

**When telephoning, please ask for:** Constitutional Services  
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**Our reference:**  
**Your reference:**  
**Date:** 23 November 2016

To all Members of the Corporate Governance Group

Dear Councillor

A meeting of the CORPORATE GOVERNANCE GROUP will be held on Thursday 1 December 2016 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely



Deputy Monitoring Officer

## **AGENDA**

1. Apologies for absence.
2. Declarations of Interest.
3. Notes of the Meeting held on Thursday 8 September 2016 (pages 3 - 14).
4. Internal Audit Progress Report 2016/17

The report of the Executive Manager - Finance and Corporate Services is attached (pages 15 - 24).

5. Health and Safety 6 Monthly Report

The report of the Executive Manager - Operations and Transformation is attached (pages 25 - 32).

6. Risk Management Review Update

The report of the Executive Manager - Operations and Transformation is attached (pages 33 - 39).

7. Proposals For a Comprehensive Review of the Constitution

The report of the Chief Executive is attached (pages 40 - 45).

8. Annual Audit Letter 2015/16

The report of the Executive Manager - Finance and Corporate Services is attached (pages 46 - 54).

9. Treasury Management Update – Mid Year Report 2016/17

The report of the Executive Manager - Finance and Corporate Services is attached (pages 55 - 61).

10. Revenue and Capital Budget Monitoring 2016/17 – Quarter 2 Update

The report of the Executive Manager - Finance and Corporate Services is attached (pages 62 - 68).

11. Work Programme

The report of the Executive Manager - Finance and Corporate Services is attached (pages 69 - 70).

Membership

Chairman: Councillor G S Moore

Vice-Chairman: Councillor A MacInnes

Councillors K P Beardsall, N A Brown, M Buckle, A M Dickinson, A J Edyvean, S J Hull, S C Matthews

<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.

**NOTES  
OF THE MEETING OF THE  
CORPORATE GOVERNANCE GROUP  
THURSDAY 8 SEPTEMBER 2016**

Held at 6.00 pm in the Council Chamber, Civic Centre, Pavilion Road,  
West Bridgford

**PRESENT:**

Councillors G S Moore (Chairman), K P Beardsall, M Buckle, A J Edyvean, S J Hull, A MacInnes, S C Matthews, J A Stockwood (Substitute for N A Brown) and Mrs M Stockwood (Substitute for A M Dickinson)

**ALSO IN ATTENDANCE:**

A Bush KPMG  
T Tandy KPMG

**OFFICERS PRESENT:**

N Carter Service Manager - Finance and Corporate Services  
A Goodman Constitutional Services Officer  
A Graham Chief Executive  
A Hall-Wright Financial Services Manager  
P Horsfield Monitoring Officer  
P Linfield Executive Manager - Finance and Corporate Services

**APOLOGIES FOR ABSENCE:**

Councillors N A Brown and A M Dickinson

**9. Additional Item**

The Chairman informed the Group he had agreed that an additional Item on the Civic Centre would be included on the Agenda. It was intended that the public be excluded from the meeting for consideration of the item pursuant to Regulation 4 (2) of the above Regulations Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, on the grounds that it was likely that exempt information may be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

**10. Declarations of Interest**

There were none declared.

**11. Notes of the Previous Meeting**

The notes of the meeting held on Tuesday 28 June 2016 were accepted as a true record.

The Executive Manager - Finance and Corporate Services explained that although there had been a delay in some Members receiving paper copies of the Agenda, it had been published in line with the statutory requirements.

**12. Approval of the Statement of Accounts 2015/16 and External Auditor's Report To Those Charged With Governance 2015/16**

The Executive Manager - Finance and Corporate Services presented a report outlining the Council's statutory Statement of Accounts for 2015/16. He explained that the accounts for Local Authorities were required to be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 ('the Code') and the Service Reporting Code of Practice for Local Authorities (SerCOP). He was pleased to inform the Group that the accounts had been closed earlier and 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.

The Executive Manager - Finance and Corporate Services highlighted the Narrative Statement contained in the Statement of Accounts that had replaced the traditional Explanatory Forward. He explained that in addition to summarising the key events and their financial impact, this section now included non-financial performance indicators against key corporate priorities and commentary on key risks.

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 decreasing by a net £1.917 million to £9.540 million. A total of £3.204 million had been transferred into reserves, £1.870 million from the New Homes Bonus with the remainder largely due to year-end underspend. Much of the £5.121 million use of Reserves was in relation to capital projects including the Leisure Strategy.

In relation to the Council's Capital Programme 2015/16 the Council had spent £7.050 million compared to an overall Capital Programme of £16.348 million. Of the remaining £9.298 million, £9.651 million was committed to on-going Capital Schemes, £0.075 million minor savings had been achieved and £0.428 million had been accelerated from 2016/17 for the vehicle replacement programme. The Executive Manager - Finance and Corporate Services explained that just over 50%, £3.972 million, of the Capital Expenditure for the year was on "Assets Under Construction". This included the contracted works commenced on two ambitious redevelopment schemes of Bridgford Hall and Rushcliffe Arena. A further £0.262 million was undertaken on enhancement work to "Operational Land and Buildings and Investment Property", to keep the Council's assets in prime condition. The Council had invested £1.797 million on the acquisition of "Vehicles, Plant, and Equipment", as part of the Replacement Vehicle programme. A further £0.075 million was incurred on "Intangible Assets" for Information Systems. The other significant form of Capital Expenditure comprised of capital grants and contributions released to finance capital assets owned by third parties. Of the £0.944 million released, £0.337 million was in the form of Disabled Facilities Grants. The balance of £0.607 million had resulted from partnership grants and included £0.217

million to continue the acquisition of strategic properties in Cotgrave, working with Metropolitan Housing, and £0.162 million to facilitate the rollout of Broadband across the Borough.

The Executive Manager - Finance and Corporate Services reported that during 2015/16, Use of Reserves, including New Homes Bonus monies, represented the largest funding source at £3.919 million and at 31 March 2016, the balance in the Usable Capital Receipts Reserve stood at £9.773 million compared to £11.797 million in 2014/15.

The Executive Manager - Finance and Corporate Services outlined the Major Service Developments and Future Challenges. He informed Members that during 2015/16 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 2015 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 £1.19 million until 2020/21 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.

The Executive Manager - Finance and Corporate Services explained that the Council's accounts consisted of the Movement in Reserves Statement, the Comprehensive Income and expenditure Statement, Balance Sheet and the Supplementary Financial Statements that included Collection Fund and Group Accounts. The Accounts also contained notes and a Glossary of Terms to aid understanding.

Mr Bush presented the External Auditor's Report to those Charged with Governance (ISA 260) 2015/16. He informed Members that the report summarised; the key findings arising from the audit of the Council's financial statements for the year ending 31 March 2016 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 2016 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, all of which were of a presentational nature.

Mr Bush informed Members that as part of the External audit plan, issued in April 2016, Capital Programme Accounting, Group Accounts and Pension Liability assumptions had been identified as audit risks specific to the Council. The Audit Team had worked with officers throughout the year to discuss these risks and there are no matters of any significance arising as a result of the audit work for these areas. He 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.

In relation to Value For Money (VFM), Financial Resilience and Capacity, Asset Investment Strategy Fund, and the Arena Capital Programme had been identified as risks in the External audit plan. There were no matters of any significance arising as result of the audit work in these VFM risk areas which would impact on the overall VFM conclusion. However, one recommendation had been raised in regard to final due diligence prior to finalising the loan with Nottinghamshire County Cricket Club. Mr Bush stated that his 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.

Following the Council meeting on 30 September and the signing of the letter of representation Mr Bush assured Members that he would issue his unqualified opinion, prepare the Annual Audit Letter and close the accounts. 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.

In response to questions, Members were informed that implementation date for the recommendations in respect of the loan to Nottinghamshire County Cricket Club was ongoing as the loan would be drawn down in stages. The progress would be reported to the Group on a regular basis through the Capital and Revenue Budget Monitoring, and Treasury Management reports and that the Auditors were happy with the arrangements in place. There would be some impact on the Budget, which would be dealt with through the Medium Term Financial Strategy. Mr Bush confirmed that the loan formed part of the Asset Investment Strategy and would be subject to regular audit.

Members queried the level of pension liability for Streetwise Environmental Limited in comparison to the net worth of the company. The Executive Manager - Finance and Corporate Services explained that it was proportionate to that of the Council and that the pension scheme was now based on career average. The Chief Executive informed Members that as Streetwise was a separate company, this was not an issue for the Group and that new employees were not part of the Council's pension scheme. In respect of the £31,000 profit for Streetwise, the Executive Manager - Finance and Corporate Services confirmed that this would be put into their own reserves.

Members discussed the ongoing trend of increase in the Pension Fund liabilities and the effect this had on the Council's net worth. Although changes to the Local Government Scheme had reduced the deficit, the Group expressed concern in relation to the overall trend. 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 an issue everywhere including private companies. The Government were responsible for putting statutory arrangements and legislation in place to ensure the Pension Fund remained healthy.

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

It was AGREED that the Group

- a. Accepts the Statement of Accounts for 2015/16 and recommends it to Council for approval,
- b. Endorse the Draft Management Representation Letter, and
- c. Support the External Auditor's Report to Those Charged with Governance 2015/16 and forwards it to Council for endorsement.

### 13. **Review of Constitution 2016**

The Monitoring Officer reminded Members that at its meeting on 28 June 2016 the Corporate Governance Group considered a first draft of the document. Following this, the Group's observations and proposed changes and comments, in respect of formatting, typographical and factual changes had been reflected in the revised draft of the document. The Group also requested that they had a further opportunity to consider a final draft at their meeting on 8 September 2016, prior to it being referred to Cabinet on 11 October 2016, with the final version being submitted to Council on 8 December 2016 for approval.

The Monitoring Officer explained that although the Council's Constitution had been largely fit for purpose, a light touch review was required in order to ensure its provisions were in line with both legislation and the structure of the Authority. Amendments that had been necessary included provisions to bring the Constitution in to line with the changes brought about through the Localism Act 2011 that had removed the Statutory Petition Scheme. A root and branch review required a significant time input from both Members and officers that was not presently in place, but that Members could request this should they so wish. It was noted that significant resources were focussed on other outward facing corporate projects currently.

The Monitoring Officer reported that due to the large Agenda and the size of the documents, he had circulated a table to the Group prior to the meeting to collate Members' comments. He had offered to discuss any issues prior to the meeting and was happy to meet afterwards with individual Members to discuss any further issues. Policy issues were not for consideration at this meeting as they required proper time to consider and could require input from all Councillors.

The Group considered the changes to the Constitution and discussed their role and function in reviewing its content. They agreed that although the changes in respect of legislation and Structure should be accepted a full review was required irrespective of the size of the task. The Monitoring Officer agreed that a full review of the Constitution would be included in the Group's Work Programme, however time would be required for officers to undertake initial work to identify workstreams and complete preparatory work. Based on experiences at other councils, a full review would take a significant amount of

time and that Council was currently undertaking many large projects. Many of the items including “Public Speaking” were complex and would require many decisions and input from all Members before policy changes were introduced.

The Monitoring Officer confirmed that he understood the Members’ concerns and that he would prepare an initial background report outlining the history of the Constitution and a subsequent programme of work for the Group.

**Action      The Monitoring Officer to prepare a report (including the historical and legal context) to enable the Group to consider a full review of the Constitution and schedule this into the Group’s Work programme**

The Chief Executive commented that it was evident from the discussion that Members and officers had the same intention. The review had been undertaken as the current changes in respect of the Localism Act and the Restructure needed to be incorporated into the Constitution. It was important for Members to see the changes to the Petition Scheme however grammatical errors could have been done by officers under delegation. He explained that it may be beneficial for Members to understand the history of the Constitution and its parts before deciding which areas they wanted to review. The introduction of “Public Speaking” would require a change in policy and would require the approval of Council. In the first instance, Members may wish to consider public speaking at Development Control Committee and undertake a Peer Review and give consideration to its merits. Cabinet would decide whether the Corporate Governance Group or a Member Group would be the appropriate body to undertake the work. Following a decision on Development Control Committee, consideration could then be given to Public Speaking at Council and Cabinet. The issue of first class rail travel could be considered as part of the Budget Workshop process and then any changes could be referred to the Corporate Governance Group.

In respect of the volume of track changes and comments still contained in the document, the Monitoring Officer confirmed that all the changes would be accepted. Members felt that the document in its current form was difficult to understand and requested a further clean copy. The Monitoring Officer explained that the Constitution was a living document and due to its size it was accepted that there would always be some minor amendments required.

**Action      The Monitoring Officer provide a clean copy of the Constitution without "track changes", as part of the papers to Full Council**

It was AGREED that the Group

- a) recommend the Constitution as amended, to reflect changes brought about through the Localism Act 2011 and the structure of the Council, be forwarded to Cabinet for consideration; and
- b) receive a report for the meeting on 1 December 2016 to enable the review of the Constitution to be included in the Work Programme going forward.



#### 14. Treasury Management Outturn 2015/16

The Financial Services Manager (FSM) presented the Treasury Management Outturn Position 2015/16 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 2015/16, the rate of return achieved and the Counterparties that had been used.

The FSM informed the Group that during 2015/16 the Council had complied with its legislative and regulatory requirements. The actual expenditure for the capital programme for 2015/16 was £16.35 million against the approved budget of was £7.05 million. This included carry forwards of £9.651 million approved by Cabinet on 12 July 2016, £428,000 which had been transferred from 2016/17 into 2015/16 due to the acceleration of the vehicle replacement programme and savings that totalled £75,000. 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.

Members were informed that the Council's debt and investment position was managed by the treasury team in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks, in accordance with the approved Treasury Strategy.

The Strategy for 2015/16 had anticipated that short term money market rates would remain at very low levels and that the Bank Rate would increase in quarter 3 of 2015, however this did not materialise. The Council had continued with the prudent investment of treasury balances to achieve the objectives of security of capital and liquidity of its investments, whilst achieving the optimum return on investments. The continuing instability of the market had resulted in restrictions remaining on which counterparties investments could be placed with and the duration, which affected the level of interest. Due to the impact of 'Bail-in' legislation the Council would continue to diversify its investment portfolio.

During 2015/16, the Bank Rate remained at 0.5% however this had since reduced to 0.25% due to the weakened outlook following the Brexit vote. 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 0.93%, which compared favourably with the projected in the budget of 0.60%. The increase in the rate of return and the underspend on the capital programme had resulted in return on investments of £378,000 against the budget of £156,700.

In response to questions, the FSM explained that the loan to Newcastle City Council was made a couple of years ago and that the rate of 2.04% would now be unachievable. All investments were made in accordance with the Counterparty limits set by the Council's treasury advisors, Arlingclose Limited.

As in previous years, all Members of the Council would be invited to attend a training session delivered by Arlingclose Limited, prior to considering the Treasury Management Strategy in January 2017.

It was AGREED that the Corporate Governance Group endorse the Treasury Management Outturn 2015/16 report.

#### **15. Revenue and Capital Budget Monitoring 2016/17 - Quarter 1 Update**

The Group considered the report of the Executive Manager - Finance and Corporate Services that gave details and explanations of significant variances against the profiled budget to 30 June 2016.

The Revenue budget monitoring reports indicated an underspend against the profiled budget of £199,000, with a projected favourable variance of £227,000 for the year. He informed Members that the underspend reflected a number of positive variances which, included increased income from investment properties, the lack of current calls made on the contingency budget and additional income from the Green Waste scheme. There were also several negative variances, the main one being in relation to a fall in expected planning income, particularly due to a reduction in solar farm applications.

In respect of the Capital budget monitoring, the report indicated a net underspend of £1,191,000 to the end of June 2016, with a projected favourable variance of £3,538,000 for the year. The original Capital Programme of £18.7 million had been supplemented by a net brought forward of £9.2 million giving a revised total of £27.9 million. The Executive Manager - Finance and Corporate Services explained that this was an ambitious capital programme which would see the completion of two major redevelopment schemes, Bridgford Hall and the Arena. Therefore a Capital Contingency sum of £250,000 had been included to allow for flexibility in the overall programme.

The main key variations included £50,000 to address any health and safety enhancements to the Civic Centre prior to the move to the Arena, £659,000 underspend on Support for Registered Housing Providers, £373,000 for the vehicle replacement programme and £30,000 unallocated from the Communities Capital Programme. It was envisaged that the sum of £126,000 brought forward from the 2015/16 programme for Disabled Facilities Grants would be returned to Capital Contingency as it is unlikely to be needed. As the new loan for Nottinghamshire County Cricket Club would now be requested over three years instead of one lump sum, £1,800,000 would be carried forward to next year and. In addition, there had been no commitments against the £500,000 contained in the Asset Investment Strategy for the Funding Circle intended for loans to small businesses.

In response to questions, The Executive Manager - Finance and Corporate Services explained that the loss of income from Metropolitan Housing for the Tanker Services was due to the Council being unsuccessful in the tender process. The £90,000 contained in the Capital Programme for Rushcliffe School was in relation to refurbishment costs, as part of the joint agreement for the Leisure Centre.

It was AGREED that the Corporate Governance Group note the projected revenue and capital underspend positions for the year of £227,000 and £3,538,000 respectively.

**16. Work Programme**

The Group considered the report of the Executive Manager – Finance and Corporate Services that set out details of the proposed work programme for the municipal year 2016/17.

The Group AGREED the Work Programme as set out below, subject to the inclusion of further items relating to the Constitution on dates to be confirmed.

Date of Meeting	Item
1 December 2016	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2016/17</li> <li>• Health and Safety Interim Report</li> <li>• Risk Management Update</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>
9 February 2017	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2016/17</li> <li>• Treasury Management Strategy 2017/18</li> <li>• Revenue and Capital Budget Monitoring</li> <li>• Certification of Grants and Returns – Annual Report 2015/16</li> <li>• Work Programme</li> </ul>
11 May 2017	<ul style="list-style-type: none"> <li>• External Audit Plan 2016/17</li> <li>• Internal Audit Progress Report 2016/17</li> <li>• Internal Audit Strategy 2017/18</li> <li>• Risk Management Update</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>

**17. Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012**

It was RESOLVED that the public be excluded from the meeting for consideration of the following item of business pursuant to Regulation 4 (2) of the above Regulations on the grounds that it was likely that exempt information may be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

**18. Civic Centre**

The Group received a presentation from the Chief Executive in respect of the progress of the sale of the Civic Centre and the due diligence that had been undertaken.

It was AGREED that the Corporate Governance Group endorse;

- a) the progress made in respect of the sale of the Civic Centre; and
- b) that Due Diligence had taken place.

The meeting closed at 8.20 pm.

**Action Sheet - Corporate Governance Group**  
**Thursday 8 September 2016**

Minute Number	Actions	Officer Responsible
11 Notes of the Previous Meeting	None	
12 Approval of the Statement of Accounts 2015/16 and External Auditor's Report To Those Charged With Governance 2015/16	None	
13 Review of Constitution 2016	a) prepare a report (including the historical and legal context) to enable the Group to consider a full review of the Constitution and schedule this into the Group's Work programme  b) provide a clean copy of the Constitution without "track changes", as part of the papers to Full Council	Monitoring Officer
14 Treasury Management Outturn 2015/16	None	
15 Revenue and Capital Budget Monitoring 2016/17 - Quarter 1 Update	None	
16 Work Programme	None	
17 Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012	None	
18 Civic Centre	None	

**Action Sheet - Corporate Governance Group  
Thursday 8 September 2016**

Minute Number	Actions	Officer Responsible	
13 Review of Constitution 2016	<p>a) prepare a report (including the historical and legal context) to enable the Group to consider a full review of the Constitution and schedule this into the Group's Work programme</p> <p>b) provide a clean copy of the Constitution without "track changes", as part of the papers to Full Council</p>	Monitoring Officer	This has been included as part of this agenda.

## Report of the Executive Manager - Finance and Corporate Services

### 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 2016/17 and shows the current position on the audit programme, along with any significant recommendations with regards to the audits completed during this period.

### 2. Recommendation

- 2.1 It is RECOMMENDED that the Corporate Governance Group notes Internal Audit's first Progress Report for 2016/17 (**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 Internal Audit Plan for 2016/17 includes 17 planned reviews. Of these reviews 47% have been completed. The attached report highlights the completion and issuing of two reports: Disabled Facilities Grants and Risk Management. Both assignments have been given substantial assurance. In terms of findings, only one medium priority was identified relating to the reporting of Land Charges arising from Disabled Facilities Grant not being reported to the Business Support Unit. Mitigating action has been agreed by management.
- 4.2 With regard to the remaining programme, 6 assignments are currently at draft report status with final versions due to be reported at the next meeting of this Group in February 2017. The remainder of the audit plan is due to be completed over the remaining four months of 2016/17.

### 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>	Nigel Carter Service Manager – Finance and Commercial 0115 914 8340 email <a href="mailto:ncarter@rushcliffe.gov.uk">ncarter@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Internal Audit Reports 2016/17
<b>List of appendices (if any):</b>	Appendix A – Internal Audit Progress Report 2016/17



# RUSHCLIFFE BOROUGH COUNCIL

## Internal Audit Progress Report

Corporate Governance Group

Date: 1 December 2016

This report is solely for the use of the persons to whom it is addressed.  
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.

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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 Council 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.

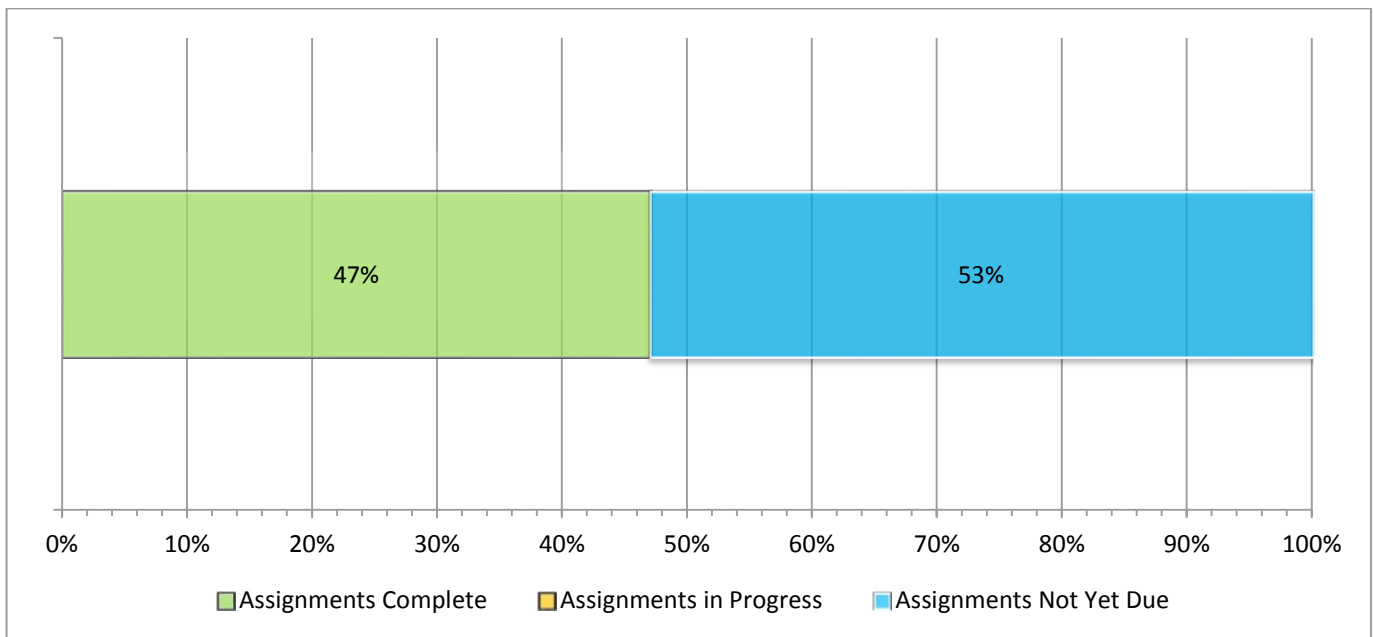
We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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 2016/17 was approved by the Corporate Governance Group on 21<sup>st</sup> April 2016 and includes a total of 17 planned reviews.

This report provides a summary update on progress against that plan and summarises the results of our work to date.



## 2 REPORTS CONSIDERED AT THIS CORPORATE GOVERNANCE GROUP

This table informs of the audit assignment that has been completed since the last Corporate Governance group. The Executive Summary and Key Finding of the assignment below are attached to this progress report.

Assignment	Status	Opinion issued	Actions agreed		
			H	M	L
Disabled Facilities Grants (01.16/17)	Final		0	1	0
Risk Management (02.16/17)	Final		0	0	4

## 2.1 Impact of findings to date

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### **Disabled Facilities Grants**

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken one medium priority finding was identified. Management action was agreed in respect of the finding.

The medium finding related to:

- Land charges arising from Disabled Facilities Grants were not being reported to the Business Support Unit for recording the land charges onto the Total Land Charges and as a result there is risk that solicitors may not be provided with accurate and up to date information on any land charges arising and may result in the Council incurring financial losses.
- 



### **Risk Management**

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken four low priority finding was identified. Management agreed an appropriate action in respect of all findings.

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### 3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2016/17	Status
Land Charges	Q1	Draft Report
Follow Up 1	Q2	Draft Report
Purchasing and Creditors	Q3	Draft Report
Corporate Governance	Q3	Draft Report
Housing Benefits	Q3	Draft Report
Payroll	Q4	Draft Report
Council Tax	Q4	Scheduled 12/12/2016
NNDR	Q4	Scheduled 12/12/2016
Economic Development	Q3	Scheduled 16/01/2017
Treasury Management, Cash and Banking	Q3	Scheduled 16/01/2017
Licensing	Q3	Scheduled 16/01/2017
IT Review	Q1	Scheduled 06/02/2017
Main Accounting and Budgetary Control	Q4	Scheduled 06/02/2017
Follow Up 2	Q4	Scheduled 27/02/2017
HR Policies	Q3	TBC

## 4 OTHER MATTERS

### 4.1 Changes to the audit plan

There have been no changes to the audit plan since its approval on 21 April 2016.

## FOR FURTHER INFORMATION CONTACT

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## Report of the Executive Manager - Operations and Transformation

### 1. Summary

- 1.1. Attached to this report is an abridged version of the Council's Health and Safety Six Monthly Report which provides a summary of the Council's occupational health and safety performance during the six month period 1 April 2016 to 30 September 2016. The full version of the report is available on the Members' Extranet.
- 1.2. The report is structured in such a way as to reflect Health and Safety Executive guidance. It summarises the Council's health and safety policies, procedures and activities which have taken place over the six month period. It also sets out training programmes delivered, provides numerical and statistical data and the progress on the health and safety objectives for the year.
- 1.3. A powerpoint presentation will be delivered to the Corporate Governance Group which will highlight the main points to consider within the report.

### 2. Recommendation

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

### 3. Implications

#### 3.1. Finance

There are no financial implications.

#### 3.2. Legal

There are no legal implications.

#### 3.3. Corporate Priorities

Maintaining and enhancing our residents' quality of life.

#### 3.4. Other Implications

None

<b>For more information contact:</b>	Name Joanne Wilkinson Job title Health and Safety Advisor 0115 914 8561 email <a href="mailto:jwilkinson@rushcliffe.gov.uk">jwilkinson@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	HEALTH AND SAFETY ANNUAL REPORT 2015/16 – abridged version  HEALTH AND SAFETY ANNUAL REPORT 2015/16 – full version available on Members Extranet
<b>List of appendices (if any):</b>	Health and Safety 6 Monthly Report

## HEALTH AND SAFETY 6 MONTHLY REPORT

April 2015 to end March 2016

### 1. INTRODUCTION

- 1.1 This report sets out the Council's occupational health and safety performance during the period 1 April 2016 to 30 September 2016. It provides a summary 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 Table of Staff Training

Course Subject	Number of Staff attended	% of those requiring training who have been trained
Health and safety Induction	17	100%
Emergency First Aid	2	100%
Drug and Alcohol Awareness	24	89%
Drug and Alcohol Train the Trainer	5	100%
Healthy Eating Training	3	43%
Physical Activity Intervention Training	5	72%
Fire Marshal training	4	100%
Evac Chair training	4	75%
Fire safety Training e-learning	14* (36 total)	17%
Display Screen Equipment e-learning	15* (101)	47%
Legionella awareness e-learning	5* (42 total)	93%
Asbestos awareness e-learning	4* (55 total)	96%
Manual handling e-learning	15* (137 total)	64%

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

## 2.2 Meetings of Health and Safety Groups

Meeting	Frequency of meetings	attendees
Corporate Health and Safety Group	quarterly	Executive Management Team
Employee Health and Safety Group	six monthly June 2016	Executive Manager - Operations and Transformation, Health and Safety Advisor, nine work place representatives
Legionella, Asbestos and Tree Management Group	twice yearly July 2016	Executive Manager - Operations and Transformation Relevant managers Health and Safety Advisor
Depot	monthly team meetings	all collection teams

## 2.3 Occupational Health

	Attendance numbers Apr to end Sept 16	Comment
Pre-employment medicals	30	All new employees are assessed through a pre-employment questionnaire prior to commencing their role with the Council
HGV Medical	1	Medical assessments as required for HGV drivers
Hepatitis vaccinations	3	Offered to employees who are at risk of coming into contact with contaminated blood eg through needle-stick injuries

## 3. PROGRESS TOWARDS ACHIEVING HEALTH AND SAFETY GOALS

<b>To work in partnership to achieve the Nottinghamshire's Workplace Health Bronze Award by submitting the portfolio of evidence</b>	The Council has been successful in being awarded the Nottinghamshire's Workplace Health Bronze Award.
<b>Review and update Noise at Work policy</b>	The Policy has undergone full review and the updated policy has been fully implemented.
<b>Assist with advice on H&amp;S elements of office move to the Arena</b>	This work is on-going until the final move in December, but has currently included support in areas such as office equipment purchases, fire and first aid arrangements.

<b>To audit Streetwise in two of its high risk areas to be determined</b>	Significant work has been carried out in this six month period reviewing the current risk assessments and safe systems of work in place. The audits are to commence in the forthcoming six month period and it has been agreed with management to cover the topics of hand arm vibration and COSHH.
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#### 4. PERFORMANCE

##### 4.1 Accident report forms completed

	2012/ 13	2013/ 14	2014/ 15	2015 /16	Apr – end Sept 2013	Apr – end Sept 2014	Apr – end Sept 2015	Apr – end Sept 2016
Establishment figure head count	358	340	338- 303	291	351	338	290	285
Depot	45	34	19	24	19	11	9	11
Civic	5	5	4	2	4	3	1	1
Community Contact Centre	1	1	1	1	1	0	1	0
Community Facilities	5	2	1	1	1	1	1	1
<b>Total</b>	<b>56</b>	<b>42</b>	<b>25</b>	<b>28</b>	<b>25</b>	<b>15</b>	<b>12</b>	<b>13</b>

##### 4.2 Accident Report Forms by type

	2012/ 13	2013/ 14	2014 /15	2015 /16	Apr – end Sept 2013	Apr – end Sept 2014	Apr – end Sept 2015	Apr – end Sept 2016
Struck by Moving Object	14	8	4	9	5	3	2	2
Strike against fixed object	6	5	1	5	4	1	2	3
Slip / Trip / Fall	26	9	11	4	6	4	1	2
Manual Handling	6	12	6	8	5	3	5	6
Animal attack (e.g. dog)	3	3	2	0	1	2	0	0
Other (Shock/Contact with liquids)	1	5	1	2	4	2	2	0
<b>Total</b>	<b>56</b>	<b>42</b>	<b>25</b>	<b>28</b>	<b>25</b>	<b>15</b>	<b>12</b>	<b>13</b>

4.3 The number of employee days lost due to accidents

	2012 /13	2013 /14	2014 /15	2015 /16	Apr – end Sept 2013	Apr – end Sept 2014	Apr – end Sept 2015	Apr – end Sept 2016
Number of days lost	166	38	102	262	27	2	74.5	31

4.4 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
Strike against fixed	Bruise to head	R2Go	2
Slip, trip, fall	Swollen ankle	R2Go	18
Struck by moving object	Scratch to cornea	Civic	3
Struck by moving object	Pain knee	R2Go	4
Manual handling	Back pain	R2Go	4
<b>Total</b>			<b>31 days</b>

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

Apr 2016 to end Sept 2016	2 RIDDOR reports
Apr 2015 to end Sept 2015	4 RIDDOR reports

4.6 Accidents to the public

	2012/ 13	2013 /14	2014 /15	2015 /16	Apr – end Sept 2013	Apr – end Sept 2014	Apr – end Sept 2015	Apr – end Sept 2016
Member of Public	10	10	15	25	5	10	20	8
Contractor	0	0	0	1	0	0	0	0

## **5. LEISURE CENTRE FACILITY FIGURES**

See table in Appendix 1

- 184 accidents to members of the public in this 6 month period
- This compares to 205 for the same period in 2015, 227 in 2014 and 254 in 2013.

## **6. CONCLUSION**


- 6.1 The information reported in relation to the management of health and safety indicates that figures for number of accidents, currently at 13 is comparable to the previous two years.
- 6.2 The number of days absent from work due to accidents is comparable to the average figure for the last 4 years of data. 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.
- 6.3 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 2016 to end Sept 2016

	April	May	June	July	Aug	Sept	RIDDOR	Total Accidents Public	Total Staff	Total attendance figures
East Leake	4	5	3	1	2	2	0	17	0	105,393
Rushcliffe Leisure Centre	8	15	5	12	11	6	0	57	2	202,500
Bingham Leisure Centre	8	7	6	5	5	6	0	37	0	127,067
Cotgrave Leisure Centre	4	10	9	10	10	10	2	53	2	114,534
Rushcliffe Arena	**	**	**	**	**	**	**	**	**	**
Keyworth Leisure Centre	5	4	1	3	1	6	0	20	0	59,249
<b>Total</b>	<b>29</b>	<b>41</b>	<b>24</b>	<b>31</b>	<b>29</b>	<b>30</b>	<b>2</b>	<b>184</b>	<b>4</b>	<b>608,743</b>



 <p>Rushcliffe Borough Council</p>	<p><b>Corporate Governance Group</b></p> <p><b>1 December 2016</b></p> <p><b>Risk Management Review Update</b></p>	<p><b>6</b></p>
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## Report of the Executive Manager - Operations and Transformation

### 1 Summary

- 1.1 The Council's internal auditor, RSM (formerly Baker Tilly) completed an audit of risk management in August 2016. The report received from RSM concluded that the Council has retained its Green status. The Auditor states that the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified risk is suitably designed, consistently applied and operating effectively.
- 1.2 This report provides an update on the progress made since the meeting on 21 April 2016 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
- b) consider the actions taken to review the risk management arrangements and implement internal audit recommendations
- c) consider the work of the Emergency Planning Officer and endorse the work of the Local Resilience Forum.

### 3 Risk Management Review and activity

- 3.1 The Council's internal auditor RSM carried out the annual risk management audit during week commencing 22 August 2016.
- 3.2 There were four low priority recommendations arising from the audit which are as follows:
- *The Risk Management Strategy does not include the date of expected review. There is a risk that the content of the document becomes outdated and does not accurately reflect strategic direction of the Council with regards risk management.*

This will be addressed in the next update of the Risk Management Strategy.

- *Risk management training has not been provided to all staff with risk management responsibilities. If appropriate training is not provided there is a risk of a lack of consistent practices across the Authority, and also that staff are not aware of what is expected of them.*

Slides of the training and an offer of one to one assistance have been circulated. New refresher training will be provided in the new year to risk managers.

- *The risk register is not updated after a risk has been reviewed. If the risk register is not updated there is a risk that the reported status of risks is not accurate.*

Risk managers have been reminded of the requirement to update Covalent for each Performance and Risk Management Clinic.

- *There is no guidance available to staff on how to identify mitigating controls and how to assess the effectiveness of these controls.*

If the Covalent system 'tick box' is not used to confirm controls are operating effectively this results in a cross being recorded which could result in individuals thinking that the controls are not effective.

3.3 Throughout the year EMT has met as the Council's Risk Management Group twice since the Group's meeting on 21 April 2016 in order to oversee the management of risk across the organisation and review, where necessary, strategic and operational 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 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.

3.4 There are currently 32 corporate risks, an increase of 4 from the last report. There has also been an increase in the number of operational risks 31, and therefore the total number of risks has increased to 63. The number of risks within the registers will fluctuate throughout the year as active risk management is undertaken. 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 risk registers are attached at **Appendix A**.

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

- a) Risks removed  
None
- b) Risks added or proposed by the Risk Management Group:
  - Potential inflationary pressures, with volatility over prediction for budget. - linked to Brexit
  - Inability to draw down Growth Deal 2 funding within specified timescales
  - Potential delay of handover of new building at the Arena
  - Reputational risk to the Council following adverse media coverage
  - Potential delay for exchange or completion of contracts for the sale of the Civic Centre
  - Potential delay over completion and handover of Bridgford Hall.

- c) Risks amended
- CRR\_CO04 Inability to demonstrate a five year supply of deliverable housing sites against the housing target leading to further development on unallocated sites.
- This risk was moved from the Operational register to the Corporate Register following review by the Executive Management Team.
- OR\_FCS09 Loss of capital/lower interest earned on investments, due to Bail-in legislation. This risk has been renamed, 'current economic climate' replacing 'Bail-in legislation'.

## 4 Emergency Planning Update

### 4.1 Plans

The business continuity review of all critical services is on track to be completed for the move to the Arena.

### 4.2 Community resilience

Following the surface water flooding experienced by the community in Gotham, support has been provided to the parish council and wider community by the Emergency Planning Officer and the community are being provided with help to apply for a Rushcliffe flood resilience store grant.

### 4.3 Training

Rushcliffe Borough Council are this year hosting the local resilience forum recovery coordinating group training and a member of the Executive Management Team will be attending to increase our level of trained staff. An additional two members of the Executive Management Team will also be attending training in the strategic coordinating group and tactical coordinating group training this year.

### 4.4 Exercising

#### No notice business continuity exercise

22 members of the Executive Management Team, service managers and lead specialists took part in the no notice callout exercise in April. Staff received a Saturday morning text notification and were required to remotely access emergency planning files from Rushcliffe's IT systems and our externally hosted secure government website. Support was provided throughout the exercise by the Emergency Planning Officer.

#### Leadership forum business continuity table top discussion

As part of the business continuity review and preparations for the move to the new Arena offices members of the leadership forum took part in scenario based discussions. The scenarios used were taken from recent incident debrief reports.

- Lincolnshire total loss of IT for 5 days due to a ransom ware attack.
- Lancaster wide scale power failure for 5 days.

#### Rushcliffe Customer Contact Centre business continuity table top discussion

Although the Customer Contact Centre is located remotely to the civic centre it would be affected by any IT or power issues during the move to the new offices. The lead specialist and supervisors will be taking part in a scenario based

discussion to test their business continuity arrangements and re-familiarise staff with processes prior to the move taking place.

## **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 is £25,900.

### **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 Council's 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 kmarriott@rushcliffe.gov.uk
<b>Background papers Available for Inspection:</b>	None
<b>List of appendices (if any):</b>	Appendix A – Risk registers

## Corporate Risks

Risk Code & Title	Status	Current Rating
CRR_CO02 Failure of public sector partnerships/ withdrawal of financial support		4
CRR_CO03 Failure to safeguard children and vulnerable adults		3
CRR_FCS01 Failure to properly deal with community governance review legislation, Community Right to Challenge, and nominations for assets of community value		4
CRR_FCS02 Reduction in Government funding linked to New Homes Bonus		12
CRR_FCS03 Failure to prevent or detect fraud and corruption		6
CRR_FCS04 Failure to manage the impact of the introduction of Universal Credit on staff/ resource		6
CRR_FCS05 Revaluation of major business rate payer		12
CRR_FCS06 Lack of funding from partners		4
CRR_FCS07 Central Government policy changes		9
CRR_FCS08 Inadequate capital resources		3
CRR_FCS09 Fee income volatility		4
CRR_FCS10 Inflationary pressures, particularly utility costs		6
CRR_FCS11 Increased demand for services		6
CRR_FCS12 Risk and return from Asset Investment Strategy		9
CRR_FCS13 Failure to deliver the Transformation Strategy		8
CRR_FCS20 Failure to properly manage and deliver significant projects - Leisure and Office move		8
CRR_NS08 Failure of internal health and safety compliance or enforcement of health and safety		2
CRR_TR04 Failure to properly manage our property assets		3
CRR_TR07 Equal pay claim		6
CRR_TR08 Failure of business continuity		6
CRR_TR09 ICT supplier goes out of business		3
CRR_TR10 Ineffective emergency planning arrangements		4
CRR_TR11 Insufficient staff capacity - skills, knowledge etc		6
CRR_TR12 Long term loss/failure of main ICT systems		4
CRR_TR13 Loss or compromise of sensitive data		6
CRR_TR14 Short term loss/failure of main ICT systems		4
CRR_TR15 Significant reduction in staff morale		3
CRR_TR16 Threat of major successful cyber-attack		8



















## Added to the register









Risk Code & Title	Status	Current Rating
CRR_CO04 Inability to demonstrate a five year supply of deliverable housing sites against the housing target leading to further development on unallocated sites		12
CRR_TR17 Inability to draw down Growth Deal 2 funding within specified timescales		8

## New risks in development



Risk Code & Title	Status	Current Rating
Potential inflationary pressures, with volatility over prediction for budget. - linked to Brexit		
Potential delay of handover of new building at the Arena		

## Operational Risks

Risk Code & Title	Status	Current Rating
OR_CO04 Cost of defending appeals for large scale residential developments and potential award of costs		4
OR_CO05 Failure to determine major planning applications within 13 weeks or agreed period		3
OR_FCS01 Failure to meet major statutory duties or take on board new legislation		4
OR_FCS02 Failure to comply with the Data Protection Act		2
OR_FCS03 Inadvertent illegal activity, taking illegal decisions		2
OR_FCS05 Loss or compromise of confidential or restricted information or data		3
OR_FCS06 Failure to manage and monitor budget		4
OR_FCS07 Lack of implementation of financial controls		4
OR_FCS08 Exposure to breach of VAT rules		6
OR_FCS09 Loss of capital/lower interest earned on investments, due to current economic climate		8
OR_NS02 Disruption and lack of fuel preventing collection of domestic waste		2
OR_NS06 Lack of knowledge of contaminated land		2
OR_NS20 Significant malfunction of core services/security risk at Council's temporary accommodation premises		4
OR_NS21 Lack of or inappropriate monitoring of the Streetwise prime contract resulting in reduced standards and increased levels of resident dissatisfaction		4
OR_NS25 Failure to deliver mandatory DFG grant due to insufficient funding		2
OR_NS26 Lack of or inappropriate monitoring of Nottingham City Council vehicle maintenance contract resulting in reduced standards and increased costs		2
OR_TR04 Failure to manage legionella issues		4
OR_TR05 Failure to manage asbestos in buildings under our control		4

OR_TR13 Failure to maintain council owned trees		4
OR_TR14 Partners closure of buildings where RBC has contact points, including RCCC		6
OR_TR16 Failure to secure vacant possession of Cotgrave precinct and associated risks to town centre regeneration		6
OR_TR17 Threat of violence to staff		6
OR_TR18 Failure to comply with Equality legislation		2
OR_TR19 Risk to staff health due to their work		2
OR_TR20 Threat of Industrial Action		6
OR_TR21 Unauthorised access to IT systems		8

### Added to the register

Risk Code & Title	Status	Current Rating
OR_FCS04 Failure to implement Paperlite working practice for Members		4
OR_NS28 Delivery of social rented affordable housing		6

### New risks in development

Risk Code & Title	Status	Current Rating
Reputational risk to the council following adverse media coverage		
Potential delay for exchange or completion of contracts for the sale of the Civic Centre		
Potential delay over completion and handover of Bridgford Hall		

## Report of the Chief Executive

### 1. Summary

- 1.1 The Chief Executive and the designated Monitoring Officer have the responsibility to ensure the aims and principles of the Constitution are complied with. They are responsible for overseeing, administering and advising Members of matters in relation to the Council's Constitution so that it is kept up to date, is reflective of current legislation, and meets the needs of the Council both now and in the foreseeable future. The Corporate Governance Group has, through the Constitution, a responsibility to monitor and where appropriate make recommendations to review the Constitution. During 2016, some initial changes were made, to reflect legislative amendments and commitments which had been made to the internal operating structures of the Council. As a result, members of the Corporate Governance Group highlighted the desire for a more fundamental and in depth review of the Constitution to be undertaken.
- 1.2 This report proposes options for a timetable to achieve a more fundamental review of the Constitution within a logical and systematic way. It is intended that this review be Councillor-led and a significant amount of time has been allocated for the review on this basis.

### 2. Recommendations

It is recommended that the Corporate Governance Group:

- a) approves the timetable for the review of the Constitution as set out at paragraph 4.7, Table C
- b) identifies any specific areas where it is believed that the aims and principles of the Constitution are not being adhered to so that they can be given immediate priority (other than those stated at paragraph 4.9, Table D)

### 3. Background

- 3.1 The Council's present governance arrangements, and corresponding Constitution, stem back to the early part of the Century. As can be seen from Table A below, the Constitution is a document that evolves overtime and in response to the needs of the Council as well as changes in the legislative environment.



**Table A**

Year	Alterations
2004	<ul style="list-style-type: none"> <li>• Scrutiny was re-modelled</li> <li>• Minor changes were made to the protocol for member questions and the raising of potential items for scrutiny was amended</li> <li>• The Member Review Group was discontinued</li> <li>• Scrutiny (PMB at this point in time) of the Constitution was included within the role of scrutiny</li> </ul>
2005	<ul style="list-style-type: none"> <li>• Abolition of Area Consultation Meetings</li> </ul>
2008	<ul style="list-style-type: none"> <li>• Amendments to the Scheme of Delegation to deal with changes to the management arrangements</li> </ul>
2010	<ul style="list-style-type: none"> <li>• The Council considered its Executive Model</li> <li>• New legal duties were incorporated</li> <li>• Clarification of wording and legal anomalies</li> <li>• Considered whether or not to introduce public questions</li> <li>• Transferred responsibility for consideration of the Constitution from PMB to CGG</li> </ul>
2011	<ul style="list-style-type: none"> <li>• Revised Scheme of Delegation</li> <li>• Amendments to the Responsibility for functions</li> <li>• Amendments to reflect changes to the structure of the Council</li> </ul>

3.2 Most recently, the Constitution has been amended to reflect the changes brought about through The Localism Act 2011 that removed the Statutory Petition Scheme that had previously been introduced by the Local Democracy, Economic Development and Construction Act 2009.

#### 4. Detail

4.1 Councillors will be aware that the Constitution is formed of 6 parts. While the Group has responsibility for keeping the document as a whole under review certain elements sit within the responsibility of other areas of the Council – one such example would be the Councillor’s Code of Conduct which is the responsibility of the Council’s Standards Committee. Certain statutory officers are responsible for ensuring that elements of the Constitution accord with legal and financial principles with the Chief Executive having specific duties as the Head of Paid Service as well as for securing the efficient operation of the Council as a whole as its principal adviser.

4.2 A list of the documents, which are the responsibility of another person or body, are set out in Table B below.

**Table B**

Document	Responsibility for review
Part 1 Summary and Explanation	CGG and the Monitoring Officer
Part 2 Articles	CGG and the Monitoring Officer
Part 3 Responsibility for Functions	CGG in respect of Council functions The Chief Executive in respect of Officer roles
Part 4 Rules of Procedure	CGG, the Chief Executive, the S151 Officer and the Monitoring Officer
Part 5 Codes and Protocols	
<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Guidance on Planning Applications</li> </ul>	Standards Committee Standards Committee

<ul style="list-style-type: none"> <li>and Procedures</li> <li>• Councillor/Officer Relations</li> <li>• Councillor Call for Action</li> <li>• Officer Code of Conduct</li> <li>• Information Security Policies</li> <li>• Officer Code of Conduct – Politically Restricted Posts</li> <li>• Officer Code of Conduct – Confidential Reporting Code</li> <li>• Officer Code of Conduct – Anti-Fraud Policy Statement</li> </ul>	<p>Leader and Chief Executive and Standards Committee CGG and the Monitoring Officer Chief Executive Chief Executive and the Senior Information Risk Owner</p> <p>Chief Executive</p> <p>Chief Executive and the Monitoring Officer</p> <p>Chief Executive and the Section 151 Officer</p>
Part 6 Members Allowances	The Independent Member Remuneration Panel reporting to the Council

- 4.3 It is important to note that while the Corporate Governance Group has responsibility to keep matters under review and make recommendations in respect of the above functions, the final decision making responsibility rests with Cabinet (in respect of Executive functions) and Council in respect of other functions.
- 4.4 Councillors will be mindful of the need to seek the views of other Rushcliffe councillors on these issues. In addition, any matters that the Group considers should be explored further, will require consultation outside of the Group to enable recommendations to be made that capture views from across the Council, as well as from other stakeholders where appropriate. For example, the inclusion of public speaking, which has already been identified as an area for review will require input from other groups.
- 4.5 A proposed timetable is suggested below at Table C to outline the process of reviewing the Constitution as a whole document. Only months are suggested for meetings falling outside the current municipal year as dates for individual meetings have yet to be set.
- 4.6 Officers are very aware of the importance that the Group attaches to ensuring that it has thoroughly discharged its duty when considering standing items on the work programme, such as financial affairs of the Authority. As a consequence an additional meeting of this Group has been proposed in February 2017. It is suggested that this meeting is solely for consideration of standing items and, therefore, the illustrative timetable below currently excludes the February meeting.
- 4.7 A review of the Constitution as a whole will need to be broken down into stages to enable the Group to engage with both this and the other matters that form the work programme. Table C outlines an example of the time that could, be required to review all the parts of the constitution, through Corporate Governance Group meetings, the example also indicates how recommendations from the group would also be considered on a rolling basis.

**Table C**

Action	Meeting
Set timetable, define scope and parameters	1 December 2016
Summary, Explanation and Articles provided to Members of the Committee for comment and feedback on Public Speaking as a result of the Development Control peer review	11 May 2017
CGG Members to discuss and feedback on Articles and make proposals	June 2017
Proposals to be circulated to all members of the Council for their comments and input and recommendations made to Cabinet and Council	September 2017
Council Functions to be circulated to the members of CGG for their comments	
CGG members to discuss and feedback on the Council Functions and make proposals	December 2017
Proposals to be circulated to all members of the Council for their comments and input and recommendations made to Cabinet and Council	May 2018
Council Rules of Procedure pages 1 to 15 to be circulated to the members of CGG for their comments	
CGG members to discuss and feedback on the Council Rules of Procedure pages 1 to 15 and make proposals	June 2018
Proposals to be circulated to all members of the Council for their comments and input and recommendations made to Cabinet and Council	September 2018
Council Rules of Procedure pages 34 to 49 to be circulated to the members of CGG for their comments	
CGG members to discuss and feedback on the Council Rules of Procedure pages 34 to 49 and make proposals	December 2018
Proposals to be circulated to all members of the Council for their comments and input and recommendations made to Cabinet and Council	May 2019
Council Rules of Procedure pages 50 to 67 (Financial Regulations) to be circulated to the members of CGG for their comments	
CGG members to discuss and feedback on the Council Rules of Procedure pages 50 to 67 (Financial Regulations) and make proposals	June 2019
Proposals to be circulated to all members of the Council for their comments and input and recommendations made to Cabinet and Council	September 2019
Council Rules of Procedure pages 50 to 67 (Financial Regulations) to be circulated to the members of CGG for their comments	
CGG members to discuss and feedback on the Council Rules of Procedure pages 50 to 67 (Financial Regulations) and make proposals	December 2019
Proposals to be circulated to all members of the Council for their comments and input and recommendations made to Cabinet and Council	May 2020
Councillor Call for Action to be circulated to the members of CGG for their comments	
CGG members to discuss and feedback on the Councillor Call for Action and make proposals	June 2020
Proposals to be circulated to all members of the Council for their comments and input and recommendations	September 2020

made to Cabinet and Council	
Cabinet to consider proposals	November 2020
Council to consider proposals	December 2020

- 4.8 An alternative method would be for the Corporate Governance Group to set up a small task and finish group to work with relevant officers in reviewing and agreeing the key aspects that require a more detailed work programme. This would hopefully have the effect of focussing upon key areas of concern, be more resource efficient and shorten the review process illustrated above.
- 4.9 Table D below is intended to provide reassurance that specific comments that Councillors have been incorporated to ensure they receive appropriate consideration for inclusion within the constitution or other policy of the Council.

**Table D**

Issue	Approach
Public Speaking	<p>It is necessary to consider, devise and adopt procedures which are the most efficient and economical for each of the meetings held in public.</p> <p>A Proposed scheme is to be included as part of the Peer review of Development Control scheduled for February 2017 and will form the basis and framework for all other public meetings. Feedback to be provided at the May 2017 meeting.</p>
Use of 1 <sup>st</sup> class travel	<p>Members travel arrangements are administered having regard to the recommendations of the Independent Remuneration Panel (IRP) and their report to Council.</p> <p>This issue is being considered by the Chief Executive and Section 151 Officer</p>
Reference and recognition of the role and purpose of the Leader of the Opposition.	Changes could be incorporated to reflect this role should members wish to proceed with this.

## 5. Implications

### 5.1. Finance

The Constitution and in particular the finance regulations underpin the good financial governance of the Authority. There are no direct financial implications arising from the report.

### 5.2. Legal

The Constitution underpins and provides authority for the governance arrangements of the Council and it is essential that it is maintained so as to provide this framework. It should also be noted that certain procedural standing orders are required by statute and therefore mandatory.

### 5.3. Corporate Priorities

The Constitution enables delivery of the Corporate Priorities.

### 5.4. Other Implications

None.

<b>For more information contact:</b>	Name: Allen Graham - Chief Executive Tel: 01159314520 email: <a href="mailto:agraham@rushcliffe.gov.uk">agraham@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Current Constitution proposed for acceptance by Council on 8 December 2016
<b>List of appendices (if any):</b>	None

## Report of the Executive Manager - Finance and Corporate Services

### 1. Summary

- 1.1. The attached letter from KPMG summarises progress on the audit process for the 2015/16 financial year. It reiterates the key conclusions of the Auditors' Report on the 2015/16 Accounts and the Report to those Charged with Governance, both of which were considered by the Corporate Governance Group on 8 September 2016.
- 1.2. No actions are required in relation to the report.

### 2. Recommendations

- 2.1. It is recommended that the 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 2015/16 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 Executive Manager - Finance and Corporate Services 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 2015/16



# Annual Audit Letter 2015/16

**Rushcliffe Borough Council**

—

October 2016





# Contents

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3. Audit fees 6

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. Public Sector Audit Appointments 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.psaa.co.uk](http://www.psaa.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, Andrew Sayers ([andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@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 Annual Audit Letter summarises the outcome from our audit work at Rushcliffe Borough Council in relation to the 2015/16 audit year.

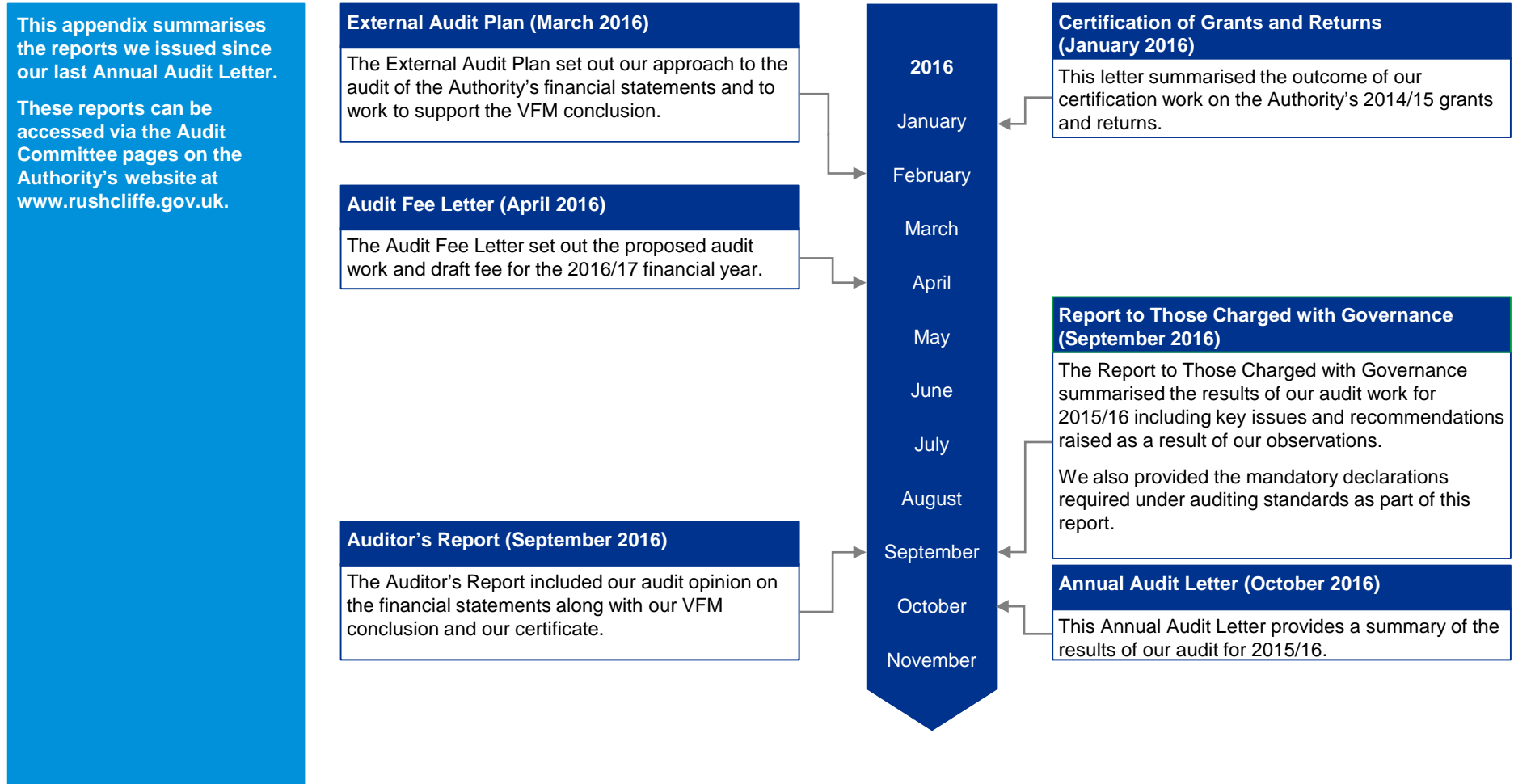
Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2015/16 on 30 September 2016. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.</p> <p>To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties. Specifically, we considered the robustness of the Medium Term Financial Plan and whether assumptions around future funding and income streams are appropriate. We also considered the robustness of governance arrangements underpinning the Authority's Asset Investment Strategy and Arena Capital Programme. There are no matters of any significance arising as result of our audit work in these VFM risk areas which impacted on our overall VFM conclusion. We did however raise one medium priority recommendation in regards to final due diligence prior to finalising the loan with Nottinghamshire County Cricket Club (see Appendix One).</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the Authority's financial statements on 30 September 2016. 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 reviewed key risks to the financial statements throughout our audit. We identified the following key financial statements audit risks as part of our planning work; Pension Liability Assumptions; Producing Group Accounts; and Capital Programme Accounting. There were no matters of any significance arising as a result of our audit work in these key risk areas.</p> <p>The Authority has good processes in place for the production of the accounts and provided a strong draft set of accounts for audit. This was supported by good quality supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.</p> <p>We did not identify any material adjustments. The Authority made a small number of non-trivial adjustments, all of which were of a presentational nature.</p> <p>Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were 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>Certificate</b>	<p>We issued our certificate on 30 September 2016. The certificate confirms that we have concluded the audit for 2015/16 in accordance with the requirements of the Local Audit &amp; Accountability Act 2014 and the Code of Audit Practice.</p>
<b>Audit fee</b>	<p>Our fee for 2015/16 was £41,288, excluding VAT, this is inline with our planned fee. Further detail is contained in Appendix 3.</p>

# Appendix 1: Key issues and recommendations

<p>We will formally follow up this recommendations next year.</p>	No.	Issue and recommendation	Management response / responsible officer / due date
	1	<p><b>Nottinghamshire County Cricket Club Loan</b></p> <p>The Authority has set aside £10m towards an Asset Investment Strategy Fund. £2.7m of which has been agreed as a loan to Nottinghamshire County Cricket Club (NCCC) to support proposed improvements to the Trent Bridge Cricket Ground. The purpose of these developments is to increase the likelihood of NCCC continuing attracting international cricket matches to the region in the future.</p> <p>The Authority recognised within its report to Cabinet on 8 September 2015, that the biggest risk with regards to the loan is the potential for NCCC to default on repayment of the loan. We note that the Authority has reviewed the financial accounts and medium term financial plans, including cash flows, to gain comfort in regards to its agreed loan to NCCC.</p> <p>We have noted, however, that costings for each of the projects that the loan is to support has not been formally obtained to provide confirmation of how the loan will be utilised and to assess whether the loan can achieve the intended purpose.</p> <p>We also note while officers confirm that a risk assessment surrounding NCCC failing to obtain successful test funding have been considered (for example the potential impact of unsuccessful international friendly matches, along with additional television deal income), this should be formally documented to demonstrate the potential risk, scenarios and potential mitigations, which is in part inherently offset via the process of staged loan drawdowns. Finally, detail about the benefits that will be received by the region could be enhanced.</p> <p><b>Recommendation</b></p> <p>The Authority should seek to further enhance its assessment of the business case for granting the loan. The s151 Officer should obtain formal costing and budget reports to confirm how the loan is being used and that it is for its intended purpose. On-going budgetary reports to Cabinet should report on issues regarding variation and risk to the project and any impact on the loan.</p> <p>As part of this the risk of the projects not enabling NCCC to attract future England cricket matches should also be documented together with the actual benefit that is derived by the region.</p> <p>Further to the above, it would be prudent to undertake further due diligence of NCCC's financial position and progress with bidding for future England games ahead of any loan draw downs.</p>	<p>The Executive Manager Finance and Corporate Services, will clarify the current cost position of the project prior to authorising any loans. The position of the NCCC project(s) will change according to various risks, for example planning and procurement. As a matter of course the Section 151 officers of the 3 Councils will continue to review the position of the projects, and their progress against budget; as well as the success or otherwise of the bidding process for future test matches; and thereafter agreeing the drawdown on the loans over time.</p> <p>The benefits to the region have been well documented in the past. The East Midlands Development Agency estimated in 2009 the Twenty20 World Cup generated £12m to the local economy. Sport England estimated the value to the local economy of sport in Rushcliffe to be £49m (December 2015). Anecdotally figures suggest a five day test match contributes £30m to the local economy a proportion which Rushcliffe benefits from. Given the variety of other economic variables influencing the local economy it is difficult to isolate the exact benefits, but clearly these are significant in terms of additional business in the borough as well as the positive reputational impact for the Borough in having an excellent test ground facility.</p> <p>Executive Manager –Finance and Corporate Services</p> <p>1 October 2016 and on-going.</p>

# Appendix 2: Summary of reports issued



# Appendix 3: Audit fees

This appendix provides information on our final fees for the 2015/16 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2015/16 planned audit fee.

### External audit

Our scale fee for the audit was £41,288 plus VAT in 2015/16. This fee was in line with that highlighted within our audit plan agreed by the Corporate Governance Group in April 2016. 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 2017, our scale fee for certification for the HBCOUNT is £6,898 plus VAT for 2015/16.

### Other services

We have not undertaken any non-audit work in year.



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[kpmg.com/app](http://kpmg.com/app)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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## Report of the Executive Manager - Finance and Corporate Services

### 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 2016.
- 1.2. The Treasury Management Strategy Statement (TMSS) for 2016/17, approved by Council on 3 March 2016, 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

It is recommended that Members note the Treasury Management update position at 30 September 2016.

### 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 the Code of Practice.

### 4. Supporting Information

#### Economic Background

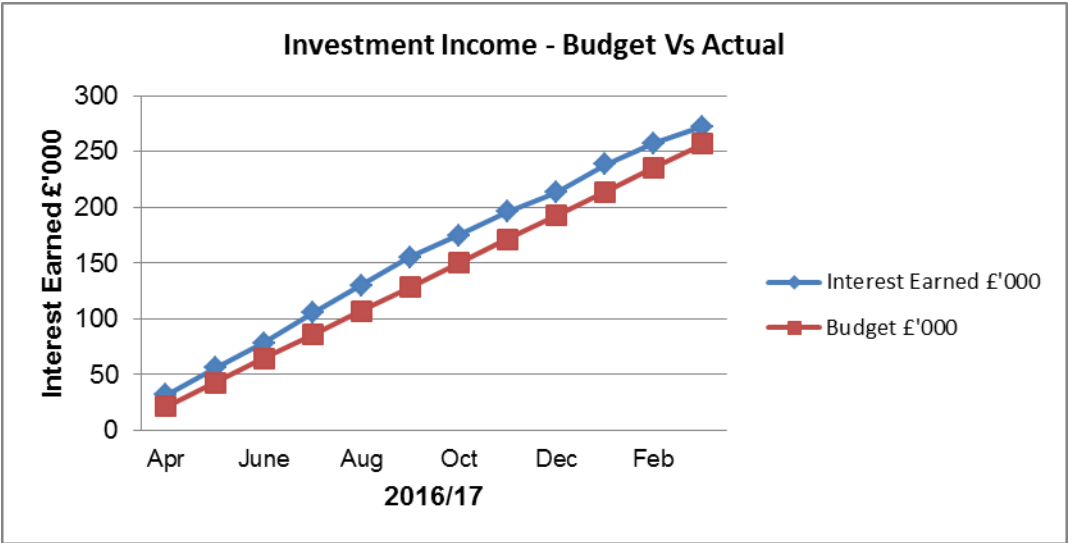
- 4.1. In the first six months of 2016/17:
  - The UK economy was showing signs of growth but following the referendum result growth forecasts declined
  - The Bank of England base rate was reduced from 0.5% to 0.25% on 4 August 2016.

**Economic Forecast**

- 4.2. The Bank of England base rate informs the rates that can be obtained from investments. A ringclose expect interest rates to remain at 0.25% although there is a 40% possibility that rates could reduce close to zero.
- 4.3. Inflation is expected to increase due to a rise in import prices. The Bank of England forecast a rise in CPI to 0.9% by December 2016, with CPI expected to increase to 2% over the coming year.
- 4.4. The economic growth consequences of BREXIT remain speculative, uncertainty over the UK’s future trade relations with the EU and the rest of the world will impact on economic growth during the second half of 2016 and in 2017.

**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 £257,200 in investment income in 2016/17. Actual interest earned to 30 September 2016 totalled £157,000 with total receipts for the year expected to be £272,200. Interest receipts are higher than estimated as investments balances were higher than originally estimated due to expenditure being incurred later than expected. All investments have been made in accordance with the 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.
- 4.7. The projected return on investments is highlighted in the following graph, which depicts the positive performance against the budget.



- 4.8. 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 s hort term basis in line with the



Treasury Management Strategy, utilising both instant access bank accounts and short term deposits.

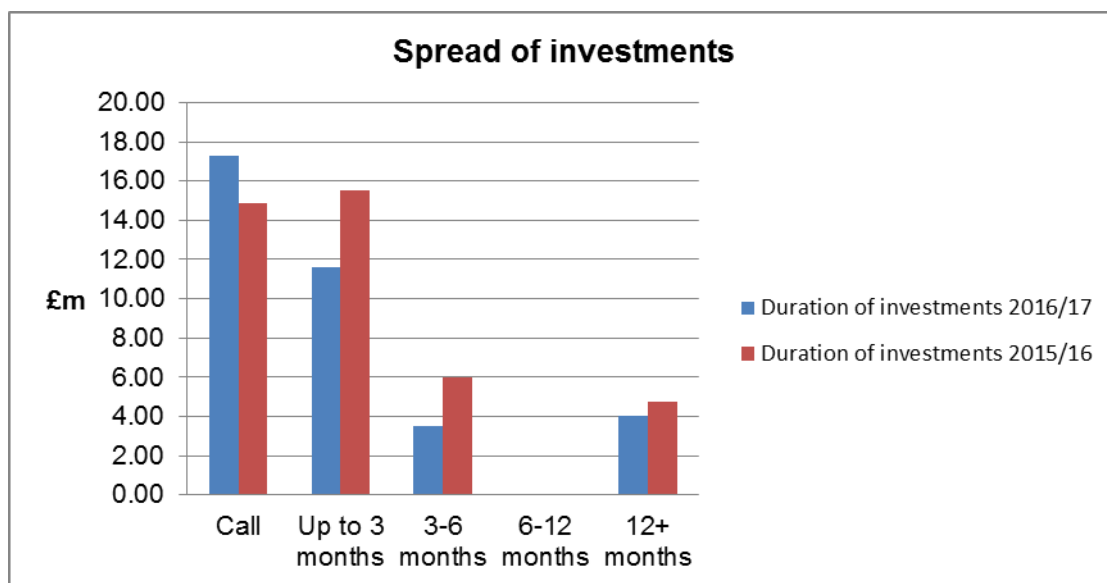
Benchmark	LIBID Return	Council Performance
Instant Access	0.10%	0.37%
7 day	0.12%	-
1 month	0.14%	0.29%
3 month	0.26%	0.33%
6 month	0.41%	0.48%
12 month	0.63%	-

4.9. The table below highlights the level of investment activity and the rates obtained at 30 September 2016. 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)	£1,000,000	1 year 3 months	0.92%
13 July 2016	Nationwide	£2,500,000	6 months	0.49%
13 July 2016	Coventry Building Society	£1,000,000	6 months	0.47%
19 August 2016	National Counties Building Society	£1,000,000	3 months	0.33%
N/A	Barclays	£2,951,556	32 day notice	0.27%
N/A	Handelsbanken	£2,827,507	35 day notice	0.20%
N/A	Santander	£3,006,212	31 day notice	0.40%
N/A	Santander	£1,805,518	60 day notice	0.50%
N/A	Blackrock	£4,106,974	Call	0.285%
N/A	CCLA	£996,418	Call	0.292%
N/A	Federated	£110,000	Call	0.37%
N/A	Goldman Sachs	£95,224	Call	0.271%
N/A	HSBC	£178,556	Call	0.13%
N/A	Invesco	£3,817,701	Call	0.37%
N/A	Standard Life	£4,952,485	Call	0.37%
N/A	Royal London Cash Plus Fund	£1,005,401	Ongoing	0.668%
N/A	CCLA Property Fund	£2,000,000	Ongoing	4.79%
N/A	Funding Circle	£30,100	Ongoing	0%
N/A	Residual MMF/Call Account balances	£1,335	Call	0.15% to 0.165%
	<b>Total Investments/ Average Interest Rate</b>	<b>£36,384,987</b>		<b>0.80%</b>

4.10. As the table above indicates, investments at 30 September 2016 totalled £36.38 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.

- 4.11. It should be noted that £7.53 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 £26,000.
- 4.12. The above details the Counterparties that the Council had placed investments with at 30 September 2016. 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 2015/16 and 2016/17. 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

- 4.13. 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.
- 4.14. The 'authorised limit' and 'operational boundary' indicators govern the maximum level of external borrowing to fund the capital programme and short-term cash flow.
- 4.15. No external borrowing is proposed to be undertaken in 2016/17 hence the Authorised Limit and Operational Boundary remain unchanged (see **Appendix A**).
- 4.16. As part of the Treasury Management Strategy the Council established a range of Prudential Indicators (which also accords with professional practice) 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**. Key points to note:

- Capital expenditure has increased as a result of capital budgets brought forward from 2015/16;
- The incremental impact of investment decisions which indicates the revenue costs associated with the capital programme. This indicator has increased from (£0.38) to £1.80 as the interest expected to be received in 2016/17 from the Cricket Club Loan is lower than originally estimated.

## Conclusion

4.17. Treasury Management continues to be fraught with difficulty. The UK economy is more uncertain as a result of BREXIT and general international political uncertainty (eg the result of the American election and forthcoming European elections) which are expected to have a long term impact on interest rates and the returns that can be achieved from investments. 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 Executive Manager - Finance and Corporate Services 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 2016/17
<b>List of Appendices (if any):</b>	Appendix A – Prudential and Treasury Indicators for 2016/17 position at 30 September 2016

**Prudential and Treasury Indicators for 2016/17**  
**Position at 30 September 2016**

	2016/17 £'000 Original Estimate	2016/17 £'000 Revised Estimate	2016/17 £'000 Projected Outturn
<b><u>Prudential Indicators</u></b>			
<b>Capital Expenditure</b>	18,742	28,005	22,532
<b>Ratio of net financing costs to net revenue streams</b>			
Non-HRA	(2.58%)	(2.72%)	(2.84%)
<b>Expected Investment Position</b>	12,700	11,400	16,900
<b>Capital Financing requirement as at 31 March 2017</b>	12,001	12,001	12,001
<b>Incremental impact of capital investment decisions</b>			
Increase in council tax (Band D) per annum	(£0.38)	£0.38	£1.80
<b><u>Treasury Management Indicators</u></b>			
<b>Authorised Limit for external debt</b>			
Borrowing and other long term liabilities	31,000	31,000	31,000
<b>Operational Boundary for external</b>			
debt borrowing and other long-term liabilities	26,000	26,000	26,000
<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>	3,175	3,175	3,175

## **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

## Report of the Executive Manager - Finance and Corporate Services

### 1. Summary

- 1.1. This report presents the budget position for revenue and capital as at 30 September 2016 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

It is RECOMMENDED that the Corporate Governance Group note:

- a) the projected revenue and capital budget positions for the year of £442k in efficiency savings and £5,473k from capital scheme re-phasing; and
- b) the accelerated budget provision in relation to Edwalton Golf course to enhance the facilities (specifically the toilets and showers).

### 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 Evidence

#### *Revenue Monitoring*

- 4.1 The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis as at 30 September 2016 attached at **Appendix B**. This shows an underspend against profiled budget to date of £276,000 and a projected efficiency saving for the year of £442,000. 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 financial position to date reflects a number of positive variances including employee cost savings; increased income from investment properties; the lack of current calls made on the contingency budget; and additional green waste income. There are several negative variances, the main one being in relation to a fall in expected planning income, particularly due to a reduction in solar farm applications.

## Capital Monitoring

- 4.4 The updated Capital Programme monitoring statement as at September 2016 is attached at **Appendix C**. A summary of the projected outturn and funding position is shown in the table below:

<b>CAPITAL PROGRAMME MONITORING - SEPTEMBER 2016</b>			
<b>EXPENDITURE SUMMARY</b>	<b>Current Budget £000</b>	<b>Projected Actual £000</b>	<b>Projected Variance £000</b>
Transformation	11,034	8,184	(2,850)
Neighbourhoods	1,919	931	(988)
Communities	327	257	(70)
Finance & Commercial	14,485	13,160	(1,325)
Contingency	240	0	(240)
	<b>28,005</b>	<b>22,532</b>	<b>(5,473)</b>
<b>FINANCING ANALYSIS</b>			
Capital Receipts	(4,828)	(2,927)	1,901
Government Grants	(4,776)	(3,526)	1,250
Other Grants/Contributions	(2,293)	(2,171)	122
Use of Reserves	(2,527)	(1,227)	1,300
Internal Borrowing	(13,581)	(12,681)	900
	<b>(28,005)</b>	<b>(22,532)</b>	<b>5,473</b>
<b>NET EXPENDITURE</b>	-	-	-

- 4.5 The original Capital Programme of £18.7 million has been supplemented by a net brought forward and in-year adjustments of £9.3 million giving a revised total of £28 million. This is an ambitious capital programme which will see completion of two major redevelopment schemes: Bridgford Hall and the Arena. A Capital Contingency sum of £250,000 has been included to allow for flexibility in the programme of which £240,000 is unallocated at period 6.

### 4.6 Transformation

The projected actual of £8.1 million will continue to be refined as the cost commitments and profiling of works associated with Cotgrave Masterplan become clearer. The acquisition of strategic properties in Cotgrave continues and works will commence on the Multi-service Centre and Employment Land. Significant grant support has been secured from Growth Deal Funding for Cotgrave Town Centre and Employment Land (£3 million). The land swap regarding Park Cottage to Metropolitan Housing as reported to Cabinet (11 October 2016) is not taking place as planned as it will not be in time in relation

to the demolition of Scotland Bank. This creates a temporary funding shortfall that will be met within the existing budgetary provision. This will be replenished by disposal of the asset in the new year (ie a capital receipt). A further £2.5 million of Growth Deal Funding has been allocated to the development of Land North of Bingham although it is unlikely that works will commence this financial year and this scheme will need to be re-profiled. Contract works are well underway at Bridgford Hall with completion planned for the end of the financial year. The second tranche of the contribution to Nottinghamshire Broadband has been released. Works planned under the IS Strategy are underway supporting technologies associated with the move to the Arena. A small provision has been made in the event of necessary health and safety enhancement works to the Civic Centre prior to the move.

#### **4.7 Neighbourhoods**

A variance of just under £1 million is projected at this stage. This primarily relates to support for Registered Housing Providers (£659,000) as there are currently no grant commitments. A second programme of garage site developments and the continuation of the rural exception sites is still being explored. In addition, the Council is looking at other methods of delivering social housing in the Borough although this work is still in the early stages. Additional funding has also been awarded from the Better Care Fund allowing additional grant monies to be made available for Disabled Facilities Grants (DFGs), Discretionary top-ups for DFGs, a Handyperson Adaptation Service and Assistive Technology (Home Alarms and small scale alterations to allow vulnerable people to stay in their own homes). A total sum of £126,000 brought forward from 2015/16 for DFGs and top-ups can potentially be returned to Capital Contingency later in the year as it is unlikely to be needed. There is a projected underspend of £203,000 on the vehicle replacement programme as this is closely managed to get the maximum economical use out of the existing fleet.

#### **4.8 Communities**

There is a potential underspend of £70,000. The projected actual for Capital Grant Funding is based on known grant commitments and there is still £20,000 uncommitted. Fencing and drainage works at West Park have not yet commenced. The options for works at Boundary Road and Greythorne Drive have yet to be scoped. A consultation exercise will follow this and there is the potential that this provision will not be spent in 2016/17.

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

The projected actual is £13.1 million which is £1.3 million short of the planned programme. This reflects the understanding that the new loan for Nottinghamshire County Cricket Club will be requested over 3 years instead of one lump sum. In addition, there are no commitments against the monies originally intended for loans to small businesses which is now assimilated within the Asset Investment Strategy fund. The projected actual for the Arena Development shows a variance of £500,000 in reality this is not an overspend. This arises due to the historical phasing of the provisions for this in the Capital Programme. This sum is contained in the 2017/18 programme and is required to be accelerated for 2016/17 to meet completion of the scheme. Expenditure is now expected on the upgrade of facilities at Edwalton Golf Course. The provision for this work is approved for 2017/18 and needs to be accelerated to meet current public expectations and standards. The projected expenditure will be adjusted depending on agreeing the final specification and obtaining



quotations. A net adjustment of £10,000 has been made to Capital Contingency to reflect the allocation of £50,000 to Bingham Leisure Centre Artificial Turf Pitch, offset by receipt of additional grant monies of £40,000 towards the scheme from Bingham Toothill School.

#### 4.10 Summary

The report overall projects overall efficiency savings for both revenue and capital. It should be noted opportunities and challenges can arise during the year 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; with heightened risks as a result of BREXIT. 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 Executive Manager - Finance and Corporate Services 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 2016/17 – Quarter 2 Appendix B – Revenue Variance Analysis Explanations Appendix C – Capital Programme 2016/17 – Quarter 2 Position

## Revenue Outturn Position 2016/17 – Quarter 2

	Q2 Position - excl recharges			Total Costs				Main Variation Explanation (see also Appendix B)
	Budget YTD £'000	Actual YTD £'000	Total Variation £'000	Budget £'000	Projected Outturn £'000	Total Variation £'000	Variation %	
Communities	305	379	74	2,738	2,894	156	6	Reduction in large scale planning applications
Finance and Corporate Services	10,817	10,772	(45)	3,682	3,426	(255)	(7)	Contingencies not called upon
Neighbourhoods	1,154	1,009	(145)	4,709	4,510	(200)	(4)	Green waste income above target
Transformation	1,204	1,044	(160)	306	182	(124)	(41)	Additional rental income from investment properties
<b>Net Service Expenditure</b>	<b>13,480</b>	<b>13,204</b>	<b>(276)</b>	<b>11,435</b>	<b>11,012</b>	<b>(423)</b>	<b>(4)</b>	
Capital Accounting Adjustments				(1,591)	(1,588)	3	0	
Revenue contribution to capital				158	158	0	0	
Transfer to/(from) Reserves				1,033	1,475	442	0	Revenue surplus £423k, S31 grants £82k, SBRR (£60k)
<b>Total Net Service Expenditure</b>				<b>11,035</b>	<b>11,057</b>	<b>22</b>	<b>0</b>	
Central Government Grant				(1,064)	(1,064)	0		
Localised Business Rates (includes SBRR)				(2,072)	(2,012)	60		SBRR income less than budgeted for
Collection Fund Surplus				(79)	(79)	0		
Council Tax Income				(5,753)	(5,753)	0		
Specific Grants (including NHB)				(2,067)	(2,149)	(82)		S31 grants (NHB New Burdens £14k, Transition Grant £34k, IER £20k)
Council Tax Freeze Grant				0	0	0		
<b>Total Funding</b>				<b>(11,035)</b>	<b>(11,057)</b>	<b>(22)</b>	<b>0</b>	
<b>Gross Budget Deficit</b>				<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	

**Revenue Variance Explanations (over £15k)**

<b>ADVERSE VARIANCES</b>	<b>Projected Outturn Variance £'000</b>
<b>Communities</b>	
Community Parks & Open Spaces - New car parking charges not anticipated to be realised until 2017/18	20
Development Control - Reduction in number of large scale applications - £50k. New pre-application commenced part way through year - £20k. Aslockton appeals costs - £13k	83
Building Control - September report from S Kesteven highlighted reduction in income	46
<b>Finance &amp; Corporate Services</b>	
Edwalton Golf Courses - Renegotiated contract	39
Corporate Management - Increase in bank charges due to increase in volume of payments	29
<b>Neighbourhoods</b>	
Tanker Services - Loss of income from Metropolitan contract	15
Waste Collection & Recycling - Agency costs to cover sickness and vacancies	25
<b>Total Adverse Variances</b>	<b>257</b>
<b>FAVOURABLE VARIANCES</b>	
<b>Communities</b>	
Local Development Framework - Local Plan expected to slip with possible carry forward into 2017/18	(27)
Development Control - Salary savings	(24)
<b>Finance &amp; Corporate Services</b>	
Finance – Staff vacancies and additional income from NSDC insurance work	(62)
Contingencies - Contingency dependant on risks identified	(119)
Revenues & Benefits - Staff vacancies	(52)
Leisure Centres - Staff savings	(51)
<b>Neighbourhoods</b>	
Food Hygiene - Savings from restructure	(20)
Waste Collection & Recycling - Green waste income above target (£60k) and savings on diesel (£30k)	(90)
Fleet & Garage - Fewer repairs due to use of newer vehicles	(20)
<b>Transformation</b>	
Business Support Unit - Underspend on staff costs, recruitment underway	(20)
Investment Properties - Additional rental income at The Point (£70k) and from Exeid (£15k)	(85)
<b>Total Favourable Variances</b>	<b>(570)</b>
<b>Sum of Minor Variances</b>	<b>(110)</b>
<b>TOTAL VARIANCE</b>	<b>(423)</b>

## Capital Programme 2016/17 – Quarter 2 Position

<b>CAPITAL PROGRAMME MONITORING - SEPTEMBER 2016</b>						
	<b>Original Budget</b>	<b>Current Budget</b>	<b>Budget YTD</b>	<b>Actual YTD</b>	<b>Projected Actual</b>	<b>Variance</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£'000</b>
<b>TRANSFORMATION</b>						
Cotgrave Masterplan	5,200	1,565	414	120	1,565	0
Land North of Bingham	2,800	2,800	0	0	0	(2,800)
Eaton Place Toilet Improvements	33	33	0	0	33	0
Cotgrave Multi-Service Centre	0	1,348	461	21	1,348	0
Colliers Way Industrial Units	0	20	0	0	20	0
Cotgrave Employment Land	0	2,642	904	110	2,642	0
Bridgford Hall Refurbishment	1,410	2,192	750	763	2,192	0
Civic Centre Enhancements - General	0	50	0	0	0	(50)
Nottinghamshire Broadband	83	83	83	83	83	0
IS Strategy	107	301	50	17	301	0
	<b>9,633</b>	<b>11,034</b>	<b>2,662</b>	<b>1,114</b>	<b>8,184</b>	<b>(2,850)</b>
<b>NEIGHBOURHOODS</b>						
Support for Registered Housing Providers	250	659	0	6	0	(659)
Wheeled Bins Acquisition	60	60	60	42	60	0
Disabled Facilities Grants	521	475	238	194	409	(66)
Discretionary Top Ups	0	130	0	0	70	(60)
Handyperson Adaptation Service	0	30	0	0	30	0
Assistive Technology	0	12	0	0	12	0
Vehicle Replacement	981	553	150	148	350	(203)
	<b>1,812</b>	<b>1,919</b>	<b>448</b>	<b>390</b>	<b>931</b>	<b>(988)</b>
<b>COMMUNITIES</b>						
Community Partnership Reward Grants	0	25	25	0	25	0
Nottinghamshire Cricket Club - Grant	90	90	0	0	90	0
Capital Grant Funding	48	128	64	27	108	(20)
Play Areas/Special Expense	50	50	0	0	0	(50)
West Park Fencing and Drainage	34	34	0	0	34	0
	<b>222</b>	<b>327</b>	<b>89</b>	<b>27</b>	<b>257</b>	<b>(70)</b>
<b>FINANCE &amp; COMMERCIAL</b>						
Car Park Pay and Display Machines	60	60	0	0	60	0
BLC Artificial Turf Pitch	165	215	205	44	215	0
Rushcliffe School Contribution	90	90	0	0	90	0
Arena Car Park Improvements	55	55	0	0	55	0
Arena Development	6,555	10,865	5,226	5,445	11,365	500
NCCC loan 2015-16	0	2,700	0	0	1,300	(1,400)
EGC Upgrade Facilities	0	0	0	0	75	75
Asset Investment Strategy	0	500	0	0	0	(500)
	<b>6,925</b>	<b>14,485</b>	<b>5,431</b>	<b>5,489</b>	<b>13,160</b>	<b>(1,325)</b>
<b>CONTINGENCY</b>						
Contingency	150	240	0	0	0	(240)
	<b>150</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(240)</b>
<b>TOTAL</b>	<b>18,742</b>	<b>28,005</b>	<b>8,630</b>	<b>7,020</b>	<b>22,532</b>	<b>(5,473)</b>

**Report of the Executive Manager - Finance and Corporate Services**

**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
1 December 2016	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2016/17</li> <li>• Health and Safety Interim Report</li> <li>• Treasury Management 2016/17 – Six Monthly Update</li> <li>• Risk Management Update</li> <li>• Annual Audit Letter</li> <li>• Review of the Constitution</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>
9 February 2017	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2016/17</li> <li>• Treasury Management Strategy 2017/18</li> <li>• Revenue and Capital Budget Monitoring</li> <li>• Certification of Grants and Returns – Annual Report 2015/16</li> <li>• Work Programme</li> </ul>

<b>Date of Meeting</b>	<b>Item</b>
11 May 2017	<ul style="list-style-type: none"> <li>• External Audit Plan 2016/17</li> <li>• Internal Audit Progress Report 2016/17</li> <li>• Internal Audit Strategy 2017/18</li> <li>• Risk Management Update</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>
September 2017	<ul style="list-style-type: none"> <li>• Statement of Accounts 2016/17</li> <li>• External Auditors Annual Governance Report 2016/17</li> <li>• Review of Constitution</li> <li>• Treasury Management Outturn 2016/17</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: Constitutional Services 0115 914 8482 email <a href="mailto:Constitutionalservices@rushcliffe.gov.uk">Constitutionalservices@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	None
<b>List of appendices (if any):</b>	None