	100%	First aid training is based on a 3 year programme and those staff requiring requalification training have completed the course ensuring compliance with the first aid regulations
Ladder safety training	7	70%	For staff who may access ladders as a part of their job. Not all relevant staff were able to attend. Further session to be organised.
Manual Handling practical training	19	100%	Training requested through PDR
Chief Evacuation Marshal Training	8	50%	Training for the new employees now located on the ground floor. Further training took place in September to ensure all staff are now trained.
Smoking cessation training	5	70%	Training for the new Workplace Health Champions to support colleagues to give up smoking
Flood awareness training	23	45%	Awareness training for both Streetwise and RBC staff who may carry out tasks in or nearby flood water during emergencies. Further training sessions taking place to ensure sufficient numbers of trained staff in place
Fire safety Training e-learning	6* (199 total)	98%	Refresher training for staff on fire safety issues. There are 204 employees who have access to the e-learning. The aim is to achieve 90%.
Display Screen Equipment e-learning	89*	39%	On-line training and assessment of computer workstations. 231 employees have been given access to the new e-learning, some staff have completed the old training within the last 3 year period. The aim is to achieve 90%.
Legionella awareness e-learning	9* (48 total)	92%	This training is for all staff who need to be aware of the risks of Legionella within the workplace. 52 staff require this training.
Asbestos awareness e-learning	14* (61 total)	95%	This training is for all staff who need to be aware of the risks of Asbestos within the workplace. 64 staff require this training.
Manual handling e-learning	36 (134 total)	60%	Basic manual handling awareness for low risk staff. 225 employees have been given access to the new e-learning package. Some staff will have completed the old e-learning within the last 3 years. The aim is to achieve 90%

\* this figure shows the number trained in this 6 month period, the figure in brackets shows the cumulative total within the last three years.

2.7 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

## 2.8 **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.

2.9 The Employee Health and Safety Group has been established since September 2009 and meets six monthly. This Group is chaired by an Executive Manager 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 3 June 2015.

2.10 At the Depot, monthly team meetings are held with all collection teams where health and safety is on the agenda and current issues or new risks are discussed. Health and safety is also a standard item on front line staffs performance development reviews.

2.11 The final Health and Safety Group is the Legionella, Asbestos and Tree Management Group which meets at least twice yearly and monitors the effectiveness of managing the risks in all three key risk areas. This group met 2 June 2015.

2.12 In the last six months the meetings detailed above 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 are supported by an external Occupational Health provider who are utilised to provide a host of occupational health packages. Within the last six months the services that they have provided specifically relating to health and safety issues have included:

	Attendance numbers Apr to end Sept 15	Comment
Pre-employment medicals	27	All new employees are assessed through a pre-employment questionnaire prior to commencing their role with the Council
HGV Medical	4	Medical assessments as required for HGV drivers

Hand arm vibration	25 questionnaires 1 examination	All employees who use vibrating equipment are assessed annually via questionnaire and if required a medical examination is completed
Hearing tests	44	All employees who use noise emitting equipment undergo an audiometry assessment on a regular basis

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 two dates in November and December.

### 3. PROGRESS TOWARDS ACHIEVING HEALTH AND SAFETY GOALS

3.1 At its meeting on 29 June 2015 the Corporate Governance Group supported the following health and safety goals. These were previously set by the Council's Executive Health and Safety Group and are monitored and reviewed quarterly by them. Progress is set out below.

- **To work towards the Bronze award for Nottinghamshire's Workplace Health Award Scheme. This is a scheme run by Nottinghamshire County Council to promote a healthy productive workforce**

8 Workplace Health Champions have been recruited from volunteers within the organisation. The Scheme was launched in June with a fun health and fitness event in the Council Chamber. Further health promotions have taken place such as mental health awareness. Training for the Champions has been organised to take place in the next few months.

- **To review the next three top priority policies as determined by the health and safety policy review programme. These are operational policies and the implementation will be overseen by the Executive Management Team.**
  - **Provision of Work Equipment Policy**
  - **Violence at Work policy**
  - **Noise at Work policy**

Work has commenced on reviewing the Violence at Work Policy.

- **Develop a new policy on Workplace Substance Misuse (Drugs and Alcohol)**

A new policy has been drafted and comments received by the Executive Management Team. Further amendments to be made in response to comments received and then wider consultation to take place with Unions and employee liaison groups.

## 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

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	Apr – end Sept 2012	Apr – end Sept 2013	Apr – end Sept 2014	Apr – end Sept 2015
Establishment figure head count	370	358	340	338- 303	370	351	341	290
Depot	38	45	34	19	20	19	11	9
Civic	4	5	5	4	4	4	3	1
Community Contact Centre	0	1	1	1	0	1	0	1
Community Facilities	5	5	2	1	2	1	1	1
<b>Total</b>	<b>47</b>	<b>56</b>	<b>42</b>	<b>25</b>	<b>26</b>	<b>25</b>	<b>15</b>	<b>12</b>

4.2 The table above shows that the number of accidents to employees/agency staff is lower than the figure for the same period in the previous years shown. This is extremely encouraging 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

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	Apr – end Sept 2012	Apr – end Sept 2013	Apr – end Sept 2014	Apr – end Sept 2015
Struck by Moving Object	16	14	8	4	10	5	3	2
Strike against fixed object	7	6	5	1	2	4	1	2
Slip / Trip / Fall	12	26	9	11	8	6	4	1
Manual Handling	8	6	12	6	3	5	3	5

Animal attack (e.g. dog)	1	3	3	2	2	1	2	0
Other (Shock/Contact with liquids)	3	1	5	1	1	4	2	2
<b>Total</b>	<b>47</b>	<b>56</b>	<b>42</b>	<b>25</b>	<b>26</b>	<b>25</b>	<b>15</b>	<b>12</b>

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

- All accident types have decreased with the exception of strike against fixed object and manual handling.

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

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	Apr – end Sept 2012	Apr – end Sept 2013	Apr – end Sept 2014	Apr – end Sept 2015
Number of days lost	36	166	38	102	92	27	2	74.5

4.7 The number of days off as a result of an accident at work is reasonably high within this 6 month period. You will see from the table in 4.8 that these days absent have been due to only 5 accidents.

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

Incident Type	Injury type	Location	Time lost in days
Slip, trip, fall	Fractured elbow	R2Go	24
Manual handling	Muscular back	R2Go	20.5
Manual handling	Sciatica	Community Facilities	8
Manual handling	Shoulder pain	R2Go	15
Other (road traffic accident)	Whiplash	R2Go	7
<b>Total</b>			<b>74.5 days</b>

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

In the 6 month period 4 accidents required reporting to the Health and Safety Executive as required by the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) legislation. This compares to zero in the same 6 months in 2013.

4.10 *The number of health and safety enforcement notices*

There have been no visits by the Health and Safety Executive (HSE). The Fire Service visited the Depot site for a familiarisation exercise and advised on a couple of minor signage updates that were required. There have not been any enforcement notices served on the Council.

## **5. STREETWISE ENVIRONMENTAL**

- 5.1 Streetwise Environmental is now a separate social enterprise business and staff working for the Council within our Streetwise service were transferred to Streetwise Environmental as of 1 September 2014.
- 5.2 Therefore the Streetwise figures have been taken out of the Rushcliffe Borough Council Health and Safety report and instead are reported by Streetwise Limited to the Streetwise Board.

## **6. LEISURE CENTRE FACILITY FIGURES**

- 6.1 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.
- 6.2 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 2015 to end September 2015 are as follows:
- 205 accidents to members of the public in this 6 month period
  - This compares to 227 for the same period in 2014, 254 in 2013 and 233 in 2012.
- 6.3 These figures need to be considered in the context of total centre usage of 655,251 people for the 6 month period. This equates to 0.31 accidents 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.
- 6.4 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.

## **7. THE COUNCIL'S WIDER ROLE IN HEALTH AND SAFETY**

- 7.1 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.

7.2 Actions we've taken as a Council 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 have been reviewed and updated for all appropriate sites
- The gritting of car parks during periods of inclement weather to ensure safe access to the public
- Scheduled inspections of play equipment at parks

7.3 The proactive actions outlined above help to reduce and manage risk at Council sites and venues. 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.

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	Apr – end Sept 2012	Apr – end Sept 2013	Apr – end Sept 2014	Apr – end Sept 2015
Member of Public	14	10	10	15	8	5	10	20
Contractor	0	0	0	0	0	0	0	0

7.4 Seventeen of the twenty accidents to members of the public occurred at Rushcliffe Country Park with ten of the accidents involving bicycles or scooters and were play related accidents rather than related to the environment.

## 8. CONCLUSION

8.1 The information reported in relation to the management of health and safety indicates that figures for number of accidents, currently at 12 has reduced significantly when compared with the previous three years which were 15, 25 and 26.

8.2 The number of days absent from work due to accidents has risen significantly compared to previous years with 74.5 days absent. This is however only due to five employees having time off work. 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.

8.3 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 2015 to end Sept 2015

	April	May	June	July	Aug	Sept	RIDDOR	Total Accidents Public	Total Staff	Total attendance figures
East Leake	3	5	4	3	0	2	0	17	0	109,216
Rushcliffe Leisure Centre	9	13	13	13	8	8	1	64	0	200,179
Bingham Leisure Centre	14	4	11	9	7	5	0	50	0	122,070
Cotgrave Leisure Centre	12	8	11	8	6	13	4	58	2	112,944
Rushcliffe Arena	1	2	3	0	**	**	0	6	0	48,584
Keyworth Leisure Centre	2	0	1	3	3	1	0	10	0	62,258
<b>Total</b>	<b>41</b>	<b>32</b>	<b>43</b>	<b>36</b>	<b>24</b>	<b>29</b>	<b>5</b>	<b>205</b>	<b>2</b>	<b>655,251</b>

\*\* Rushcliffe Arena was closed for business in July

**April 2014 to end Sept 2014 for comparison**

	April	May	June	July	Aug	Sept	RIDDOR	Total Accidents Public	Total Staff	Total attendance figures
<b>East Leake</b>	2	2	2	4	3	0	0	13	0	100,529
<b>Rushcliffe Leisure Centre</b>	16	13	10	11	14	9	2	73	2	194,436
<b>Bingham Leisure Centre</b>	1	10	9	9	9	7	0	45	1	122,341
<b>Cotgrave Leisure Centre</b>	14	8	7	8	9	5	1	51	1	110,577
<b>Rushcliffe Arena</b>	1	6	9	3	0	2	1	21	1	95,698
<b>Keyworth Leisure Centre</b>	3	3	6	7	3	2	0	24	1	65,751
<b>Total</b>	<b>37</b>	<b>42</b>	<b>43</b>	<b>42</b>	<b>38</b>	<b>25</b>	<b>4</b>	<b>227</b>	<b>6</b>	<b>689,332</b>



## Report of the Executive Manager - Operations and Transformation

### 1 Summary

- 1.1 At its meeting on 13 November 2014 the Corporate Governance Group were informed that the Executive Manager - Operations and Corporate Governance, had received recommendations from the internal auditor after the annual audit of risk management had been completed in November. The audit confirmed that the Council continues to manage risk effectively and concluded that it had retained its Green status rating. A commitment has been made to provide these updates and it has been added to the work programme.
- 1.2 This report provides an update on the progress made since the meeting on 26 March 2015 to implement the recommendations made within the internal audit report and also provides a summary of any activities associated with updating the Council's risk register and work relating to the Council's emergency planning and business continuity functions.

### 2 Recommendation

It is RECOMMENDED that the Corporate Governance Group

- a) note the contents of the report, and
- b) consider the actions taken to review the risk management arrangements and implement internal audit recommendations

### 3 Risk Management Review and activity

- 3.1 The Council's Risk Management Strategy continues to provide the framework for managing risk and states that the Corporate Governance Group is provided with updates on the risk management arrangements and the Group's responsibility is "to oversee and scrutinise the effective management of risk by officers".

There were three notable recommendations arising from the 2014/15 audit which are as follows:

- 'A risk assessment form should be introduced to assist the executive managers and lead specialists with the risk assessment process'.
- 'As good practice, all the relevant staff should be provided with regular refresher training on risk management.'
- 'A formal assurance framework should be put into place and used by the council to evidence the existence and viability of the sources of assurance

upon which it places reliance in order to manage its risks and achieve its objectives.’

As reported to the Group at the meeting on 26 March 2015, the assurance framework and risk evaluation template have been implemented. The third recommendation which stated it was good practice to provide regular refresher training was completed on 21 August 2015. Service Managers and Lead Specialists were provided with training by Zurich which gave an overview of the risk management process and risk management for projects and contracts.

3.2 Throughout the year EMT has met as the Council’s Risk Management Group 3 times since the Group’s March meeting, on 12 May 2015, 4 August 2015 and 6 October 2015 in order to oversee the management of risk across the organisation and review, where necessary, operational and strategic risks. These meetings ensure consideration is given to reviewing the risk register, amending or updating existing risks and ratings, verifying control measures and, where necessary identifying new risks. This review process continues to remove unnecessary risks that are low scoring; those with the lowest likelihood or impact and / or risks that have effective mitigation ensuring the risk factors are under control. Additionally new risks are identified and are added to the register taking into account the changing nature of the Council’s business and its priorities.

3.3 As a consequence of this continual review process the number of corporate risks has decreased from 29 to 28. Additionally there has also been an increase in the number of operational risks from 22 to 26. Therefore the total number of risks has increased to 54. The number of risks within the registers will fluctuate throughout the year as active risk management is undertaken, however it is unlikely that they will rise significantly to the 73 risks on the registers before the 2013 review. Changing pressures facing local government and the proactive work of managers to identify risks as they emerge will continue to influence new risks added to the register and demonstrates the Council’s aim to be proactive to mitigate risk as soon as possible after identification. The revised list of all risks has been attached at **Appendix A**.

3.4 At the request of the Group a ‘top scoring’ list of risks is shown below:

**Risk score 12 – Impact 4 Likelihood 3**

CRR\_FC02 Reduction in Government funding linked to New Homes Bonus.

**Risk score 9 – Impact 3 Likelihood 3**

CRR\_FC11 Central Government policy changes

CRR\_DC17 Risk and return from Asset Investment Strategy

OR\_TR16 Failure to secure vacant possession of Cotgrave precinct and associated risks to town centre regeneration.

**Risk score 8 – Impact 4 Likelihood 2**

CRR\_CG13 Threat of major successful cyber-attack

CRR\_TR05 Failure to deliver the Transformation Strategy

CRR\_TR06 Failure to properly manage and deliver significant projects – Leisure and office move

OR\_CG19 Unauthorised access to IT systems

OR\_FC09 Loss of capital/lower interest earned on investments, due to Bail-in legislation.

### 3.5 Examples of risks that have been changed following the review process are:

#### Risks removed

CRR\_CO01 – Successful challenge to adopted Core Strategy. This risk was removed from the register by the Risk Management Group at its meeting in August as a result of the withdrawal of the challenge.

OR\_TR15 – Failure to secure stage 2 HLF funding for Bridgford Hall. This risk was removed by the Risk Management Group at the October meeting following the successful award of the grant.

#### Risks added

OR\_CG22 Receipt of an election petition due to the mismanagement of the election – this was added due to the increased risk of managing a Parliamentary election at the same time as a Parish and Borough election, the first time this happened in 30 years.

OR\_NS26 Lack of or inappropriate monitoring of Nottingham City Council vehicle maintenance contract resulting in reduced standards and increased costs – this risk was added as the contract with Nottingham City Council is a new venture and needs to be monitored. It should be noted that the City Council have presented the good performance in year one to the Partnership Delivery Group on 30 June 2015.

OR\_TR14 Partners closure of buildings where RBC has contact points, including RCCC – if a partner decides to close a building we have to find alternative premises.

OR\_TR16 Failure to secure vacant possession of Cotgrave precinct and associated risks to town centre regeneration – if the Council does not gain possession of the whole site, this could have an impact on the final development.

3.6 Two vacancies have arisen in the past 4 months for Executive Manager Operations and Corporate Governance, and Executive Manager Finance and Commercial. The duties of monitoring officer and section 151 officer associated with these posts have now been covered by interim arrangements. It is anticipated that the future of these posts will be considered by Council on 10 December 2015. It should be noted that this change may pose a higher risk to the authority although mitigation has been put in place.

3.7 The annual internal audit by RSM has been arranged for December 2015.

## 4 Emergency Planning Update

### 4.1 Flood resilience stores

To encourage flood risk communities to prepare for emergencies a promotion has taken place around flood resilience stores including:

- Guidance on setting up a flood resilience store
- Flood resilience store grant scheme

<http://www.rushcliffe.gov.uk/environmentandwaste/emergencyplanning/communityresilience/>

The grant scheme has been provided by using severe weather recovery scheme monies received by Rushcliffe Borough Council from central government. All Parish Councils and West Bridgford Local Area Forum were invited to apply. Grants have been issued this year to Orston and Radcliffe on Trent Parish Councils.

#### **4.2 Repair and renew severe weather grant scheme**

The government repair and renew severe weather grant scheme closed on the 5 September 2015. The scheme provided:

- Repair and renew grants: up to £5,000 per household for flood resilience measures
- Council tax relief scheme

Rushcliffe Borough Council received 1 application for the scheme.

#### **4.3 Mass fatalities and emergency mortuary**

The Local Resilience Forum (LRF) mass fatalities group has obtained permission to use a site in Rushcliffe for an emergency mortuary if the 2 other pre-identified sites in Nottinghamshire were unavailable. In the event of a mass fatalities incident the Local Authority within whose area the emergency mortuary is situated will work with the 'responsible' authority in the establishment of the emergency mortuary and provide staff for a forward liaison team. (The responsible authority will always be Nottinghamshire County Council or Nottingham City Council and they will be responsible for expenditure.) To provide resilience, the forward liaison teams of the 3 district and borough councils with sites will be available to work on whichever site is activated.

The main role of the forward liaison team is:

- To oversee the establishment and decommissioning of the emergency mortuary
- Control the build in line with the supplied layout plans in conjunction with the police mortuary operations co-ordinator, supervising forensic pathologist, the designated individual and logistics cell.

Staff have been approached who have the most suitable skills to be part of this team and asked if they would be interested in volunteering. Eight staff have expressed an interest and will be trained in the New Year by the LRF mass fatalities group in the detail of the site specific implementation plan.

#### **4.4 Emergency plans**

Rushcliffe Borough Council

Plans reviewed and updated in 2015

- Corporate emergency plan
- Corporate business continuity plan.

A new elected Members information document on major incidents has been produced, providing details of the role of elected Members and ways to assist their communities and providing background topic sheets on subjects from severe weather to floods. The plan is available on the extranet.

### Local Resilience Forum

The Local Resilience Forum (LRF) local flood response plan for Rushcliffe was approved by the LRF in July. The plan supplements the LRF flood plan and is provided for responders. It incorporates:

- Flood risk (including sources of flooding, likelihood and impact)
- Approximate number of properties at risk (including street names)
- Other important sites at risk (e.g. critical infrastructure, residential homes)
- Access and egress routes
- Rendezvous points
- Designated welfare facilities (e.g. places of safety, rest centres)
- Details of any community resilience measures (e.g. flood warden schemes, flood resilience stores, community emergency plans).

## 4.5 Training

Training has been given to 54 members of staff in flood water awareness. Staff from a variety of services that may be involved in the response to flooding incidents took part. Staff came from Streetwise, Recycling2go, depot duty officers, environmental health officers and Neighbourhood officers.

## 4.6 Exercises

Exercise Courier will be taking place on the 1 December 2015 and will test the LRF telecommunications plan and the fall back options to a wide scale loss of communications incident.

## 5 Implications

### 5.1 Finance

The Risk Management Group ensures that the financial risks of the Council are managed. The SLA with Nottinghamshire County Council to provide an Emergency Planning Service has been renewed for 2014-15 to ensure satisfactory provision is in place.

### 5.2 Legal

The Risk Management Group ensure that the section 17 implications are contained within the risk register.

### 5.3 Corporate Priorities

All risks within the Corporate Risk Register are linked to the Councils' Corporate Priorities.


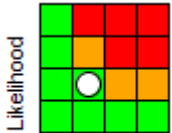
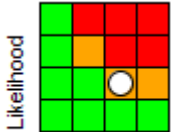
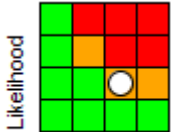




### 5.4 Other Implications

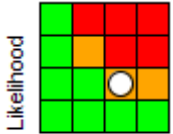
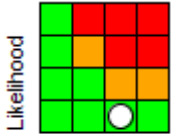



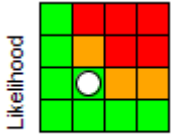


There are no other implications

<b>For more information contact:</b>	Name: Katherine Marriott Executive Manager – Operations and Transformation 0115 914 8291 email <a href="mailto:kmarriott@rushcliffe.gov.uk">kmarriott@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	None
<b>List of appendices (if any):</b>	Appendix A – Risk registers

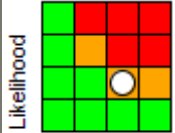
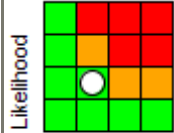


## Corporate Risks


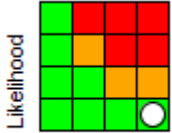
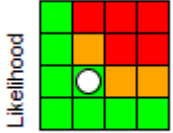
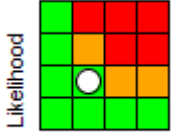


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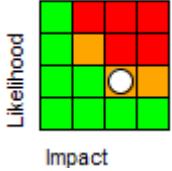
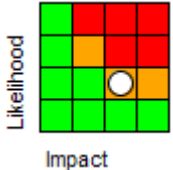
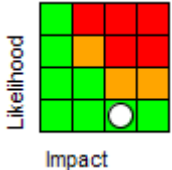
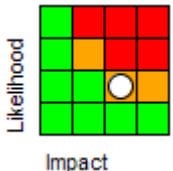
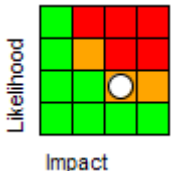
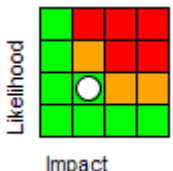
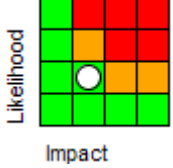
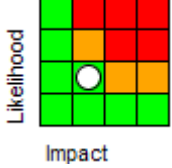
Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
CRR_CG01 Failure to properly deal with community governance review legislation, Community Right to Challenge, and nominations for assets of community value	Our Residents	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	Electoral review 2012; RBC constitution & decision making processes; resident satisfaction survey 2012 (highly engaged residents); agreed Localism Act procedures, Community Right to Challenge Dec 2012, Assets of Community Value Dec 2012; high electoral turnout and sound electoral practices
CRR_CG02 Equal pay claim	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	Equal Pay audit and Pay & Reward review was completed May 2008. Risk mitigated through own policies & practice
CRR_CG03 Insufficient staff capacity - skills, knowledge etc	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	Four year plan programme & reviews; Recruitment policy; Corporate Strategy setting priorities; Transformation programme; Management review 2012; Training and development plan / talent pool; People Strategy 2014-16 published
CRR_CG04 Significant reduction in staff morale	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	People Strategy reviewed and published 2014; PDR process, learning and development plan / talent pool; ELG - staff engagement; Four year plan with clear priorities; Internal Communications and Staff Engagement Plan published and partly delivered; FIT Programme of workshops and events published and partly delivered Staff survey to be carried out November 2015

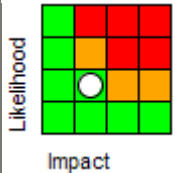
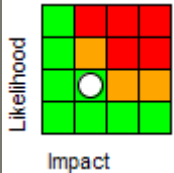
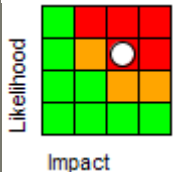
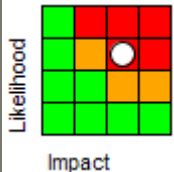
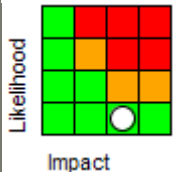
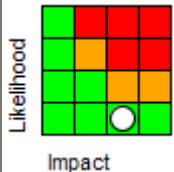
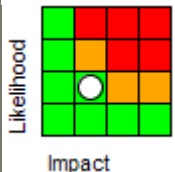
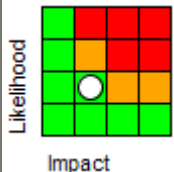
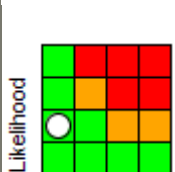
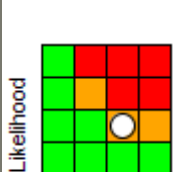
Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
CRR_CG06 Loss or compromise of sensitive data	Our Council	 Likelihood Impact	04-Aug-2015	 Likelihood Impact	Document Retention Policy; Information Management Strategy; Information Security Policy; 1-2-1 coaching for Members including wi-fi access and password protocol; E-Learning training for data sensitivity / security 2 stage authentication & encryption AirWatch mobile device management
CRR_CG08 Long term loss/failure of main ICT systems	Our Council	 Likelihood Impact	04-Aug-2015	 Likelihood Impact	Business continuity plans in place. Contract with ADAM Continuity for mobile server capability to upload Councils software applications. VPN with other Notts LA's in place. Actions undertaken to reduce single points of failure and ensure appropriate maintenance arrangements are in place. Arrangement with Adam Continuity to recover data after disaster within 8hrs. Arrangement tested annually. Reciprocal arrangements with 4 other Las to provide 30 seats with IT equipment to enable continuation of service delivery.
CRR_CG09 Short term loss/failure of main ICT systems	Our Council	 Likelihood Impact	04-Aug-2015	 Likelihood Impact	Daily back-up of core systems and off site storage of back-up tapes/disks. Housekeeping of data file sizes to optimize system performance. Server control log sheets completed at start of day. Proactive management of the ICT environment Actions undertaken to reduce single points of failure and ensure appropriate maintenance arrangements are in place
CRR_CG10 ICT supplier goes out of business	Our Council	 Likelihood Impact	04-Aug-2015	 Likelihood Impact	Undertake rigorous due diligence in contract procurement and periodic review of existing suppliers

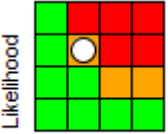
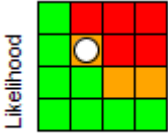
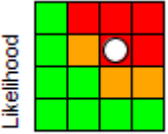
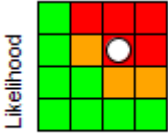
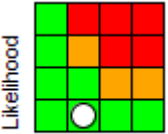
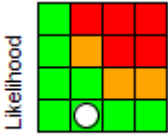


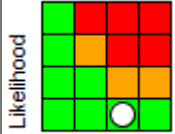

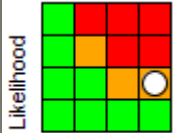
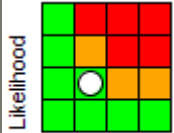


Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
CRR_CG11 Failure of business continuity	Our Council		04-Aug-2015		<ol style="list-style-type: none"> <li>1. Review of corporate business continuity plan.</li> <li>2. Review of service-level business continuity plans.</li> <li>3. Local authority statement of intent on mutual aid.</li> </ol>
	Our Residents				
CRR_CG12 Ineffective emergency planning arrangements	Our Council		04-Aug-2015		<ol style="list-style-type: none"> <li>1. Review of emergency plan.</li> <li>2. Emergency planning training identified for relevant recipients of the emergency plan. An ongoing training and exercising programme is in place and staff will be asked to attend relevant events in 2015/16.</li> <li>3. Attendance and participation in Local Resilience Forum (LRF) sub-groups.</li> <li>4. Service Level Agreement with Nottinghamshire County Council for emergency planning support and co-ordination.</li> <li>5. Service Level Agreement with Newark &amp; Sherwood District Council for senior representation at LRF meetings.</li> <li>6. Involvement in LRF exercises.</li> <li>7. Local authority statement of intent on mutual aid.</li> </ol>

Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
CRR_CG13 Threat of major successful cyber-attack	Our Council	 <p>Likelihood</p> <p>Impact</p>	10-Apr-2015	 <p>Likelihood</p> <p>Impact</p>	<p>ICT have employed various levels of protection which significantly reduce probability to cyber-attack:  <b>Protection against Semantic attacks</b> EAL+4 rated Check Point Firewall. Check Point is a premium market leader solution. Strong separation of External Services from the main network via a DMZ (De-militarised Zone). All Servers and corporate devices have EAL+4 rated firewall installed. USB and CD/DVD RW Device Control are configured on all devices. Local disk encryption is configured on all mobile devices i.e. Laptops, tablets and Blackberry devices.  2 stage authentication &amp; encryption  AirWatch mobile device management</p> <p><b>Protection against Syntactic Attacks</b> All Servers and corporate devices have Anti-virus/Malware protection. Web filtering is enabled on all devices used to surf the Internet. E-mail filtering is enabled on all devices used to access corporate e-mails.</p>
CRR_CO02 Failure of public sector partnerships/ withdrawal of financial support	Our Council	 <p>Likelihood</p> <p>Impact</p>	24-Sep-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Whilst the potential impact of failure of partnerships could be serious with financial and reputational loss the likelihood of this would be low. Measures in place include attendance in person or virtually at partnership groups to identify early notification of changes in partner priorities and/or funding.</p>
CRR_CO03 Failure to safeguard children and vulnerable adults	Our Council	 <p>Likelihood</p> <p>Impact</p>	24-Sep-2015	 <p>Likelihood</p> <p>Impact</p>	<p>The RBC Safeguarding Children Policy was updated in February 2014 to reflect the introduction of the Nottinghamshire Multi-Agency Safeguarding Hub (MASH), the Protection of Freedoms Act 2012 and HM Government guidance in 'Working Together to Safeguard Children 2013'. A new RBC Disclosure and Barring Service Policy was implemented in 2013 to cover safer recruitment practices. Both the Safeguarding Children</p>
	Our Residents				

Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
					and Vulnerable Adults Policies will be reviewed and updated in spring 2016. RBC regularly attend the Nottinghamshire Districts Safeguarding Group which links into both the Nottinghamshire Safeguarding Children and Adults Boards with relevant issues discussed at the RBC officer internal Safeguarding Steering Group. A programme of mandatory taxi driver training on Child Sexual Exploitation will take place throughout 2016 as part of a Nottinghamshire wide initiative.
CRR_FC02 Reduction in Government funding linked to New Homes Bonus	Our Council		13-Oct-2015		Budget process, four year plan, budget monitoring.
CRR_FC03 Failure to prevent or detect fraud and corruption	Our Council		13-Oct-2015		Variety of corporate policies and plans supplemented by arrangements such as registers of interest. Review of financial regulations and internal audit work.
CRR_FC05 Failure to manage the impact of the introduction of Universal Credit on staff/ resource	Our Council		13-Oct-2015		Regular meetings giving updates to staff. Fill vacancies as they arise with Agency staff/temporary contracts. Attendance at national meetings and resultant action.
	Our Residents				
CRR_FC07 Revaluation of major business rate payer	Our Council		13-Oct-2015		Ongoing reporting of business rate valuations through performance clinic and membership of the Nottinghamshire Pool to mitigate downside risk.


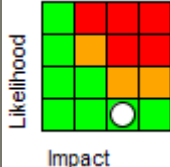
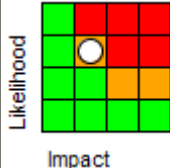
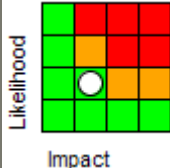
Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
CRR_FC10 Lack of funding from partners	Our Council		13-Oct-2015		Monitor funding via Performance clinics and budget monitoring
CRR_FC11 Central Government policy changes	Our Council		13-Oct-2015		Continue to monitor as part of budgetary process Executive representation at the Nottinghamshire Economic Prosperity Committee Development of a proposal for Combined Authority and a devolution deal for Derbyshire & Nottinghamshire
CRR_FC12 Inadequate capital resources	Our Council		13-Oct-2015		Ongoing review as part of setting and monitoring of the capital programme. Capital resources are becoming increasingly finite. Council Investment Strategy considers this, along with potential future borrowing requirements
CRR_FC13 Fee income volatility	Our Council		13-Oct-2015		Monitored as part of fees and charges review in budget process
CRR_FC14 Inflationary pressures, particularly utility costs	Our Council		13-Oct-2015		Inflation is monitored on a regular basis and where appropriate provision is included within the budgets. The Council has a robust procurement framework, which aims to deliver the best value for money when purchasing supplies and services. Joint procurement also enables the Council to obtain improved purchasing power. There is also contingency provision to address any unexpected issues.

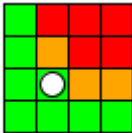
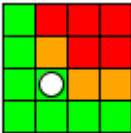
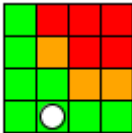
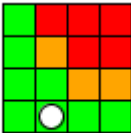
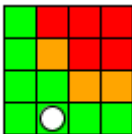
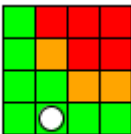
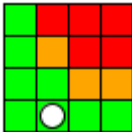
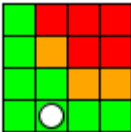
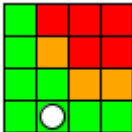
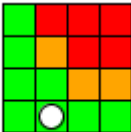
Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
CRR_FC15 Increased demand for services	Our Council	 <p>Likelihood</p> <p>Impact</p>	13-Oct-2015	 <p>Likelihood</p> <p>Impact</p>	To monitor as part of PC reports and budget reports to Cabinet
CRR_FC17 Risk and return from Asset Investment Strategy	Our Council	 <p>Likelihood</p> <p>Impact</p>	13-Oct-2015	 <p>Likelihood</p> <p>Impact</p>	Project evaluation and decisions taken that accord with the Asset Investment Strategy.
CRR_NS08 Failure of internal health and safety compliance or enforcement of health and safety	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Health and safety policy statement in place (April 2012) policies and procedures, up to date risk assessments and safe systems of work regularly reviewed. Health and safety Group meet every 6 months, H&amp;S Officer attends EMT each quarter and report is taken to CGG every 6 months with an annual report also produced. Depot health and safety and welfare group established in 2013 taking over from One Great Depot working group. Appropriate training as and when necessary for all staff (Updated Jan 2014).</p> <p>Health and safety included within client contract monitoring arrangements for Streetwise Environmental Ltd (Feb 2015) Health and safety compliance through safety policy, risk assessments etc. – Safety and Risk Management post; Good enforcement through Environmental Health including the regular business newsletters on topical issues and signposting to regular training for local businesses. Health and Safety Enforcement Plan in place (Updated Jan 2014)</p>

Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
CRR_TR04 Failure to properly manage our property assets	Our Council	 <p>Likelihood</p> <p>Impact</p>	24-Sep-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Original residual risk was 5 as the Asset Management Plan was not detailed enough. Since updating the plan the risk has been reduced to 3.</p> <p>Internal controls include: The vast majority of investment property leases are on full repair and insuring terms. Other properties are managed via the service area responsible for their operational use - eg leisure centres, community facilities. Maintenance budgets are kept and major pieces of work are programmed into the capital programme on an annual basis.</p>
CRR_TR05 Failure to deliver the transformation Strategy	Our Council	 <p>Likelihood</p> <p>Impact</p>	24-Sep-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Individual reviews where there is underachievement may be offset by others with higher savings</p> <p>Monitoring of programme and taking early corrective action</p> <p>Procure extra resources- ie consultancy</p> <p>Find appropriate savings from direct service provision by quality reduction</p>
CRR_TR06 Failure to properly manage and deliver significant projects - Leisure and Office move	Our Council	 <p>Likelihood</p> <p>Impact</p>	03-Nov-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Individual reviews where there is underachievement may be offset by others with higher savings</p> <p>Monitoring of programme and taking early corrective action</p> <p>Procure extra resources- ie consultancy</p> <p>Find appropriate savings from direct service provision by quality reduction</p>
	Our Residents				

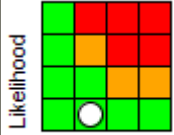
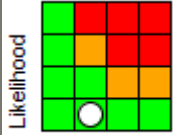


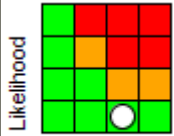
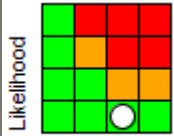
## Operational Risks

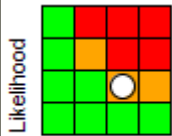
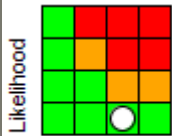
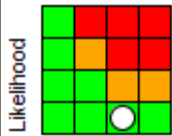
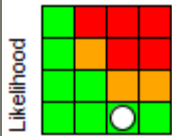
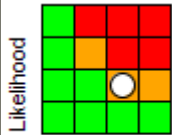
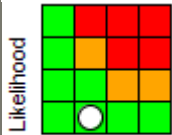
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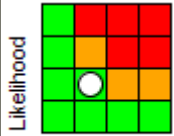
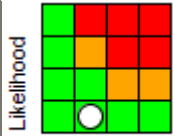

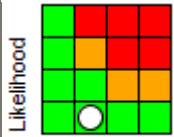


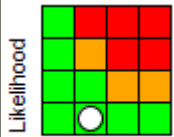
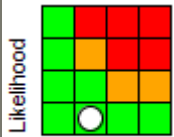
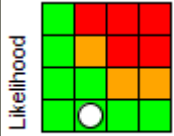
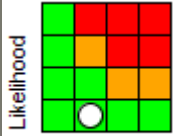
Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
OR_CG01 Loss or compromise of confidential or restricted information or data	Our Council		04-Aug-2015		<p>Encryption programme i.e. software            CGX secure connection            Information security policy            Staff code of conduct            Document retention &amp; disposal policy            Information Management Strategy published            1-2-1 coaching for Members including wifi access and password protocol            E-Learning training for data sensitivity / security etc            2 stage authentication &amp; encryption            AirWatch mobile device management</p>
OR_CG03 Threat of violence to staff	Our Council		04-Aug-2015		<p>Corporate warning register revised 2010            CMT agreed actions resulting from CWR review            Revised procedures for reporting and recording incidents 2010            Training delivered for appropriate officers on use of CWR system            Lone worker policy            Personal safety training            Mobile phones for officers who work alone            CCTV in buildings            Panic alarms fitted in receptions and interview rooms            Working towards controlling public access within the Civic Centre            Anti-social behaviour (ASB) policy implemented            Fencing erected at Cotgrave Leisure Centre            Bomb threat awareness training 2015, and policies updated.</p>

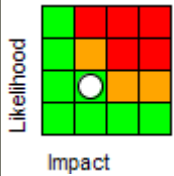
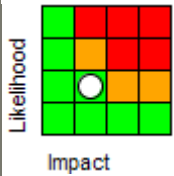
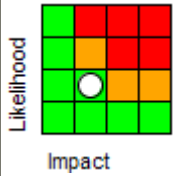
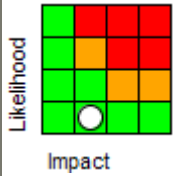
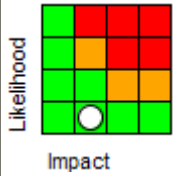
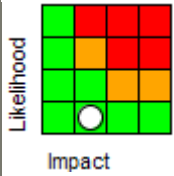
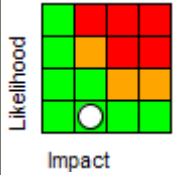
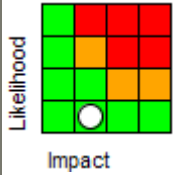
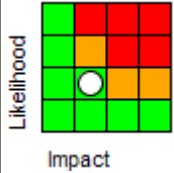
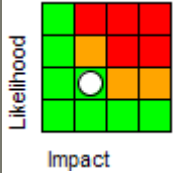
Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
OR_CG06 Failure to meet major statutory duties or take on board new legislation	Our Council	Likelihood  Impact	04-Aug-2015	Likelihood  Impact	Borough Solicitor highlights issues and advises; Lead by the Service Area; Clearer focussed priorities listed in Corporate Strategy Document
	Our Economy				
	Our Residents				
OR_CG07 Failure to comply with the Data Protection Act	Our Council	Likelihood  Impact	04-Aug-2015	Likelihood  Impact	All staff have been trained on Data Protection issues which is a part of the induction process ICT security policy
	Our Residents				
OR_CG09 Failure to comply with Equality legislation	Our Council	Likelihood  Impact	04-Aug-2015	Likelihood  Impact	Equal Opportunities training given to staff; Equal Opportunities policy; Equal Opportunities Group; Level 1 achieved; Instant translation service available; Equalities of opportunities action plan; LGA Equality standard - achieving; Race Equality Scheme and action plan published; Disability and Gender Equality schemes approved by Cabinet; 3 equality schemes to be revised to form single scheme
	Our Residents				
OR_CG14 Inadvertent illegal activity, taking illegal decisions	Our Council	Likelihood  Impact	04-Aug-2015	Likelihood  Impact	Section 151 Officer; Monitoring Officer; Standard report checklist; Whistleblowing policy; New Standing Orders and Financial Regs procedure; Training on new procedure given; Recruitment and staff training; Electronic Contracts Register and approval system
OR_CG15 Risk to staff health due to their work	Our Council	Likelihood  Impact	04-Aug-2015	Likelihood  Impact	Employee wellbeing / welfare policy implemented 2010; Welfare referral as part of Absence Management; Stress questionnaires in place 2010; Revised Guidance for Managers implemented 2010; Occupational Health provider; Hepatitis immunisation programme for at risk staff; Ongoing audiology checks for at risk staff;

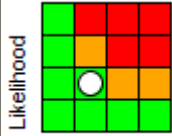
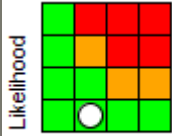




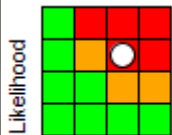



Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
					<p>Hand Arm Vibration (HAVS) - Vibration tests completed on vibrating equipment; HAVS policy implemented</p> <p>Health &amp; safety audit programme</p> <p>Flu jabs</p> <p>Welfare statement</p> <p>Health &amp; Safety Adviser reports to Corporate Governance Group - 6 monthly</p> <p>Health &amp; Safety reported to EMT.</p> <p>Fit in fifteen - working toward Healthy Workplace award</p>
OR_CG17 Threat of Industrial Action	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Consultation and negotiation;</p> <p>Staff have a "no strike" agreement;</p> <p>Low Union involvement</p>
	Our Residents				
OR_CG19 Unauthorised access to IT systems	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	<p>To mitigate the risk, Threat Management software is kept up to date and Firewall rules are regularly reviewed and subject to external audit checks. Penetration testing is also undertaken annually.</p> <p>Password protected screens;</p> <p>Externally managed security system;</p> <p>Fire walls, virus checkers;</p> <p>Authentication, Virtual Private Network being set up;</p> <p>Information Security Policy;</p> <p>Keep up to date through advice available;</p> <p>Back up of data which is stored off site;</p> <p>Government Connect;</p> <p>Security Policy review</p> <p>Encrypted and dual authentication and encrypted pen drives.</p>
OR_CG22 Receipt of an election petition due to the mismanagement of the election	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Maintain a clear trail of audit processes, communications and information sent to stakeholders and election activities including evidence of a project management approach and structured risk management process.</p> <p>Sound management control and review mechanisms.</p>

Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
					<p>Ensure adequate insurance cover.</p> <p>Legal support when required.</p> <p>Effective training of all staff.</p> <p>Full project plan in place.</p>
OR_CO04 Cost of defending appeals for large scale residential developments and potential award of costs	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Development Management approach - working proactively with developers to address any issues/adverse impacts arising from development proposals. The aim of this approach is to address as many technical issues, even if there remains a policy objection, thereby reducing the number of issues to be addressed at appeal. Furthermore, the preparation of the Local Plan (Core Strategy) is now at an advanced stage and should be given appropriate (greater) weight. The Local Plan identifies the location for a SUE south of Clifton and a strategy for provision of housing in the major settlements.</p> <p>Local Plan adopted December 2014</p>
OR_CO05 Failure to determine major planning applications within 13 weeks or agreed period	Our Council	 <p>Likelihood</p> <p>Impact</p>	04-Aug-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Regular monitoring of performance at Performance Clinics.</p> <p>Management and allocation of resources and prioritisation of case load.</p> <p>Use of agreement of extension of time and planning performance agreements with applicants.</p>
OR_FC03 Failure to manage and monitor budget	Our Council	 <p>Likelihood</p> <p>Impact</p>	13-Oct-2015	 <p>Likelihood</p> <p>Impact</p>	<p>Medium term financial strategy; Flexibility in managing budget; Formal budget monitoring in place</p>

Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
OR_FC05 Lack of implementation of financial controls	Our Council	 Likelihood Impact	13-Oct-2015	 Likelihood Impact	Audited systems in place; Improved procedures for the procurement process; Procurement training; Review of financial regulations
OR_FC06 Exposure to breach of VAT rules	Our Council	 Likelihood Impact	13-Oct-2015	 Likelihood Impact	Some guidelines in place; Detailed reconciliations performed by Financial Services to review VAT charges; Training for CPS users before access given to the system; Specialist consultant appointed and detailed training provided to management accountant in 2014.
OR_FC09 Loss of capital/lower interest earned on investments, due to Bail-in legislation	Our Council	 Likelihood Impact	13-Oct-2015	 Likelihood Impact	Advice from Arlingclose (AC) (Investment Advisors), including regular advice on amount and length of time for investments – Investments made in line with this advice. Greater diversification of investments. Controlled list of institutions to invest with as per either s151 or d.s151. Updated with AC advice and risk ratings from companies such as Moody and Fitch. Treasury management policy advises re investments with institutions with low risk rating.
OR_NS02 Disruption and lack of fuel preventing collection of domestic waste	Our Council	 Likelihood Impact	24-Sep-2015	 Likelihood Impact	Agreements in place between neighbouring authorities should RBC have any issues with fuel stock - fuel is delivered on a monthly basis with our capacity at approximately 7 weeks worth of workload. The new co-operation agreement with Nottingham City Council will allow refuelling at Eastcroft Depot should that be necessary. Should there be national fuel disruption then this may have an effect on services but contingency plans are in place at a national level to allow essential services first access to fuel stock (Control updated Sept 2015)
	Our Residents				
OR_NS06 Lack of knowledge of contaminated land	Our Council	 Likelihood Impact	04-Aug-2015	 Likelihood Impact	Dedicated officers with vast wealth of knowledge (John Pembrington and Martin Hickey) Attend courses through EMAQ to update on new technologies and legislative changes. Known contaminated land plotted on GIS arcview system and updated as and when necessary.
	Our Residents				

Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
					RBC attend the Nottinghamshire Land quality Working group where information is shared across districts (Updated Jan 2014)
OR_NS20 Significant malfunction of core services/security risk at Council's temporary accommodation premises	Our Council		04-Aug-2015		Initially control would be through utilisation of existing bed and breakfast facilities both within Rushcliffe and Nottingham City - longer term arrangements can also be made through utilising Broxtowe BC temporary housing stock should the need arise (Control updated Jan 2014)
OR_NS21 Lack of or inappropriate monitoring of the Streetwise prime contract resulting in reduced standards and increased levels of resident dissatisfaction	Our Council		04-Aug-2015		Detailed client monitoring process developed covering KPI's, qualitative assessments, health and safety and customer feedback. Monthly meetings to held to review data and identify variances and any corrective action. Further overview provided by PMB.
	Our Residents				
OR_NS25 Failure to deliver mandatory DFG grant due to insufficient funding	Our Residents		04-Aug-2015		Capital expenditure budget monitored at performance clinics
OR_NS26 Lack of or inappropriate monitoring of Nottingham City Council vehicle maintenance contract resulting in reduced standards and increased costs	Our Council		24-Sep-2015		Full years pre-planned service schedule. Weekly meetings to discuss co-operation agreement and cost breakdown. PI's monitored on a monthly basis and quarterly report prepared for joint management team that oversee contract and performance. Vehicles maintained to manufacturers guidelines.
OR_TR04 Failure to manage legionella issues	Our Council		24-Sep-2015		Legionella policy and proposed capital refurbishments, legionella risk assessments completed. Legionella training on logbooks delivered to all sites. 6 monthly asbestos, legionella and tree management meetings chaired by Exec manager.
	Our Residents				

Risk	Linked to Corporate Theme	Current Risk Score	Last Review Date	Target Risk Matrix	Internal Controls
OR_TR05 Failure to manage asbestos in buildings under our control	Our Council	 Likelihood Impact	24-Sep-2015	 Likelihood Impact	Competent contractor has completed surveys Database with risk assessment in place Management programme to remove high risk asbestos and monitor low risk asbestos Employee training delivered to ensure competency in managing remaining asbestos Database in place - available to Parkwood Leisure Employees training as surveyors to enable inspections to be carried out and update database Exec management team monitors property, 6 monthly asbestos, legionella and tree management meetings chaired by Exec manager.
	Our Residents				
OR_TR13 Failure to maintain council owned trees	Our Council	 Likelihood Impact	24-Sep-2015	 Likelihood Impact	Tree maintenance budget in place to deal with problems Tree survey recommenced Planned maintenance for trees in accordance with the needs identified within the survey 6 monthly asbestos, legionella and tree management meetings chaired by Exec manager.
	Our Residents				
OR_TR14 Partners closure of buildings where RBC has contact points, including RCCC	Our Council	 Likelihood Impact	24-Sep-2015	 Likelihood Impact	RBC has possession of other sites that can be used in emergency situations. This would be a planned change.
	Our Residents				
OR_TR16 Failure to secure vacant possession of Cotgrave precinct and associated risks to town centre regeneration	Our Council	 Likelihood Impact	24-Sep-2015	 Likelihood Impact	Remain in dialogue with the existing traders.
	Our Economy				
	Our Residents				

## Report of the Interim Executive Manager - Finance and Commercial

### 1. Summary

- 1.1. The purpose of this report is to summarise the Treasury Management activities of the Council for the period 1 April to 30 September 2015.
- 1.2. The Treasury Management Strategy Statement (TMSS) for 2015/16, approved by Council on 5 March 2015, incorporates the Council's Annual Investment Strategy, which outlines the Council's investment priorities as follows:
  - Security of capital
  - Liquidity of investments
  - Optimising yield earned on investments
- 1.3. The Annual Treasury Strategy Statement sets Prudential and Treasury Indicators which are relevant for the purposes of setting an integrated Treasury Management Strategy and are a requirement of the CIPFA Code of Practice.

### 2. Recommendations

- 2.1 It is recommended that Members note the Treasury Management update position at 30 September 2015.

### 3. Reasons for Recommendation

- 3.1 CIPFA's Code of Practice for Treasury Management recommends that Members should be informed of Treasury Management activities at least twice a year. This report therefore ensures this Council is embracing best practice for the scrutiny of Treasury Management activity in accordance with this Code of Practice.

### 4. Supporting Information

#### Economic Background

- 4.1. In the first six months of 2015/16:
  - The UK economy remained resilient although growth showed signs of slowing;
  - CPI fell to -0.1% in April and then fluctuated between 0.0% and 0.1%;
  - There was no change to UK monetary policy with official interest rates maintained at 0.5%;

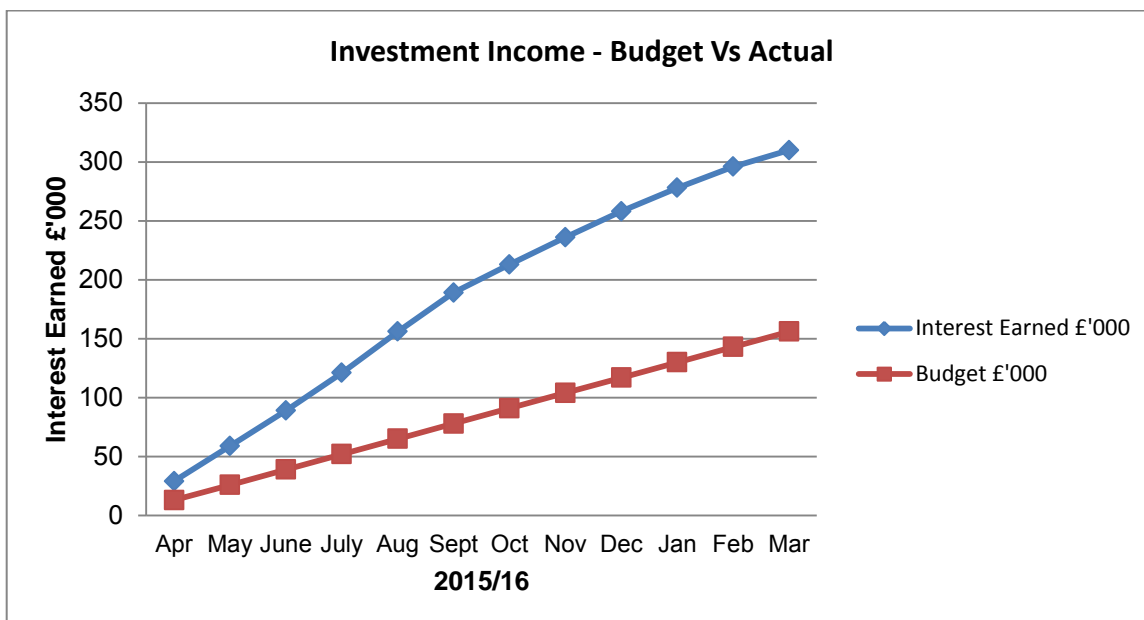
- There were improvements in the labour market with unemployment rates falling to 5.5% in July.

### **Economic Forecast**

- 4.2. The Bank of England base rate has remained consistent at 0.5% during 2015/16 to date which informs the rates that can be obtained from investments. Arlingclose's expectation for the first rise in interest rates remains at June 2016.
- 4.3. The Bank of England's projections for inflation remain unchanged with inflation expected to gradually increase to around 2% over the next 2 years.
- 4.4. The weak global economy and resulting low inflation expectations are likely to result in long term interest rates remaining low which will impact on the level of income that the Council receives from its investments.

### **Investment Income**

- 4.5. A combination of base rate forecasts, constraints on the lending list and the expenditure expected to be incurred on the Capital Programme meant the Council budgeted to receive £156,700 in investment income in 2015/16. Actual interest earned to 30 September 2015 totalled £189,000 with total receipts for the year expected to be £310,000. Interest receipts are higher than estimated as the target interest rate for the year was 0.60% but the average rate achieved to 30 September 2015 was 0.89% (2014/15 0.71%) and investments balances were higher due to expenditure being incurred later than expected. All investments have been made in accordance with Council's Treasury Management Strategy.
- 4.6. In order to maintain returns and mitigate risks the Council has continued to diversify its investments mix. As a result the Council is currently placing deposits in Money Market Funds, Call Accounts, CCLA Property Fund, UK Local Authorities, Covered Bonds, Pooled Funds and Temporary Investments with a maximum of £5 million being placed with any single institution. In addition, the Council has also made one loan of £30,000 to a local business via the Funding Circle peer lending platform.
- 4.7. To further diversify investments the Council is also considering investing in Treasury bills, these are secured by the government so are included as an investment option in the Treasury Management Strategy. Treasury bills are issued by the Debt Management Office (DMO) at weekly tenders with maturity periods of 1, 3, 6 or 12 months. Rates range between 0.29% to 0.52%.
- 4.8. The projected return on investments is highlighted in the following graph, which depicts the positive performance against the budget.



4.9. The average interest rates achieved so far on the Council's investments are shown below. The table shows that performance mostly compares favourably to LIBID rates as investments are on a short term basis in line with the Treasury Management Strategy, utilising both instant access bank accounts and short term deposits.

Benchmark	LIBID Return	Council Performance
Instant Access	0.36%	0.40%
7 day	0.36%	0
1 month	0.38%	0.52%
3 month	0.46%	0.55%
6 month	0.63%	0.69%
12 month	0.92%	0

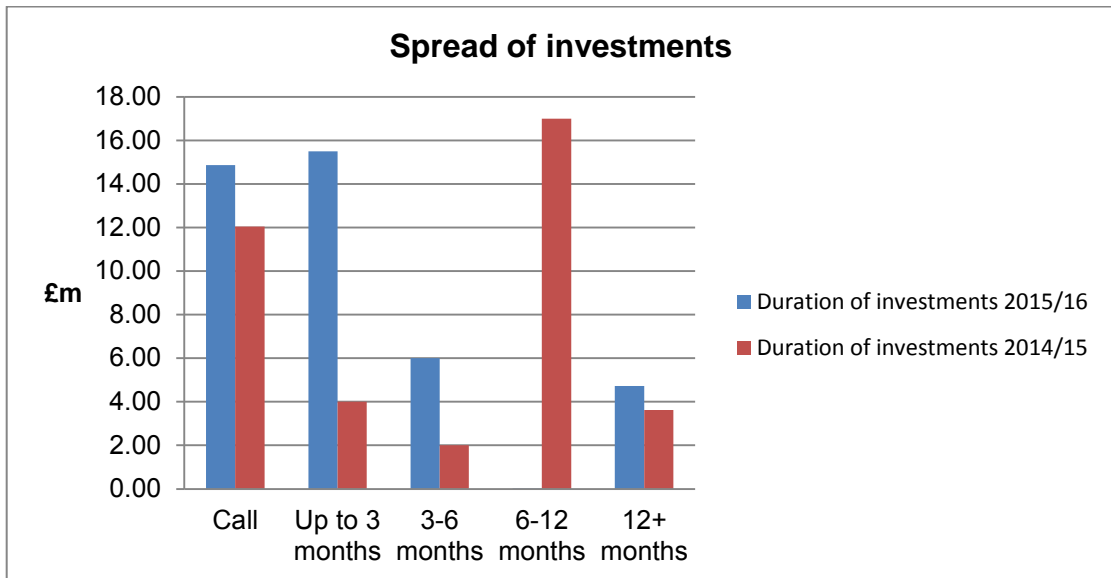
4.10. The table below highlights the level of investment activity and the rates obtained at 30 September 2015. Investments are made in line with Arlingclose's approved counterparty list.

Date	Financial Institution	Amount £	Length of Investment	Interest Rate
21 July 2014	Other Local Authority	£3,000,000	4 years	2.04%
15 July 2015	Bank of Scotland (covered bonds)	£1,084,670	1 year 3 months	4.88%
12 May 2015	Standard Chartered	£2,000,301	6 months	0.69%
16 July 2015	Standard Chartered	£2,000,300	6 months	0.69%
4 September 2015	Standard Chartered	£1,000,149	6 months	0.70%
4 September 2015	National Counties Building Societies	£1,000,000	3 months	0.55%
16 September 2015	Santander	£1,000,000	2 months	0.50%
10 September 2015	Nationwide	£2,000,000	2 months	0.47%
17 August 2015	Santander	£2,000,000	2 months	0.50%
1 September 2015	Nationwide	£2,000,000	Fixed to 15.10.2015	0.44%
14 September 2015	Lloyds Bank	£1,500,000	1 month	0.43%



Date	Financial Institution	Amount £	Length of Investment	Interest Rate
N/A	Bank of Scotland	£2,003,518	32 day notice	0.57%
N/A	Handelsbanken	£5,002,665	35 day notice	0.55%
N/A	Santander	£84,611	Call	0.40%
N/A	Blackrock	£4,571,774	Call	0.46%
N/A	Ignis	£4,933,939	Call	0.49%
N/A	Goldman Sachs	£1,659,245	Call	0.41%
N/A	HSBC	£526,833	Call	0.25%
N/A	Invesco	£65,188	Call	0.44%
N/A	Royal London Cash Plus Fund	£1,001,492	Call	0.418%
N/A	CCLA Property Fund	£2,000,000	Ongoing	4.99%
N/A	Funding Circle	£30,100	12 months	6%
N/A	Residual MMF/Call Account balances e.g. Aviva, CCLA etc	£4,369	Call	0.289% to 0.451
	<b>Total Investments/ Average Interest Rate</b>	<b>£40,469,154</b>		<b>0.89%</b>

- 4.11. As the table above indicates, investments at 30 September 2015 totalled £40.47 million. These funds were available on a temporary basis, and the level of funds available was mainly dependant on the timing of precept payments, receipt of grant and progress on the capital programme. The rates achieved vary between different institutions, for different durations, dependant on when the investment was made.
- 4.12. From the table above it will be noted that the investment with Handelsbanken exceeds the limit of £5 million which was due to interest received on 30 September. Notice was given to withdraw £1 million on 10 September which reduced the investment to within the recommended limit.
- 4.13. It should be noted that £5.95 million of the above investments relate to funds held in relation to Section 106 Agreements that are yet to be released by the Authority. As part of the agreement interest has to be paid over once funds are released. These amount to approximately £23,000.
- 4.14. The above details the Counterparties that the Council had placed investments with at 30 September 2015. The following graph depicts our investment spread showing the range of investments and the different time periods; balancing both cashflow risk and counterparty risk and shows the movement from longer term to shorter term investments between 2014/15 and 2015/16. A consequence of bail-in is that increasingly the Council is holding lower values of investments, over a shorter period of time, with a greater number of institutions. This is compliant with the Council's Treasury Management Strategy and recommended action by the Council's Treasury advisors.



## Borrowing

- 4.15. In accordance with the Local Government Act 2003, the Council has a statutory duty to determine and keep under review how much it can afford to borrow. Therefore, the Council establishes 'Affordable Borrowing Limits' (or Authorised Limit) as part of the Prudential Indicators within the approved Treasury Management Strategy Statement.
- 4.16. The 'authorised limit' and 'operational boundary' indicators govern the maximum level of external borrowing to fund the capital programme and short-term cash flow.
- 4.17. No external borrowing is proposed to be undertaken in 2015/16 hence the Authorised Limit and Operational Boundary remain unchanged (see Appendix A).
- 4.18. As part of the Treasury Management Strategy the Council established a range of Prudential Indicators to monitor both Treasury and Capital as the two are intrinsically linked. Details of the performance against the Prudential Indicators can be found in Appendix A.
- 4.19. The prudential indicator for capital expenditure has been amended to include the increase of £1.28 million to the Arena Project approved by Council on 25 June 2015 and the £2.7 million loan to the Cricket Club which was approved by Cabinet on 8 September 2015. As we spend more, conversely this impacts upon our investment balances.

## Conclusion

- 4.20. Treasury Management continues to be fraught with difficulty. The UK economy continues to remain stable, although the weak global economy and continued concerns in the Eurozone is expected to have an impact on long term interest rates. Officers will continue to be vigilant and report any significant issues to the Corporate Governance Group.

## 5 Other Options Considered

5.1. There are no other options.

## 6. Risk and Uncertainties

6.1. The report covers both counterparty and interest rate risks.

## 7. Implications

### 7.1 Finance

Financial implications are covered in the body of the report.

### 7.2 Legal

None

### 7.3 Corporate Priorities

Efficient treasury management enables the Council to achieve its corporate priorities.

### 7.4 Other Implications

None.

<b>For more information contact:</b>	Name: Peter Linfield Interim Executive Manager (Finance and Commercial) 0115 914 8439 Email <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers available for inspection</b>	Treasury Management Strategy 2015/16
<b>List of Appendices (if any):</b>	Appendix A – Prudential and Treasury Indicators for 2015/16 position at 30 September 2015

APPENDIX A

**Prudential and Treasury Indicators for 2015/16**  
**Position at 30 September 2015**

	<b>2015/16 £'000 Original Estimate</b>	<b>2015/16 £'000 Revised Estimate</b>	<b>2015/16 £'000 Projected Outturn</b>
<b><u>Prudential Indicators</u></b>			
<b>Capital Expenditure</b>	9,097	16,348	13,533
<b>Ratio of net financing costs to net revenue streams</b> Non-HRA	(1.42%)	(3.00%)	(3.20%)
<b>Expected Investment Position</b>	24,500	19,500	21,500
<b>Capital Financing requirement as at 31 March 2015</b>	2,920	5,481	4,516
<b>Incremental impact of capital investment decisions</b> Increase in council tax (Band D) per annum	£1.74	£2.31	£2.06
<b><u>Treasury Management Indicators</u></b>			
<b>Authorised Limit for external debt</b> Borrowing and other long term liabilities	22,000	22,000	22,000
<b>Operational Boundary for external debt borrowing and other long-term liabilities</b>	17,000	17,000	17,000
<b>Upper limit for fixed interest rate exposure on investments over 1 year</b>	25%	25%	25%
<b>Upper limit for fixed interest rate exposure on investments up to 1 year</b>	100%	100%	100%
<b>Upper limit for variable rate exposure (investments)</b>	100%	100%	100%
<b>Upper limit for total principal sums invested over 1 year</b>	6,125	6,125	6,125

## **Glossary of Terms**

Money Market Funds – these funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks.

CCLA Property Fund - this a local authority property investment fund. The property fund is designed to achieve long term capital growth and a rising income from investments in the commercial property sector.

Covered Bonds – these investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means they are exempt from bail-in.

Pooled Funds – shares in diversified investment vehicles consisting of different investment types including banks, equity shares and property, these funds have the advantage of providing wide diversification of investment risks

Treasury Bills – these investments are secured by the government, they are issued by the Debt Management Office (DMO) at weekly tenders with maturity periods of 1, 3, 6 or 12 months.

## Report of the Interim Executive Manager - Finance and Commercial

### 1. Summary

- 1.1 This report presents the budget position for revenue and capital as at the 30 September 2015 along with appropriate recommendations for referral to Cabinet. 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.

### 2 Recommendation

- 2.1 It is RECOMMENDED that the Corporate Governance Group note the projected revenue and capital underspend positions for the year of £654k and £2,815k respectively.

### 3 Reasons for Recommendation

- 3.1 To demonstrate good governance in terms of scrutinising the Council's on-going financial position and compliance with Council Financial Regulations.

### 4 Supporting Information

#### *Revenue Monitoring*

- 4.1 The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis as at 30 September 2015 attached at **Appendix B**. This shows an underspend against profiled budget to date of £521,000 and a projected underspend for the year of £654,000. 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.
- 4.2 As documented at **Appendix B** the underspend to date reflects a number of positive variances including projected increased income from planning fees arising from a number of major applications; better income returns through more proactive management of council investments; the lack of current calls made on the contingency budget; and a projected slippage (£80k) on the use of the Growth Fund to support Growth Boards. It is anticipated that this will be carried forward into 2016/17.

## Capital Monitoring

- 4.3 The updated Capital Programme monitoring statement as at September 2015 is attached at **Appendix C**. A summary of the projected outturn and funding position is shown in the table below:-

<b>CAPITAL PROGRAMME MONITORING - SEPT 2015</b>			
<b>EXPENDITURE SUMMARY</b>	<b>Current Budget £000</b>	<b>Projected Actual £000</b>	<b>Projected Variance £000</b>
Transformation	2,142	1,100	(1,042)
Neighbourhoods	1,925	1,909	(16)
Communities	302	198	(104)
Corporate Governance	550	455	(95)
Finance & Commercial	11,336	9,871	(1,465)
Contingency	93	0	(93)
	<b>16,348</b>	<b>13,533</b>	<b>(2,815)</b>
<b>FINANCING ANALYSIS</b>			
Capital Receipts	(3,957)	(2,845)	1,112
Government Grants	(297)	(297)	0
Other Grants/Contributions	(1,087)	(406)	681
Use of Reserves	(5,021)	(4,964)	57
Internal Borrowing	(5,986)	(5,021)	965
	<b>(16,348)</b>	<b>(13,533)</b>	<b>2,815</b>
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 4.4 The original Capital Programme of £9.6 million has been supplemented by a brought forward of £4million from 2014/15 together with an adjustment of £2.7million to support a new loan to Nottinghamshire County Cricket club giving a revised total of £16.3million. This is an ambitious Capital Programme which sees the commencement of the building works at the Arena site and Bridgford Hall.

### 4.5 Transformation

The projected actual of £1.1million is just over 50% of the current budget primarily due to expected delays in relation to strategic acquisitions in Cotgrave and the Bridgford Hall development at this early stage. Approval of the second stage bid from the Heritage Lottery Fund was received in late September so that works to Bridgford Hall can now be commissioned.

### 4.6 Neighbourhoods

A small variance is currently projected. This comprises of a £409,000 underspend on investment in Social Housing which is offset by a potential overspend of £433,000 on the vehicle replacement programme. Three refuse freighters, two vehicles for Rushcliffe Country Park, and Bartec Units (vehicle communication units) have been purchased so far under the vehicle replacement programme.

#### **4.7 Communities**

This Council continues to deliver Partnership Grants. Fencing and landscaping works have been carried out at Alford Road Play Area leaving an uncommitted provision of £45,000. This is to be used for works to Special Expense Play Areas.

#### **4.8 Corporate Governance**

The in-year provision of £369,000 has been supplemented by a brought forward of £181,000 from 2014/15 to support infrastructure, Superfast Broadband, Digital Strategy enhancement commitments together with technologies arising from the Leisure Strategy capital project. Expenditure to date includes ICT replacement kit, technical infrastructure and a contribution towards an HR/Payroll enhancement.

#### **4.9 Finance & Commercial**

A variance of £1,465,000 is showing and arises from the uncertainty with regard to the level of Funding Circle loan approvals and a revision to the expected profile of contractor payments on the Arena scheme as works continue to progress. On 8 September 2015, Cabinet approved a new loan of £2,700,000 for Nottinghamshire County Cricket Club. This investment decision accords with the objectives of the Asset Investment Strategy. The balance in capital contingency is £93,000. This sum is available to support existing and new schemes as required.

#### **4.10 Summary**

The report overall projects underspends for both revenue and capital. It should be noted we are at the halfway point in the financial year and opportunities and challenges can arise which may impact on the projected year-end position. There remain external financial pressures from developing issues such as the impact of 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 over its expenditure, identifies any impact from income streams and maintains progress against its Transformation Strategy.

### **5 Risk and Uncertainties**

5.1 Failure to comply with Financial Regulations in terms of reporting on both revenue and capital budgets could result in criticism from stakeholders, including both members and the Council's external auditors.

5.2 Areas such as income can be volatile according to external pressures such as the general economic climate. For example Planning income is variable according to the number and size of planning applications received.

### **6 Implications**

#### **6.1 Finance**

Financial implications are covered in the body of the report.

#### **6.2 Legal**



None

### 6.3 Corporate Priorities

Changes to the budget enable the Council to achieve its corporate priorities.

### 6.4 Other Implications

None

<b>For more information contact:</b>	Name; Peter Linfield Interim Executive Manager - Finance and Commercial 0115 914 8439 email <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Nil
<b>List of appendices (if any):</b>	Appendix A –Revenue Outturn Position 2015/16 – Quarter 2 Appendix B – Revenue Variance Analysis Explanations Appendix C – Capital Programme 2015/16 – Quarter 2 Position

## Revenue Outturn Position 2015/16 – Quarter 2

	Q2 Position - excl recharges			Total Costs				Variation Explanation
	Budget YTD £'000	Actual YTD £'000	Total Variation £'000	Budget £'000	Projected Outturn £'000	Total Variation £'000	Variation %	
Communities	268	49	(219)	2,589	2,396	(193)	(7)	Additional income (£150k), unused Land Charges provision (£52k)
Corporate Governance and Operations	1,732	1,613	(119)	1,364	1,361	(3)	(0)	
Finance and Commercial	1,640	1,511	(129)	3,150	2,819	(331)	(11)	Staff vacancies (£100k), investment income (£163k), unspent contingencies (£86k)
Neighbourhoods	1,214	1,246	32	4,321	4,346	25	1	Contractor and Legal Costs £60k, offset by additional income (£41k)
Transformation	383	297	(86)	228	76	(152)	(67)	Staff vacancies (£46k), NNDR savings (£17k), strategic growth slippage (£80k)
<b>Net Service Expenditure</b>	<b>5,237</b>	<b>4,716</b>	<b>(521)</b>	<b>11,652</b>	<b>10,998</b>	<b>(654)</b>	<b>(0)</b>	
Shelford & Newton Budget				20	20		0	
Capital Accounting Adjustments				(1,503)	(1,503)	0	0	
Revenue contribution to capital				159	159	0	0	
Transfer to/from (-) Reserves				868	1,534	666	0	Projected revenue underspend (£654k), specific grants (£12k).
<b>Total Net Service Expenditure</b>				<b>11,196</b>	<b>11,208</b>	<b>12</b>	<b>0</b>	
Central Government Grant				(1,679)	(1,679)	0		
Localised Business Rates				(1,521)	(1,521)	0		
Collection Fund Surplus				(84)	(84)	0		
Council Tax Income				(5,428)	(5,428)	0		
Specific Grants (including NHB & SBRR)				(2,425)	(2,437)	(12)		Additional S31 grants (net £12k)
Council Tax Freeze Grant				(59)	(59)	0		
<b>Total Funding</b>				<b>(11,196)</b>	<b>(11,208)</b>	<b>(12)</b>	<b>0</b>	
<b>Gross Budget Deficit</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	

**Revenue Variance Explanations**

<b>ADVERSE VARIANCES</b>	<b>Projected Outturn Variance £'000</b>
<b>Communities</b>	
Outdoor Sports - Backdated NNDR for Gresham meeting room	23
<b>Corporate Governance</b>	
Electoral Registration - Additional costs associated with IER	10
IT - Net cost of CIO position and making IT manager cost full-time offset by increase in Streetwise SLA income	47
Performance & Reputation - Increase costs of external printing	34
<b>Finance</b>	
Corporate Management - The increase is due to rise in electronic banking charges and higher volumes linked to green waste payments (recovered as part of green waste charges).	10
<b>Neighbourhoods</b>	
Homelessness - Ongoing legal case and agency costs to cover vacancies	19
Food Safety - Staff vacancies offset by agency costs	14
Pest Control - Review unlikely to deliver transformation savings in current year	13
Animal & Public Health - Review unlikely to deliver transformation savings in current year	13
Depot - Responsive works on changing facilities	10
<b>Transformation</b>	
Investment Properties - Service Charges less than budgeted for at The Point	25
<b>Total Adverse Variances</b>	<b>195</b>

## Appendix B (cont)

<b>FAVOURABLE VARIANCES</b>	<b>Projected Outturn Variance £'000</b>
<b>Communities</b>	
Development Control - Increased application fees and staff vacancies	(168)
Land Charges - Return of over-provision for Tinkler claims due to receipt of grant	(52)
<b>Corporate Governance</b>	
Democratic Representation - Savings on employee costs	(16)
Elections - Election costs over-budgeted	(32)
Legal services - Partial retirement of Chief Legal Officer	(11)
Human Resources - Vacant post	(36)
<b>Finance &amp; Commercial</b>	
Finance – Savings on staff vacancies and trainee	(70)
Contingencies - Contingency dependant on risks identified	(86)
Investment Interest - increase in income due to more creative investment strategies	(163)
Revenues Admin - Savings on employee costs	(13)
Council Tax Benefits - Savings on employee costs	(17)
<b>Neighbourhoods</b>	
Environmental Protection - Staff vacancies	(14)
Waste Collection & Recycling - Green waste income above target and savings on diesel	(24)
<b>Transformation</b>	
Transformation - Staff vacancies	(48)
Economic Development - Slippage re. strategic growth	(80)
Investment Properties - NNDR issues resulting in forecast underspending	(17)
Industrial Sites - Income up due to occupancy levels	(27)
<b>Total Favourable Variances</b>	<b>(874)</b>
<b>Sum of Minor Variances</b>	<b>25</b>
<b>TOTAL VARIANCE</b>	<b>(654)</b>

## Capital Programme 2015/16 – Quarter 2 Position

CAPITAL PROGRAMME MONITORING - SEPT 2015						
	Original Budget	Current Budget	Budget YTD	Actual YTD	Projected Actual	Variance
		£000	£000	£000	£000	£'000
<b>TRANSFORMATION</b>						
Cotgrave Masterplan	0	572	25	23	249	(323)
The Point Enhancements	0	80	70	61	80	0
Civic Centre Level 4	0	29	29	0	29	0
Colliers Way Industrial Units	20	20	0	0	0	(20)
Bingham Market Place Improvements	0	80	70	68	80	0
Bridgford Hall Refurbishment	500	1,099	215	93	500	(599)
Civic Centre Enhancements - General	0	100	0	0	0	(100)
Nottinghamshire Broadband	162	162	162	162	162	0
	<b>682</b>	<b>2,142</b>	<b>571</b>	<b>407</b>	<b>1,100</b>	<b>(1,042)</b>
<b>NEIGHBOURHOODS</b>						
Support for Registered Housing Providers	369	409	5	2	0	(409)
Hound Lodge Enhancements	60	60	0	0	60	0
Wheeled Bins Acquisition	60	60	60	50	60	0
Disabled Facilities Grants	375	403	202	195	403	0
Discretionary Top Ups	0	60	0	0	20	(40)
Vehicle Replacement	877	933	544	545	1,366	433
	<b>1,741</b>	<b>1,925</b>	<b>811</b>	<b>792</b>	<b>1,909</b>	<b>(16)</b>
<b>COMMUNITIES</b>						
Community Partnership Reward Grants	0	25	0	0	25	0
Nottinghamshire Cricket Club - Grant	90	90	0	0	90	0
Capital Grant Funding	60	97	0	0	38	(59)
Alford Road Play Area	50	90	45	39	45	(45)
	<b>200</b>	<b>302</b>	<b>45</b>	<b>39</b>	<b>198</b>	<b>(104)</b>
<b>CORPORATE GOVERNANCE</b>						
IS Strategy	369	550	219	65	455	(95)
	<b>369</b>	<b>550</b>	<b>219</b>	<b>65</b>	<b>455</b>	<b>(95)</b>
<b>FINANCE &amp; COMMERCIAL</b>						
BLC Floodlights	50	50	0	0	50	0
RLC - Gym Centre Enhancements	0	47	47	47	47	0
Arena Development	6,405	7,965	733	464	7,000	(965)
BLC Enhancements	0	34	0	0	34	0
RLC - Additional Car Parking Spaces	0	40	0	0	40	0
NCCC loan 2015-16	0	2,700	0	0	2,700	0
Funding Circle Loans	0	500	0	0	0	(500)
	<b>6,455</b>	<b>11,336</b>	<b>780</b>	<b>511</b>	<b>9,871</b>	<b>(1,465)</b>
<b>CONTINGENCY</b>						
Contingency	150	93	0	0	0	(93)
	<b>150</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(93)</b>
<b>TOTAL</b>	<b>9,597</b>	<b>16,348</b>	<b>2,426</b>	<b>1,814</b>	<b>13,533</b>	<b>(2,815)</b>

**Report of the Service Manager - Corporate Governance**

**1. Summary**

- 1.1. 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.
- 1.2. The 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.

**2. Recommendation**

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

**3. Reasons for Recommendation**

Date of Meeting	Item
3 December 2015	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2015/16</li> <li>• Health and Safety Interim report</li> <li>• Risk Management Update</li> <li>• Annual Audit Letter</li> <li>• Treasury Management Six Month Monitoring Report</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>
11 February 2016	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2015/16</li> <li>• Treasury Management Strategy 2016/17</li> <li>• Revenue and Capital Budget Monitoring</li> <li>• Certification of Grants and Returns – Annual Report 2014/15</li> <li>• Work Programme</li> </ul>

Date of Meeting	Item
21 April 2016	<ul style="list-style-type: none"> <li>• External Audit Plan 2015/16</li> <li>• Internal Audit Progress Report 2015/16</li> <li>• Internal Audit Strategy 2016/17</li> <li>• Risk Management Update</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>

#### 4. Implications

##### 4.1. Finance

No direct financial implications arise from the proposed work programme.

##### 4.2. Legal

There are no direct legal implications arising from the proposed work programme.

##### 4.3. Corporate Priorities

Items included in the work programme assist the Council to meet its Corporate Priorities.

##### 4.4. Other Implications

There are no other implications.

<b>For more information contact:</b>	Name: Member Services 0115 914 8482 email <a href="mailto:memberservices@rushcliffe.gov.uk">memberservices@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	None
<b>List of appendices (if any):</b>	None