

When telephoning, please ask for: Liz Reid-Jones
Direct dial 9148214
Email lreid-jones@rushcliffe.gov.uk

Our reference: LRJ
Your reference:
Date: 18 September 2013

To all Members of the Council

Dear Councillor

A meeting of the RUSHCLIFFE BOROUGH COUNCIL will be held on Thursday 26 September 2013 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely

Executive Manager Operations and Corporate Governance

AGENDA

Opening Prayer

1. Apologies for absence
2. Declarations of Interest
3. Minutes

To receive as a correct record the minutes of the Meeting of Council held on Thursday 20 June 2013 and the Extraordinary Meeting of the Council held on Tuesday 16 July 2013 (pages 1 - 9).

4. Mayor's Announcements
5. Leader's Announcements
6. Chief Executive's Announcements
7. Statement of Accounts 2012/13

The report of the Executive Manager - Finance and Commercial is attached (pages 10 - 17).

8. Community Governance Review - Shelford and Newton Parish

The report of the Executive Manager - Operations and Corporate Governance is attached (pages 18 - 31).

9. Proposed Changes to the Constitution - Member Champions

The report of the Executive Manager - Operations and Corporate Governance to the Corporate Governance Group (CGG) is attached in order that comments from CGG on 19 September 2013 can be considered by Council (pages 32 – 40)

10. Standards Committee Recommendations and Update on the Appointment of the Independent Person

The report of the Executive Manager - Operations and Corporate Governance is attached (pages 41 - 50).

11. Scrutiny Annual Report 2012/13

The report of the Executive Manager - Operations and Corporate Governance is attached (pages 51- 70).

12. Notice of Motions

- a. Notice of Motion to be put to Council by Councillor R Jones and seconded by Cllr Sam Boote:

"Council resolves that residents of the Borough in social housing and in receipt of housing benefit should not be penalised when, as a result of the under-occupancy benefit capping (the so-called "bedroom tax"), they want to downsize but are unable to do so because no property of the appropriate size is available. Council recommends that a hardship fund be set up to ensure that housing association rent arrears which are not the fault of the resident are paid until the resident is offered a reasonable alternative property and declines it."

- b. Notice of Motion to be put to Council by Councillor R Jones and seconded by Councillor D Boote:

"This Council calls upon the Cabinet to re-introduce the requirement for Councillors to make transparent declarations of personal and professional interests."

13. To answer questions under Standing Order 11(2).

Meeting Room Guidance

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

Toilets are located opposite Committee Room 2.

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

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



**MINUTES
OF THE MEETING OF THE
COUNCIL
THURSDAY 20 JUNE 2013**

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

PRESENT:

Councillor B Buschman - Mayor
Councillor R Hetherington – Deputy Mayor

Councillors L J Abbey, R A Adair, Mrs S P Bailey, J R Bannister, D G Bell, Mrs D M Boote, S J Boote, N K Boughton-Smith, N A Brown, R L Butler, H A Chewings, J N Clarke, T Combellack, L B Cooper, J E Cottee, J A Cranswick, A M Dickinson, J E Fearon, J E Greenwood, M G Hemsley, R M Jones, K A Khan, I I Korn, N C Lawrence, E J Lungley, A MacInnes, Mrs M M Males, S E Mallender, Mrs J M Marshall, D J Mason, F J Mason, G S Moore, B A Nicholls, E A Plant, F A Purdue-Horan, S J Robinson, D V Smith, Mrs J A Smith, P Smith, J A Stockwood, Mrs M Stockwood, B Tansley, J E Thurman, H Tipton, T Vennett-Smith, D G Wheeler

ALSO IN ATTENDANCE:

Mr A Gregory Nottinghamshire Royal British Legion
Lieutenant Colonel K Price East Midlands Universities Officer Training Corps
Councillor Fisher Shelford and Newton Parish Council
5 Members of the public

OFFICERS PRESENT:

A Graham Chief Executive
D Mitchell Executive Manager - Communities
V Nightingale Senior Member Support Officer
L Reid-Jones Democratic Services Manager
P Steed Executive Manager – Finance and Commercial
D Swaine Executive Manager - Operations & Corporate Governance

APOLOGIES FOR ABSENCE:

Councillors G Davidson and G R Mallender

Members sent their best wishes to Councillor Davidson and his wife.

OPENING PRAYER

The Meeting was led in prayer by the Mayor's Chaplain

10. **Declarations of Interest**

There were none declared.

11. **Signing of the Community Covenant on behalf of the Armed Forces**

The Mayor welcomed Lieutenant Colonel Price and Mr Gregory to the meeting. He reminded Members that in June 2012 the Council had resolved to pledge its support to the Armed Forces Community Covenant. He stated that work had been undertaken to develop the Covenant and that tonight's signing would formalise the Council's commitment.

The Mayor, Lieutenant Colonel Price and Mr Gregory signed the Covenant.

After signing the Covenant Councillor Buschman stated that this was an important commitment undertaken by the Council to work together with the Armed Forces and other partners for the benefit of all of the residents both service personnel and civilians. He informed Members that a dedicated Armed Forces page had been created on the Council's website and that there would, in future, be a regular feature in the Council's magazine 'Rushcliffe Reports'. He believed that the local community should be encouraged to show its support at various events on Armed Forces Day, 29 June, including the national celebrations at Victoria Embankment and the Council's Proms in the Park at Bridgford Park. In conclusion, he stated that the Council had great respect for the dedication and sacrifice made by the Armed Forces personnel and that the Council was proud to be part of this partnership.

In response Lieutenant Colonel Price thanked Members for supporting the Covenant and for the Council's continued support to exiting service personnel who were returning to the community. He looked forward to working with the Council in the future.

In thanking Councillors Mr Gregory read a poem from a serving officer and its response from the County's chaplain.

12. **Petition**

Shelford and Newton Parish Councillor J Fisher presented a petition to the Council on behalf of the residents of Shelford and Newton. He explained that when the Parish Council had been formed both Shelford and Newton had been small rural villages, and whilst Shelford had remained small Newton had grown. He believed this was due to the establishment of RAF Newton and since its closure the increase in residential housing. Furthermore a new housing development was proposed. He added that there were now two separate villages with two different agendas, with Newton seeking additional community facilities whilst Shelford was concerned with flooding and gravel extraction. Parish Councillor Fisher stated that in the 2009 Parish Plan residents had identified that there were two separate communities and it had been recognised that there was a growing desire to split the Parish Council. As such support from villagers had been sought, and although only 250 signatures were required for the petition this had easily been exceeded with 351 signatures. Parish Councillor Fisher stated that:

"Shelford and Newton Parish Council hereby petition Rushcliffe Borough Council to undertake a community governance review in order to permit the cessation of the existing parish council and in its place to create a separate parish council for both Shelford and Newton."

The Mayor thanked Councillor Fisher for presenting the petition and for his remarks. He referred the petition to the Chief Executive for action.

13. Minutes

The minutes of the meeting held on Thursday 23 May 2013 were received as a correct record and signed by the Mayor.

14. Mayor's Announcements

The Mayor informed Council that he and his wife had attended 10 engagements during his first month of office, including Civic Services, the Bingham Town Fair, Soar Boating Club's 60th anniversary and two excellent concerts. He explained that he had attended the Nottingham Boys High School's Founders Day service to commemorate 500 years.

He had also attended two royal events, the Buckingham Palace Garden Party and presentation of new colours to the Mercia Regiment.

15. Leader's Announcements

Councillor Clarke reported that he, the Chief Executive and the Lead Local Plan Officer had met Nick Bowles, the Planning Minister, to put forward the Council's view regarding the Local Plan, especially in relation to businesses in the area. He informed Members that notes of the meeting were available if anyone required them.

16. Chief Executive's Announcements

The Chief Executive reminded Members of the first market to be held by the YouNG group on 6 July. He encouraged Members to promote and support this event for young entrepreneurs.

17. Community Governance Review - Edwalton

Councillor Clarke presented the report of the Executive Manager - Operations and Corporate Governance regarding a Community Governance Review in Edwalton. He informed Members that Council had received a valid petition in September 2012 from residents requesting the establishment of a parish council for Edwalton. Progressing the petition had been deferred until completion of the Borough wide electoral review, undertaken by the Local Government Boundary Commission for England. He explained that the electoral review had now been concluded and that the Council was required to carry out a Community Governance Review in the Edwalton Village Borough Ward in accordance with Part 4 of the Local Government and Public Involvement in Health Act 2007. The report set out the key issues to be considered and outlined the area being reviewed on which the petition was based, this primarily being the Borough's current Edwalton Village Ward and small parts of Musters, Gamston and Tollerton Wards.

Councillor Clarke stated that it had been considered by Cabinet that it would be necessary to set up a cross party Member Group in order to progress the

review, with the terms of reference as set out in appendix four of the report. He highlighted the key stages in the review timetable which would begin with a consultation exercise from the end of June until 16 August 2013. He reminded Council that Members were considering the process of the review and not the merits of establishing a parish council in Edwalton.

Councillor Boote supported the recommendations stating that this process was an example of localism. He believed that this would lead to better representation, however he recognised that the 14% who had signed the petition was not a large number. He believed that the amount of work would be a considerable burden for officers, especially as this needed to be concluded in time for the local elections in 2015. He added that the area should be co-terminus with the new Borough Ward that would come into effect in 2015.

In supporting the recommendations Councillor Boote felt that the residents of Edwalton should be given as much information as possible in order for them to be able to answer two questions, firstly will I be better represented, listened to and have a greater say, and secondly what would this cost.

Councillors Bannister and S Mallender supported the review.

In response to Councillor Boote, Councillor Clarke stated that the work that had to be undertaken was the cost of democracy.

RESOLVED that Council:

- a) approved the process involved for the delivery of a Community Governance Review, the proposed timetable and the associated resource implications;
- b) approved the terms of reference for the Community Governance Review (appendix 2) in order that the process can commence in line with the proposed timetable (appendix 3);
- c) endorsed Cabinet's decision to establish a cross party Member Group to consider the Council's position in response to the consultation to be undertaken as part of the review;
- d) approved the Member Group terms of reference (appendix 4);

18. Local Government Boundary Commission Review – Implications for Rushcliffe

Councillor Clarke presented the report of the Executive Manager - Operations and Corporate Governance regarding the implications of the recent Local Government Boundary Commission for England (LGBCE) Review. He reminded Members that this was a technical item as the LGBCE had commenced a review of ward boundaries in Rushcliffe in January 2012 and had published its final report in February 2013. The review had recommended a reduction in the number of councillors to 44 across 25 wards. The proposals would be laid before Parliament and would come into effect at the Borough elections in May 2015. The report summarised the implications of the

Boundary Commission's report and set out three key areas of work required in preparation for implementing the changes so that they were in place for the local elections in 2015. The three areas were:

- Consideration of the impact on councillor positions as a consequence of the reduced number of councillors
- If necessary, consideration of a review of the Members' Allowance Scheme by an Independent Remuneration Panel
- The delivery of a Borough wide Polling District Review in order to implement the changes to ward boundaries and ensure the correct allocation of polling districts and polling places.

In support Councillor Boote stated that this was the first change in 12 years and would entail more work for officers to ensure that everything was in place for the local elections in 2015. He regretted the fact that the number of councillors would be reduced to 44 and felt that this would lead to residents receiving a lower standard of representation. He urged Members to resist reducing the scope of scrutiny following the implementation of this review. He also stated that a review of Polling Stations, Members' Allowances and the Community Support Scheme allocation would be required.

Councillor MacInnes, in support of the review, stated that this was a short report on a complicated issue. He raised concerns and sought assurances, on behalf of opposition Members and backbenchers that a review of the committee structure should be carried out in an open and transparent manner by scrutiny or a Member Panel, not just by Group Leaders. He stated that the review of Members' Allowances, which was to be presented to Council in December 2014, was mis-timed as this would only be a few weeks before the election campaigns started for the local elections in 2015.

Whilst supporting the review, Councillor Mallender also regretted the reduction in the number of councillors.

Councillor Jones supported the comments and hoped that the Council would remain a place of lively debate and good scrutiny.

In response Councillor Clarke stated that the reduction in the number of councillors would result in equality of representation. He also believed that this would allow for more engagement by all Members of the Council.

RESOLVED that Council:

- a) approved and recognised the key areas of work required in order to implement the Local Boundary Commission for England's recommendations; and
- b) receive further reports in respect of these key work areas as and when necessary.

19. To Answer Question under Standing Order 11 (2)

Question from Councillor S J Boote to Councillor D G Bell

“How many social housing tenants in Rushcliffe are being affected by the reduction in housing benefit consequent on having a spare bedroom, sometimes referred to as the "bedroom tax"?”

In response Councillor Bell stated that this was not a bedroom tax. He informed Council, that as at the end of April 2013 there were 564 cases affected by the Spare Room Subsidy. 484 of which were subject to the 14% reduction for one spare bedroom and 80 were subject to the 25% reduction for two spare bedrooms.

As a supplementary Councillor S J Boote asked what the Council was doing to encourage Metropolitan Housing and other social landlords to help.

Councillor Bell explained that the Housing Options Team was working with all claimants with Metropolitan Housing Trust and other Registered Social Landlords. Through this advice and work with the Revenue and Benefits Sections, Citizen’s Advice Bureau and the Credit Union the number of people affected in Rushcliffe had been reduced from the 615 originally identified. 33 cases had already been reviewed and other cases were being considered. He was pleased to inform Members that by using this corporate approach and by working with partners the Council was able to help its residents.

The meeting closed at 7.50 pm.

MAYOR



MINUTES
OF THE EXTRAORDINARY MEETING OF THE
COUNCIL
TUESDAY 16 JULY 2013

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

PRESENT:

Councillor B Buschman - Mayor
Councillor R Hetherington – Deputy Mayor

Councillors L J Abbey, R A Adair, J R Bannister, D G Bell, Mrs D M Boote, S J Boote, N K Boughton-Smith, N A Brown, R L Butler, H A Chewings, J N Clarke, T Combellack, L B Cooper, J A Cranswick, A M Dickinson, J E Fearon, J E Greenwood, R M Jones, K A Khan, I I Korn, E J Lungley, A MacInnes, Mrs M M Males, D J Mason, G S Moore, B A Nicholls, E A Plant, F A Purdue-Horan, S J Robinson, D V Smith, Mrs J A Smith, P Smith, J A Stockwood, Mrs M Stockwood, B Tansley, J E Thurman, H Tipton, D G Wheeler

ALSO IN ATTENDANCE:

Ann Bremner MBE
31 guests

OFFICERS PRESENT:

D Banks	Executive Manager - Neighbourhoods
A Graham	Chief Executive
K Marriott	Executive Manager - Transformation
D Mitchell	Executive Manager - Communities
L Reid-Jones	Democratic Services Manager
P Steed	Executive Manager – Finance and Commercial
D Swaine	Executive Manager - Operations & Corporate Governance

APOLOGIES FOR ABSENCE:

Councillors Mrs S P Bailey, J E Cottee, G Davidson, M G Hemsley, N C Lawrence, G R Mallender, S E Mallender, Mrs J M Marshall, F J Mason, T Vennett-Smith

OPENING PRAYER

The Mayor welcomed Councillors and Guests to this special meeting following which the Mayor's Chaplain led the Meeting in prayer.

20. Declarations of Interest

There were none declared.

21. Honorary Freedom of the Borough

Councillor Clarke presented a report of the Chief Executive which informed Members that this extraordinary meeting of Council had been called to

consider the nomination of Mrs Ann Bremner MBE, General Manager of The Friary, to be granted the honour of Freedom of the Borough of Rushcliffe and with it the title of 'Honorary Freeman of the Borough'. The report stated that under Section 249 of the Local Government Act 1972, a *Council may, by a resolution passed by not less than two thirds of the Members voting thereon at a meeting of the Council specially convened for the purpose with notice of the object, admit to be Honorary Freemen of the Borough persons of distinction and persons who have, in the opinion of the Council, rendered eminent services to the Borough*'.

Councillor Clarke stated that it was a great pleasure to have the honour of proposing the motion to confer the Freedom of the Borough on Ann Bremner MBE. He reminded Council that only persons of outstanding distinction or those who had given eminent service to the Borough were admitted as Freemen of the Borough. As such there had only been seven recipients, 6 of whom had been involved in politics. He stated that Ann Bremner was in a unique position as the only woman to have received the award. Councillor Clarke continued by informing Council of the work of the Friary Drop In Centre which had begun 25 years ago. He believed it had started as 'small beginnings' but was now a vibrant support centre. He highlighted that there were eight staff, 150 volunteers and that The Friary had 17,000 visits each year, with 90 people being fed each day and around 50 food parcels being distributed daily. He also acknowledged that the Mayor usually attended The Friary on Christmas Day to assist with Christmas Dinner.

Councillor Clarke recognised the level of support given to the users of The Friary by Ann Bremner, and in doing so highlighted her drive, commitment and enthusiasm in her work. He also drew attention to her role nationally whereby she had been consulted by Government and also other agencies.

In concluding Councillor Clarke stated that this award was for Ann Bremner's work locally in the Borough and that she had been nominated in recognition of her achievements with regards to The Friary on Musters Road over the last 25 years. He added that the nomination had been put forward by the Trustees of The Friary, many of whom were in attendance.

Councillor MacInnes congratulated Ann Bremner on behalf of the Labour Group on her nomination for the highest award which could be bestowed by the Council and reminded Council that it was only awarded in exceptional circumstances. He reiterated that it had only been given seven times in the 30 years of the Borough Council. He believed it was a special award, and even more special as the recipient was from the voluntary sector. He stated that the award marked 25 years of The Friary and the distinguished career of Ann Bremner and highlighted the working in collaboration between The Friary and the ward councillors. He recalled the beginnings of The Friary and the community of people with complex needs living in the Musters Hotel who were in need of assistance. He considered that from this The Friary began and now provided a significant range of services. Councillor MacInnes spoke of his experience of people who had grown in confidence and self esteem, and whose lives had changed for the better having been helped by The Friary.

Councillor MacInnes recognised Ann Bremner's inspiration and leadership qualities within the team and believed that she had served the community with distinction and was truly worthy of this award.

Councillor S Boote stated that in an age when people glorified transient success for themselves it was right and proper to recognise people who served the community and put others first. He believed that decency and respect were the founding principles of The Friary and that the Borough should be thankful for it. He acknowledged that it was a rare privilege for Council to award this honour and expressed his delight on behalf of the Liberal Democrat Group.

Councillor Khan said that it gave him enormous pleasure to support the nomination as he had known Ann Bremner personally for over 20 years. He believed that her dedication and selflessness were most remarkable. He reminded Council that often Ann Bremner dealt with people who presented great challenges, but with her resilience and patience she was able to assist them. Councillor Khan added that the award also recognised the staff and volunteers of The Friary.

RESOLVED UNANIMOUSLY that:

- a) pursuant to Section 249(5) of the Local Government Act 1972, the Honorary Freedom of the Borough of Rushcliffe be conferred on Ann Bremner MBE, in recognition of eminent service rendered to the Borough of Rushcliffe; and that
- b) Ann Bremner MBE be admitted as an Honorary Freeman of the Borough of Rushcliffe.

The Mayor formally announced the admission of Ann Bremner MBE as an Honorary Freeman of the Borough of Rushcliffe following which everyone present gave a standing ovation. The Mayor and Chief Executive signed the Certificate of Admission which was presented to Ann Bremner MBE by the Mayor.

Ann Bremner MBE thanked Council for considering her worthy of this prestigious honour and acknowledged the relationship which had developed between The Friary and the Borough Council. She highlighted a number of factors including financial donations from the Council, the Mayors' visits on Christmas Day, the valuable links with Housing Officers. Ann Bremner thanked the trustees of The Friary for nominating her for the Honour and stated that it was recognition for the work they had carried over the last 25 years. She added that this was also recognition of the people who used the centre, the staff and volunteers, the trustees and her family.

The meeting closed at 7.30 pm.

MAYOR

Report of the Executive Manager – Finance and Commercial

The 2012/13 statement of accounts will be considered, along with the External Auditor's *'Report to those charged with governance'* by the Corporate Governance Group meeting on 17 September. The Corporate Governance Group's findings and any recommendations they deem appropriate will be recorded and circulated to Council at the meeting. This report invites Council to consider such comments and approve the statement of accounts for 2012/13.

Recommendation

It is RECOMMENDED that Council approve:

- a) The Statement of Accounts for 2012/13 (Appendix A).
- b) The Management Representation Letter (Appendix B).

Background

1. The Statement of Accounts 2012/13 at Appendix A is included as a separate document. This includes the Council's Annual Governance Statement which, in line with best practice, has been agreed with the Leader and Chief Executive. The accounts for Local Authorities are required to be prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 ('the Code') and the Service Reporting Code of Practice for Local Authorities (SerCOP).
2. The External Auditor presented his *'Report to those charged with governance (ISA260) 2012/13'* to the Corporate Governance Group on 17 September. This provided the opportunity for him to personally detail his findings from the audit to those charged with governance (the Corporate Governance Group) before they consider the statement of accounts in detail. The Corporate Governance Group's findings and any resultant recommendations will be recorded and circulated to Council at the meeting.
3. The Auditor's key findings may be summarised as follows:
 - The statement of accounts give a true and fair view of the financial position of the authority and of its expenditure and income for 2012/13.
 - The statements have been properly prepared in accordance with the relevant code of practice.
 - The Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year 2012/13.
 - The Council has fully addressed all recommendations made in the 2011/12 Annual Governance Report and, through its programme of

improvement, has also successfully resolved the two key risks identified in the 2012/13 External Audit Plan.

4. Appendix B details the management representation letter that was considered by the Corporate Governance Group alongside the statement of accounts and the report to those charged with governance. This letter confirms for the auditors that the Council is satisfied with the validity of the financial statements provided by the Authority to KPMG. If agreed this letter will be signed at the conclusion of the meeting. Appendix C provides definitions of the issues addressed in this letter.

Financial Comments

The Financial issues are included in the report above.
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Section 17 Crime and Disorder Act
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There are no S17 implications.

Diversity

There are no diversity implications.

Background Papers Available for Inspection: Nil



Management Representation Letter

When telephoning, please ask for : Peter Steed
 Telephone no : 0115 914 8567
 Email: PSteed@rushcliffe.gov.uk
 Our Reference : PS
 Your Reference :
 Date : 26 September 2013

John Cornett
 KPMG LLP
 1 Waterloo Way
 Leicester
 LE1 6LP

Dear John

This representation letter is provided in connection with your audit of the financial statements of Rushcliffe Borough Council ("the Authority") for the year ended 31 March 2013, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the financial position of the Authority as at 31 March 2013 and of the Authority's expenditure and income for the year then ended;
- ii. whether the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

These financial statements comprise the Authority Movement in Reserves Statement, the Authority Comprehensive Income and Expenditure Statement, the Authority Balance Sheet, the Authority Cash Flow Statement and the related notes.

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

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

Financial statements

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

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 Pavilion Road
 West Bridgford
 Nottingham
 NG2 5FE

Rushcliffe Community Contact Centre

Rectory Road
 West Bridgford
 Nottingham
 NG2 6BN

By telephone

Monday to Friday
 8am - 6pm

In person

Monday to Friday
 8am - 8pm
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 10am - 4pm

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0115 981 9911

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- give a true and fair view of the financial position of the Authority as at 31 March 2013 and of the Authority's expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

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

2. Measurement methods and significant assumptions used by the Authority in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 requires adjustment or disclosure have been adjusted or disclosed.

Information provided

4. The Authority has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Authority for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

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

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

8. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

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

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

The Authority further confirms that:

(a) all significant retirement benefits, including any arrangements that:

- are statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - are funded or unfunded; and
 - are approved or unapproved,
- have been identified and properly accounted for; and

(b) all settlements and curtailments have been identified and properly accounted for.

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

Yours faithfully,

Mayor of Rushcliffe

Executive Manager – Finance and Commercial

Appendix to Draft Management Representation Letter of Rushcliffe Borough Council: Definitions

Financial Statements

A complete set of financial statements comprises:

- Comprehensive Income and Expenditure Statement for the period
- Balance Sheet as at the end of the period
- Movement in Reserves Statement for the period
- Cash Flow Statement for the period
- Notes, comprising a summary of significant accounting policies and other explanatory information, and
- Balance Sheet as at the beginning of the earliest comparative period (ie a third Balance Sheet) when an authority applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

A housing authority must present:

- a HRA Income and Expenditure Statement; and
- a Movement on the Housing Revenue Account Statement.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund

For pension funds participating in the following pension schemes, pension fund accounts must be prepared by the local authority that administers the Pension Fund:

- a) the Local Government Pension Scheme (in England and Wales)
- b) the Local Government Pension Scheme (in Scotland).

The financial statements of a defined benefit pension fund and of police authorities and fire and rescue service authorities in England and Wales must contain:

- a) A fund account disclosing changes in net assets available for benefits.
- b) A net assets statement showing the assets available for benefits at the year end.
- c) Notes to the accounts.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state the following:

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue, and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- a) entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the authority (ie subsidiaries);
- b) associates;
- c) joint ventures in which the authority is a venture;
- d) an entity that has an interest in the authority that gives it significant influence over the authority;
- e) key management personnel, and close members of the family of key management personnel; and
- f) post-employment benefit plan (pension fund) for the benefit of employees of the authority, or of any entity that is a related party of the authority.

Key management personnel are all chief officers (or equivalent), elected members, chief executive of the authority and other persons having the authority and responsibility for planning, directing and controlling the activities of the authority, including the oversight of these activities.

The following are deemed not to be related parties by the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13:

- a) providers of finance in the course of their business in that regard and trade unions in the course of their normal dealings with an authority by virtue only of those dealings; and
- b) an entity with which the relationship is solely that of an agency.

Related party transaction

Related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the authority or the government of which it forms part.

STATEMENT OF ACCOUNTS FOR YEAR ENDED 31 MARCH 2013



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A. EXPLANATORY FOREWORD

Welcome to the Statement of Accounts

Peter Steed, Executive Manager (Finance and Commercial)

Introduction

As the Council's Chief Finance Officer, I have pleasure in presenting the Explanatory Foreword to Rushcliffe's 2012/13 Statement of Accounts. The Statement of Accounts is required by law and provides statutory and other information in line with professional best practice. In doing so, the Financial Statements continue to accord with International Financial Reporting Standards (IFRS) ensuring consistency with accounts produced by organisations in other sectors of the economy.

The Explanatory Foreword supports the accounts by summarising key events and their financial impact. It also provides additional context on some of the issues and challenges that have faced the Council during the year. I hope this explanatory foreword, and the information that follows, give a clear picture of how Council Tax and our other sources of income are used to deliver a wide range of services. The Foreword, along with the Annual Governance Statement and the auditor's report, are outside the scope of the Statement of Accounts, but all of the documents, as one, constitute the Council's Financial Report for 2012/13.

In light of the difficult economic circumstances currently facing the public sector, the Council has maintained its focus on achieving a viable Medium Term Financial Strategy. The Council continues to aim to secure value for money and remains committed to delivering quality frontline services, working with partners and, most importantly delivering services residents want whilst meeting the Council's corporate priorities of:

- Supporting economic growth to ensure a sustainable, prosperous and thriving local economy.
- Maintaining and enhancing our residents' quality of life.
- Transforming the Council to enable the delivery of efficient high quality services.

Should you have any queries regarding these accounts or suggestions as to how we could improve the information provided please forward them to me at finance@rushcliffe.gov.uk.

Peter Steed
Executive Manager (Finance and Commercial)

1. The Statement of Accounts

The Executive Manager (Finance and Commercial) is the statutory officer responsible for the proper administration of the Council's financial affairs (sometimes referred to as the Chief Financial Officer). He is required by Law to confirm that the Council's system of internal controls can be relied upon to produce an accurate Statement of Accounts. To do so the Chief Financial Officer ensures that the Council maintains proper and up to date accounting records and takes all reasonable steps to prevent and detect fraud and any other irregularities. His statement of assurance for the 2012/13 (known as *The Statement of Responsibilities*) appears on Page 1 of the Statement.

The Statement has been produced in accordance with *The Code of Practice on Local Authority Accounting* ('the Code') developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Council's Accounting Policies, which are written to take into account the Code, are outlined in the Statement.

The Statement is subject to review by the Council's external auditors, KPMG, and as with previous years it is anticipated that they will conclude that it provides a true and fair view of Rushcliffe's financial position for the financial year 2012/13.

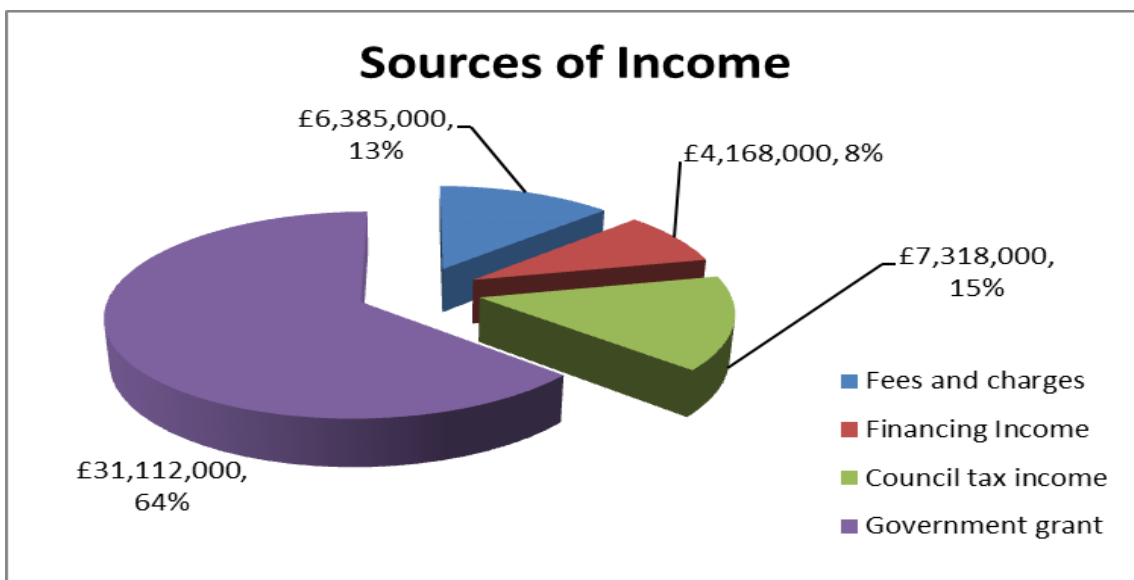
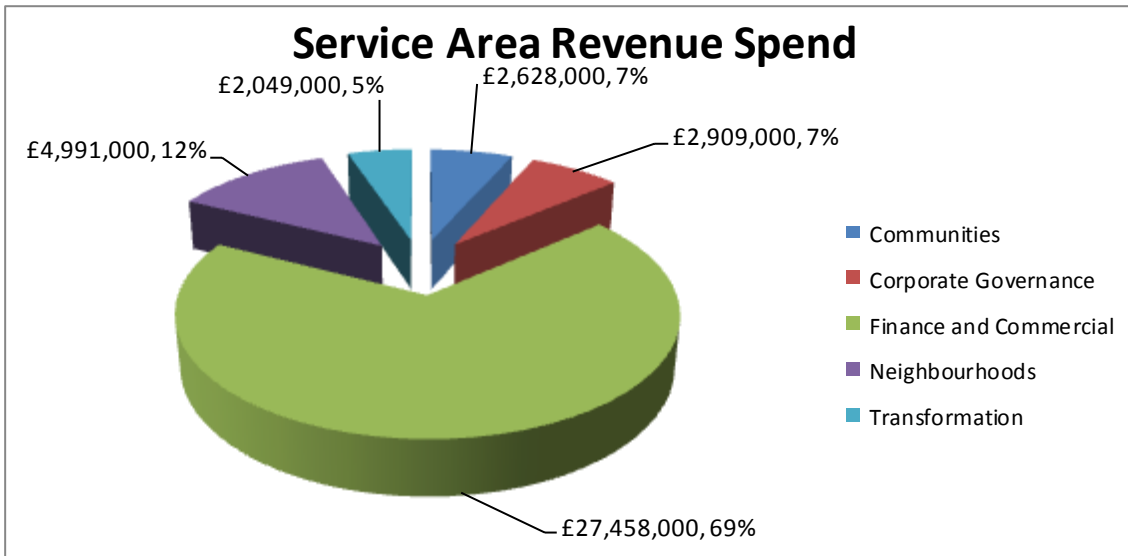
2. Revenue Expenditure and Income

The Council receives and spends money from various sources. The income comes primarily from central government and from local residents in the form of Council Tax. Each year the Council spends its money on key services, delivered in accordance with our local priorities and legal requirements. During the year officers have made a conscious effort to constrain expenditure, increase income and continue to deliver effective services. As a result the Council achieved a balanced budget and a net transfer of £610,000 into Reserves, including £462,000 of New Homes Bonus. Reserves are available to meet future cost pressures in areas such as:

- Enabling delivery of the Four Year Plan; the transformation programme by which the Council will balance future budgets and continue to deliver good quality services.
- Smoothing saving requirements between financial years.
- Funding capital expenditure including repairs and maintenance for property, plant and equipment.
- Ensuring the Council's IT infrastructure and equipment is of sufficient quality to facilitate the delivery of modern services.

The Movement in Reserves Statement (page 2) demonstrates prudent financial management throughout the year with the Council having had few reasons to call on its reserves and as a result the General Fund Balance remains unchanged from 2011/12 at £2.6m. Earmarked reserves have increased by £0.6m from £7.8m to £8.4m (see Note 8, page 29). The increase in reserves puts the Council in a stronger position to withstand future financial pressures.

The following charts demonstrate where money was spent in 2012/13 and how this expenditure was funded:



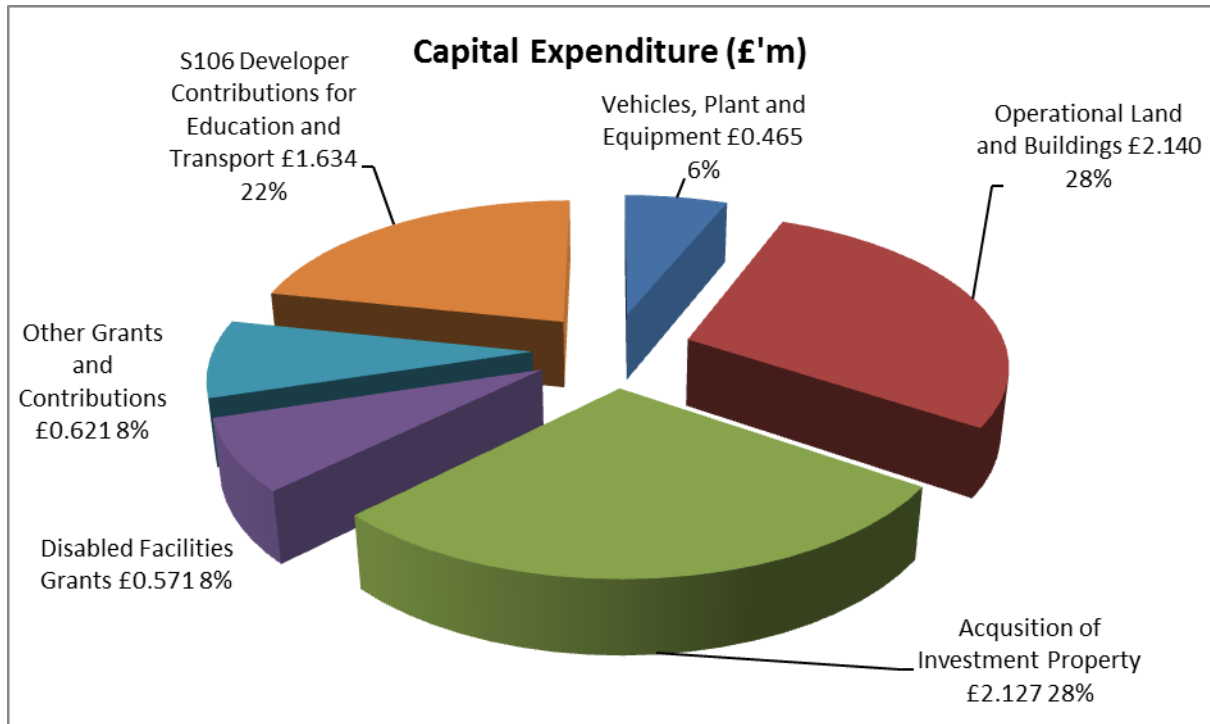
Source: Segmental Reporting – Note 25

3. Capital Expenditure and Income

As well as delivering day to day services, the Council also spends money on capital works, creating or enhancing assets which are shown on the balance sheet primarily as Property, Plant and Equipment, or as Investment Property. In 2012/13 there were two major items of investment. As part of the Cotgrave Masterplan, the Shopping Precinct was acquired and added to the Council’s operational property portfolio. This acquisition is part of the first stage of the bringing assets into public ownership in readiness for the major redevelopment of Cotgrave Town Centre. The Council also took the opportunity to acquire Investment Property in the form of The Point commercial office building in West Bridgford.

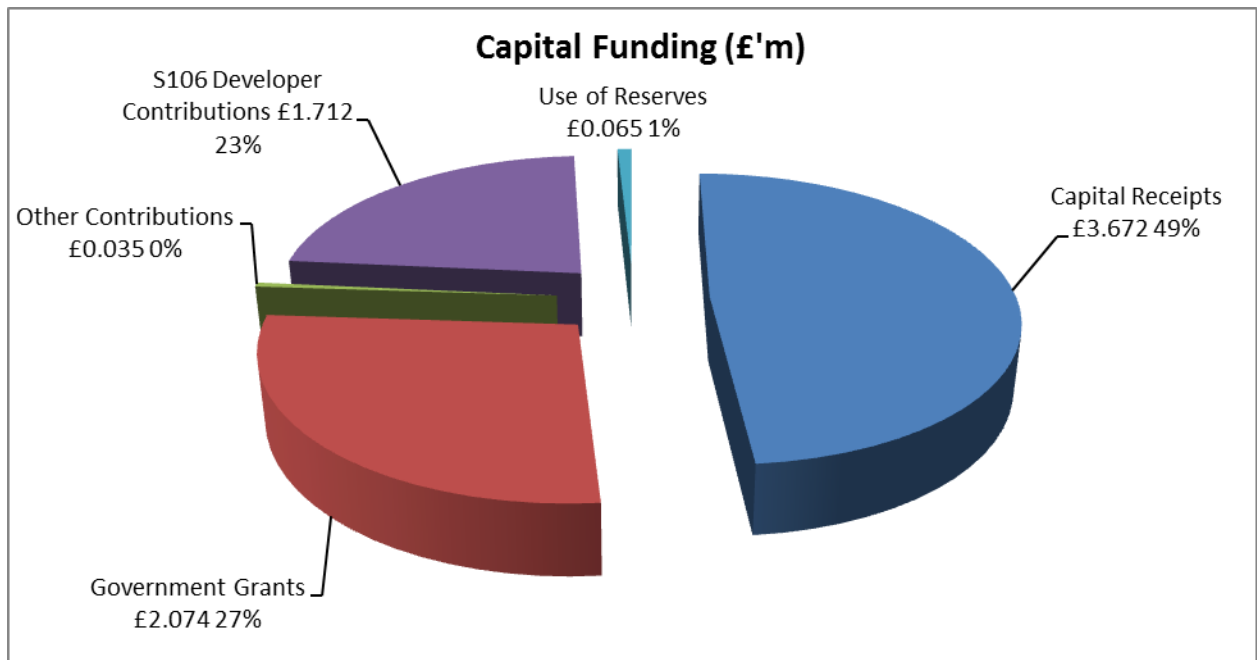
The Council has to ensure its Capital Programme is not only prudent, but also affordable and sustainable. In 2012/13 the Council spent £5.5m compared to an overall Capital Programme of £7.6m. Of the remaining £2.1m, £1.9m is committed to ongoing Capital Schemes and has been carried forward to the 2013/14 Capital Programme.

In addition to the above expenditure, the Council released £1.6m of Section 106 Planning Agreement Developer Contributions to third parties for investment in Education and Transport. A further £0.45m was also given out as a grant to Nottinghamshire County Cricket Club. This resulted in total Capital expenditure for the year of £7.5m split as follows:



Source: *Capital Financing Requirement – Note 25*

The Council has no external borrowing and has been debt free since May 2003. As shown below this means that capital expenditure is funded from capital receipts, Government Grants, Section 106 Developer Contributions, other minor contributions and reserves.



Source: Capital Financing Requirement – Note 25

In 2012/13 Capital Receipts represented the largest funding source and, as a result, at 31 March 2013 the balance in the Useable Capital Receipts Reserve stood at £12.663m (2011/12 £15.626m). Use of Government Grants was the next largest source of funding with the application of £1.6m to fund the acquisition of Cotgrave Shopping Precinct and other smaller Government Grants applied to meet Disabled Facilities Grant expenditure, and Partnership Grant arrangements. The release of S106 Developer Contributions can vary year on year and, in 2012/13, major schemes commissioned by third parties including extensions to four primary schools and traffic calming measures.

4. Major Service Developments and Future Challenges

During 2012/13 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 can be seen in the positive Value for Money conclusion given by the Audit Commission in their 2012 Annual Audit Letter, the delivery of transformational activity such as that being delivered with partners at Cotgrave, and the maintenance of a balanced revenue budget without reductions in service quality. It also reflects the continued work, outlined in the Four Year Plan, to identify efficiency savings of £2.98m between 2011/12 and 2014/15 through initiatives based upon three core principles of business cost reduction, income generation and service redesign.

Looking ahead the Council faces a range of challenges and opportunities. These include

- Meeting the financial challenge of maintaining a sustainable Medium Term Financial Strategy*
 Whilst the Council's reserves provide a buffer against funding and service risks, it is critical that the Council continues to deliver savings from the Four Year Plan and monitors the position on areas such as trading income. The wider economic situation, the impact of the Government's June 2013 Spending Review, and limits on future Council Tax increases, will all impact on the scale of this challenge.

- *Changes to Local Government funding*

The changes of the basis of allocation of central government funding to local government through the localisation of business rates from April 2013 means that the Council now shares the financial risks and benefits associated with changes to non-domestic rate income in the Borough. To help mitigate such risks and to maximise funding opportunities Rushcliffe is a member, along with the County Council and the other six District Councils of the Nottinghamshire Business Rate Pool.

- *Pension Contributions*

The Pension Fund liabilities have increased although by less than in 2011/12. Statutory arrangements should ensure the financial position of the Council's Pension Fund remains healthy. National reforms will commence in April 2014 and these should assist the Council in closing the funding gap.

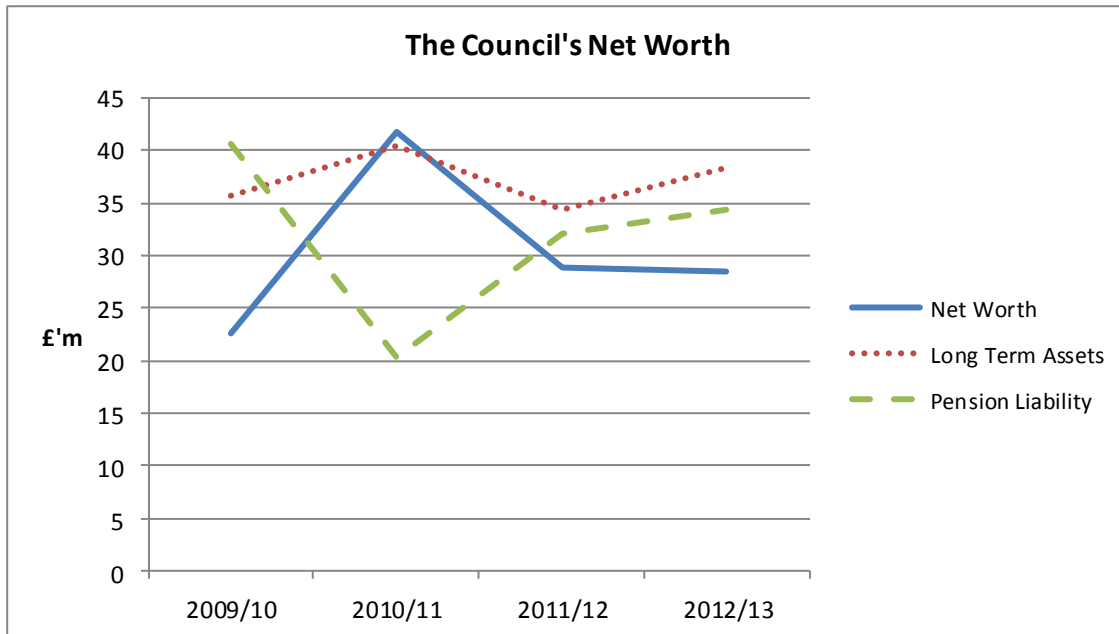
5. Financial Statements

The financial activities of the Council can be split between revenue and capital, and in general terms, the definitions are as follows:-

- Income and expenditure within the revenue accounts of the Council relate to items consumed within the year; and
- Income and expenditure within the capital accounts relate to items with a life in excess of one year.

The Council's accounts consist of:

- **Movement in Reserves Statement (Page 2)** – this shows the movement in the year of the different reserves held by the authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure) and 'unusable reserves'.
- **Comprehensive Income and Expenditure Statement (Page 4)** - this shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices rather than the amount to be funded from taxation. A charge of £0.8m has arisen due to a downward valuation on the Cotgrave redevelopment. This accounts for a large proportion of the rise in net expenditure in the Comprehensive Income and Expenditure Account from £13.9million to £15.1million. Importantly this does not impact on the overall General Fund position for taxpayers as this is a 'notional' charge. The value of this asset will change over time as the development progresses.
- **Balance Sheet (Page 5)** –The Balance Sheet shows the Council's assets and liabilities at 31 March each year, in accordance with the Council's Accounting Policies. As this is reported annually the position over a longer period is not always obvious. The Chart below shows how the higher value components of the Balance Sheet, namely long Term Assets and the Pensions Liability, have affected the Council's overall Net Worth since the introduction of International Financial Reporting Standards and national changes to the Local Government Pension Scheme (as covered in previous years accounts). There is an inverse relationship between the Council's net worth and in particular pension liabilities ie as pension liabilities increase the Council's net worth reduces and vice versa.



Source: Balance Sheet

Further key points to note are that the value of property, plant and equipment (PPE) has increased by £2.3m largely due to the purchase of the Cotgrave Development site. Investment property value has also increased mainly due to the purchase of office property in West Bridgford. Long term debtors have reduced by £0.48m primarily due to the conversion of part of the Nottinghamshire County Cricket Club loan to a grant.

There are reduced levels of Short Term Investments whilst the Cash and Cash Equivalents balance has increased by £3.6m. This is because more cash has been invested for less than 3 months which is treated as a 'Cash equivalent' in accordance with Accounting Policy (iii). Debtors have reduced by £3.3m largely due to reductions in income due at year-end from government grants.

- **Cash-flow Statement (Page 6)** – this shows the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.
- **Accounting Policies (Pages 7-21)** – these explain the basis of the figures presented in the accounts.
- **Notes (pages 22-67)** – these providing supporting context to the above Statements. A number of non-material notes have been removed covering areas such as heritage assets, inventories, construction contracts, provisions, acquired and discontinued operations. In the case of heritage assets we have amended the Accounting Policy to include the assets at current value (as per note 48 from the 2011/12 Statement).

6. Supplementary Financial Statements

- **Collection Fund (pages 68-70)** – this reflects the statutory requirement for the Council to maintain a separate account providing details of receipts of Council Tax and Business Rates

and any associated payments to precepting authorities and the National Non-Domestic Rates (NNDR) Pool.

7. Summary

Like many public sector organisations the Council has, and continues to face, many significant financial challenges. The Council's response has been to not only develop a culture of prudence but to also deliver initiatives focusing on investment and growth in the community.

The Council is committed to delivering better services and change for the Borough through its Four Year Plan which will remain a key focus for the Authority's new management team. There is a commitment to the significant task of transforming the services that are delivered to the people of Rushcliffe. The challenges that face Rushcliffe are ones which both members and officers of the Borough Council are determined to meet.

8. Further Information

Further information about the Statement of Accounts is available from the Financial Services section at the Civic Centre, Pavilion Road, West Bridgford, Nottinghamshire NG2 5FE, telephone 0115 981991 or by e-mail: finance@rushcliffe.gov.uk. In addition, members of the public have a statutory right to inspect the accounts before the annual audit is completed. The availability of the accounts for inspection is advertised in the local press and on our website at www.rushcliffe.gov.uk.

Peter Steed
Executive Manager (Finance and Commercial)
28th June 2013

B. ANNUAL GOVERNANCE STATEMENT

1. SCOPE AND PURPOSE

1.1 Scope of responsibility

Rushcliffe Borough Council is responsible for ensuring that its 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. Rushcliffe Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Rushcliffe Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions which includes arrangements for the management of risk.

Rushcliffe Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at <http://www.rushcliffe.gov.uk/> or can be obtained from Rushcliffe Borough Council, Civic Centre, Pavilion Road, West Bridgford, Nottingham, NG2 5FE. This statement explains how Rushcliffe Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 and 2011, in relation to the publication of a statement on internal control.

1.2 The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Rushcliffe Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Rushcliffe Borough Council for the year ended 31 March 2013 and up to the date of approval of the statement of accounts.

2 THE GOVERNANCE FRAMEWORK

2.1 Vision and priorities

During 2012/13 the Council developed its approach to the financial pressures facing all public bodies through the development of a four year programme centred around three key elements income generation, income maximisation and service redesign. As part of the service redesign process the council will be reviewing the services it provides to identify improved or alternate methods of delivery which will enable it to meet its financial targets without eroding the high quality of service for which Rushcliffe is known. Long term strategic planning has enabled Rushcliffe to address its immediate financial pressures, develop an initial financial strategy to 2017/18 and introduce its fifth Corporate Strategy covering the period 2012 to 2016. The three key themes for this strategy are:

- Supporting economic growth to ensure a sustainable, prosperous and thriving local economy.
- Maintaining and enhancing our residents' quality of life.
- Transforming the Council to enable the delivery of efficient high quality services.

The integration of service and financial planning has continued through the budgets for both 2012/13 and 2013/14, and the financial strategy to 2017/18.

Progresses against previous priorities and actions, as laid down in previous service plans, have been reported to Performance Management Board during the course of the year. All key tasks within the current service delivery plans have been linked directly to the Council's objectives.

2.2 Improvement and Efficiency

As with other public bodies the Council faces unprecedented financial pressures. During 2011/12 the Council set itself the target of delivering £1.88m of cashable savings by the end of 2012/13 and, following the delivery of a significant programme of work, the actual figure achieved in year was £2.73m. Notwithstanding this achievement the Council will still, however, need to continue to identify savings from forthcoming service reviews in order to meet financial pressures in the medium term.

A comprehensive document setting out the Council's constitution exists which sets out the clearly defined structure for the Council's organisational arrangements based upon a cabinet executive model. In essence the different roles can be summarised as follows:

- Council decides upon certain policies and other specialist functions that cannot be delegated elsewhere including the setting of the council tax
- Cabinet is allocated authority by council to approve policies not reserved for consideration by Council, deliver policies and to take most significant executive decisions
- Cabinet works to a Forward Plan of forthcoming decisions for up to three months ahead
- The work of Cabinet is supported by four scrutiny groups
- Scrutiny groups develop their own work programme for the review of council policies in addition to scrutinising the work of the cabinet
- Separate committees exist for Development Control, Employment Appeals, Alcohol and Entertainments Licensing, Interviewing and Licensing.
- Delegation arrangements to officers are set out in detail within the Constitution

- A protocol defining the relationship between Members and Officers was adopted during 2008

The constitution also provides detailed guidance on standing orders, financial regulations and the conduct of meetings. In addition it also contains codes of conduct applying to members and officers as well as a protocol for councillor/officer relationships. The codes include reference to the need to declare any interests which may conflict with the individual's role at the Council and such registers for councillors and officer are maintained by the Executive Manager Corporate Governance and Operations and the Strategic Human Resources Manager respectively. The Council has in place a confidential reporting code (whistleblowing policy) and any referrals under the policy are investigated.

The Constitution as a whole is reviewed when necessary and appropriate. The last such review was undertaken in 2011/12.

2.3 Policies, Procedures, Laws and Regulations

The Council has three statutory officer roles: the Chief Executive, the Section 151 Officer and the Monitoring Officer. They are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

The Council's financial management arrangements should conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). During 2012/13, the Council's financial management arrangements complied in all respects with the governance requirements of the aforementioned statement, in particular:

- During 2012/13 two officers held the post of Chief Financial Officer, the Deputy Chief Executive (to the 31st December 2012) and from 1st January 2013 onwards the Executive Manager (Finance and Commercial). Both of these individuals were professionally qualified accountants with direct access to the Chief Executive, Leader of the Council and other Cabinet Members. The postholders also had direct access to the Corporate Governance Group and the Council's external auditors.
- The Chief Financial Officer has a line of professional accountability for all finance staff and for ensuring that the finance function is 'fit for purpose'. The Council has established robust arrangements to manage its finances, including a Medium Term Financial Strategy, annual budget process and compliance with CIPFA's Codes and Guidance on the Prudential Framework for Capital Finance, Treasury Management and the management of reserves.
- Internal audit services are provided to the Council by RSM Tenon. The effectiveness of this service is monitored by the Corporate Governance Group.

Executive Managers are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice. Oversight of these arrangements is provided by the Executive Manager (Corporate Governance and Operations).

2.4 Risk Management

The Council's risk management arrangements are regularly reviewed with a complete review being undertaken during 2012/13. Following the adoption of the new senior management arrangements a further review of these arrangements is planned for 2013/14. The effectiveness of the overall risk management arrangements is monitored by the Corporate Governance Group.

2.5 Development and training needs

The Council achieved Councillor Member Development Charter status in March 2011 and has a cross party Member Development Group to oversee development and delivery of Councillor learning and training. This Group meets on a quarterly basis.

Each Councillor is offered the opportunity to undertake an annual Personal Development Plan the results of which are used to inform the on-going Member Development Programme. Development needs are also identified directly by feedback from Councillors and in response to issues which may occur throughout the year.

To support new and returning Councillors a comprehensive induction programme is in place which runs after the local elections. The delivery of this is overseen by the cross party Member Development Group who evaluates its effectiveness upon its completion based on Councillor feedback.

The identification and delivery of appropriate training for officers is dealt with via the Learning and Development Plan which links to the annual performance development review (PDR) process.

2.6 Communication

A number of editions of Rushcliffe Reports – the Council's newsletter for residents – are printed and circulated to all households each year and these set out details of a number of key service changes, both in the past and in the future, and ask for customer feedback.

The largest consultation exercise undertaken by the Council in 2012/13 was a residents survey to ensure the Council continues to meet the expectations of residents and provide cost effective services that support the delivery of the Corporate Strategy. In addition, on-going customer satisfaction surveys were undertaken by several key customer facing services such as planning, revenues and benefits and customer services. The customer feedback received from these exercises is used to improve services to all customers.

2.7 Partnerships

The Council has in place a scrutiny group that reviews significant partnerships with which the Council is involved. The Council has put in place strong governance arrangements around the major leisure services and car parking contracts. In addition the Cabinet Portfolio Holder also chairs quarterly strategic board meetings with the two main leisure providers, Parkwood and Carillion.

3 REVIEW OF EFFECTIVENESS

3.1 Introduction

Rushcliffe Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates and this review is considered by the Corporate Governance Group.

3.2 The Council

The Council approves and keeps under regular review all the strategic policies which it reserves for its own consideration, including:

- The Constitution
- The Corporate Strategy
- The Capital Programme and Revenue Budget
- The Housing Strategy
- The Local Development Framework

3.3 The Cabinet

The Cabinet carries out the executive functions of the Council as required by the legislation and the Council's constitution. It accordingly:

- Takes key decisions
- Takes other executive decisions
- Approves policies other than those reserved for Council
- Recommends to Council policies and budgetary decisions

3.4 Corporate Governance Group

The Corporate Governance Group is the group within the Council that is charged with Governance and has a number of responsibilities including:

- Overseeing financial governance arrangements
- Overseeing strategic risk management
- Scrutinising the Annual Governance Statement
- Scrutinising the Statement of Accounts prior to its agreement by full council
- Reviewing the plans and work of Internal Audit
- Receiving reports from external audit in relation to the audit arrangements

3.5 Performance Management Board

The Performance Management Board reviews the performance of the Council against the approved targets. Other reports are taken to this group and during the last year the group has considered the equality and diversity plan and the local Home Improvement Agency performance.

In addition to the Performance Management Board the Council has two other scrutiny groups which were formed during 2007. The first, Place Shaping and Community Engagement looks at areas that affect the community like future changes to glass recycling and provision of car parking. The other group is Partnership Delivery which is tasked with looking at the effectiveness of current and future potential partnerships.

3.6 Executive Managers

Executive Managers are responsible for ensuring proper standards of internal control within their service areas. On-going reviews are undertaken throughout the year. At the end of the financial year Executive Managers are required to confirm that they have reviewed the system of internal control and identify any areas where improvements are necessary. It should be noted that the new Executive Manager roles were introduced during 2012/13 and that prior to this the management of internal controls rested with the Deputy Chief Executives, Director of Finance and Heads of Service.

3.7 Internal Audit

Internal Audit is responsible for the review of the systems of internal control and for giving an opinion on both the corporate and service specific standards in place. The Council tendered during 2009/10 for a new 5 year audit contract which was awarded to RSM Tenon. An Audit Strategy has been developed covering all activities of the Council at a level and frequency determined using a risk management methodology. The current Strategy now covers the period up to March 2016.

An annual audit plan governs each year's activity and at the completion of each audit, a report is produced for management with recommendations for improvement. Regular reports covering internal audit activities are submitted to the Corporate Governance Group for scrutiny.

A detailed annual review of the effectiveness of the Council's system of internal audit is undertaken every year and reported to the Corporate Governance Group.

3.8 External Audit

The external auditors review the Council's arrangements for:

- Preparing accounts in compliance with statutory and other relevant requirements
- Ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice
- Managing performance to secure economy, efficiency and effectiveness in the use of resources

The auditors give an opinion on the Council's accounts, corporate governance and performance management arrangements. The Council takes appropriate action where improvements need to be made.

As reported last year, after the result of national changes, the provision of external audit has now transferred from the Audit Commission (in October 2012) to KPMG.

4 SIGNIFICANT GOVERNANCE ISSUES

4.1 Issues Identified and remedial action

The Council continues to utilise partnership arrangements with other public bodies and private organisations to deliver services. The Council therefore remains committed to meeting the challenge of ensuring that the appropriate governance arrangements are in place for each of the major partnerships that the Council has entered or will enter.

In producing the 2011/12 statement of accounts the council faced a number of issues most notably with regard to the reconciliation of income following the implementation of a new financial ledger in April 2011. These were identified in the external auditor's Annual Governance Report, which was considered by the Corporate Governance Group on the 26th September 2012. To mitigate these risks the Council has reviewed its processes and appointed new staff to the finance team, including an Executive Manager and a Service Manager. The resultant positive progress was reported by the external auditor to the Corporate Governance Group on the 24th April 2013. This work will continue to be a priority during 2013/14.

During 2013/14 the Council will also need to manage a number of changes arising from legislative changes such as the Localism and Local Government Finance Acts, and in particular challenges arising from welfare reform and the introduction of Universal Credit. Furthermore the Council has to address the issue of housing growth and the concerns of the planning inspector, with the Core Strategy being revisited in the coming year. The Cotgrave Masterplan is a significant project which demonstrates the Council's commitment to developing the community and provides affordable housing. These challenges will be managed in line with the Governance Framework outlined earlier in this report.

5 STATEMENT OF THE CHIEF EXECUTIVE AND THE LEADER OF THE COUNCIL

We have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Corporate Governance Group. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed, with new actions planned, are outlined above.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed.....

Councillor J N Clarke (Leader)

Signed.....

A Graham (Chief Executive)

Date

Date

C. Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUSHCLIFFE BOROUGH COUNCIL

We have audited the financial statements of Rushcliffe Borough Council for the year ended 31 March 2013 on pages 2 to 70. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

This report is made solely to the members of the Authority, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Executive Manager (Finance and Commercial) and auditor

As explained more fully in the Statement of the Executive Manager's (Finance and Commercial) Responsibilities, the Executive Manager (Finance and Commercial) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Manager (Finance and Commercial); and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

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

Matters on which we are required to report by exception

The Code of Audit Practice 2010 for Local Government Bodies requires us to report to you if:

- the annual governance statement set out on pages IX to XV does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- the information given in the explanatory foreword for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under section 8 of Audit Commission Act 1998 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under section 11 of the Audit Commission Act 1998; or
- any other special powers of the auditor have been exercised under the Audit Commission Act 1998.

We have nothing to report in respect of these matters

Conclusion on Rushcliffe Borough Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in November 2012, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in November 2012, we are satisfied that, in all significant respects, Rushcliffe Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Certificate

We certify that we have completed the audit of the financial statements of Rushcliffe Borough Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for Local Government Bodies issued by the Audit Commission.

John Cornett

for and on behalf of KPMG LLP, Appointed Auditor

Chartered Accountants

1 Waterloo Way

Leicester

LE1 6LP

26 September 2013

STATEMENT OF ACCOUNTS

2012/13

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Manager (Finance and Commercial).
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

THE EXECUTIVE MANAGER (FINANCE AND COMMERCIAL) RESPONSIBILITIES

The Executive Manager (Finance and Commercial) is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices, as set out in the Chartered Institute of Public Finance and Accountancy/Local Authority Scotland Accounts Advisory Committee's "Code of Practice on Local Authority Accounting in the United Kingdom" ("the Code of Practice").

In preparing this Statement of Accounts, the Executive Manager (Finance and Commercial) has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice

The Executive Manager (Finance and Commercial) has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Manager (Finance and Commercial) should sign and date the Statement of Accounts, stating that it gives a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2013.

CERTIFICATE

I hereby certify that the following Statement of Accounts gives a true and fair view of the financial position of Rushcliffe Borough Council at 31 March 2013 and its income and expenditure for the financial year ended 31 March 2013.

Peter Steed
Executive Manager (Finance and Commercial)
28 June 2013

FORMAL APPROVAL

Full Council approved the audited Statement of Accounts on 26 September 2013

On behalf of the Council
Councillor Buschman
Mayor of the Council

D. THE FINANCIAL STATEMENTS

MOVEMENT IN RESERVES STATEMENT (MIRS)

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

2012/2013	General Fund Balance £000	Earmarked GF Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance 31 March 2012	(2,604)	(7,768)	(15,626)	(238)	(26,236)	(2,690)	(28,926)
Movement in Reserves during 2012/2013							
(Surplus) or deficit on the provision of services	1,653	0	0	0	1,653	0	1,653
Other Comprehensive Income and Expenditure	(1,358)	0	0	0	(1,358)	0	(1,358)
Total Comprehensive Income and Expenditure	295	0	0	0	295	0	295
Adjustments between accounting basis and funding basis under regulations (Note 7)	(905)	0	2,963	(249)	1,809	(1,809)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(610)	0	2,963	(249)	2,104	(1,809)	295
Transfers to/from Earmarked Reserves (Note 8)	610	(610)	0	0	0	0	0
Increase/Decrease in 2012/2013	0	(610)	2,963	(249)	2,104	(1,809)	295
Balance at 31 March 2013 Carried Forward	(2,604)	(8,378)	(12,663)	(487)	(24,132)	(4,499)	(28,631)

D. THE FINANCIAL STATEMENTS

MOVEMENT IN RESERVES STATEMENT (MIRS)

2011/2012	General Fund Balance £000	Earmarked GF Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance 31 March 2011	(2,604)	(7,731)	(17,064)	(283)	(27,682)	(14,059)	(41,741)
Movement in Reserves during 2011/2012							
(Surplus) or deficit on the provision of services	1,803	0	0	0	1,803	0	1,803
Other Comprehensive Income and Expenditure	11,012	0	0	0	11,012	0	11,012
Total Comprehensive Income and Expenditure	12,815	0	0	0	12,815	0	12,815
Adjustments between accounting basis and funding basis under regulations (Note 7)	(12,852)	0	1,438	45	(11,369)	11,369	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(37)	0	1,438	45	1,446	11,369	12,815
Transfers to/from Earmarked Reserves (Note 8)	37	(37)	0	0	0	0	0
Increase/Decrease in 2011/2012	0	(37)	1,438	45	1,446	11,369	12,815
Balance at 31 March 2012 Carried Forward	(2,604)	(7,768)	(15,626)	(238)	(26,236)	(2,690)	(28,926)

D. THE FINANCIAL STATEMENTS

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2011/2012				2012/2013		
Gross Exp £000	Gross Inc £000	Net Exp £000		Gross Exp £000	Gross Inc £000	Net Exp £000
7,607	5,732	1,875	Central Services to the Public	7,464	5,726	1,738
3,386	570	2,816	Cultural & Related Services	3,521	654	2,867
6,607	1,584	5,023	Environmental & Regulatory Services	6,935	1,533	5,402
2,880	1,153	1,727	Planning Services	4,980	2,614	2,366
580	746	(166)	Highways & Transport Services	391	545	(154)
19,197	18,362	835	Housing Services	19,722	18,727	995
1,770	5	1,765	Corporate and Democratic Core	1,740	43	1,697
114	0	114	Non Distributed Costs	190	0	190
42,141	28,152	13,989	Cost of Services	44,943	29,842	15,101
2,034	0	2,034	Other Operating Exp. (Note 9)	2,014	195	1,819
3,961	4,528	(567)	Financing & Investment Inc. & Exp. (Note 10)	3,883	4,168	(285)
257	235	22	Deficit on Discontinued Operations	0	0	0
0	13,675	(13,675)	Taxation & Non-Specific Grant Income (Note 11)	0	14,982	(14,982)
48,393	46,590	1,803	(Surplus)/Deficit on Provision of Services	50,840	49,187	1,653
		(305)	Surplus or deficit on revaluation of non-current assets			(2,279)
		0	Surplus or deficit on revaluation of available for sale financial assets			0
		11,317	Actuarial gains/losses on pension assets/liabilities			921
		11,012	Other Comprehensive Income & Expenditure			(1,358)
		12,815	Total Comprehensive Income & Expenditure			295

D. THE FINANCIAL STATEMENTS

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2012 £000		Note Ref	31 March 2013 £000
23,650	Property, Plant and Equipment	12	25,937
161	Heritage Assets		165
8,018	Investment Property	13	10,525
574	Intangible Assets	14	305
0	Long Term Investments	15	0
1,984	Long Term Debtors	15	1,244
34,387	Long Term Assets		38,176
10,085	Short Term Investments	15	5,011
53	Inventories		45
4,844	Short Term Debtors	16	1,826
24,863	Cash and Cash Equivalents	17	28,759
39,845	Current Assets		35,641
(54)	Short Term Borrowing	15	(54)
(4,100)	Short Term Creditors	19	(5,079)
(4,154)	Current Liabilities		(5,133)
0	Provisions		(56)
(9,053)	Capital Grants Receipts in Advance	32	(5,691)
(32,099)	Pension Liability	38	(34,306)
(41,152)	Long Term Liabilities		(40,053)
28,926	NET ASSETS		28,631
15,626	Usable Capital Receipts Reserve		12,663
2,604	General Fund Balance		2,604
7,768	Earmarked Reserves	8	8,378
238	Capital Grants Unapplied		487
26,236	Usable Reserves		24,132
2,690	Unusable Reserves	21	4,499
28,926	TOTAL RESERVES		28,631

D. THE FINANCIAL STATEMENTS

CASHFLOW STATEMENT (INDIRECT METHOD)

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as; operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

2011/2012 £000		2012/2013 £000
1,803	Net (surplus) or deficit on the provision of services	1,653
(5,031)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	(6,111)
(4,237)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 22)	4,330
(7,465)	Net cash flows from Operating Activities	(128)
(18,081)	Investing Activities (Note 23)	(1,018)
5,852	Financing Activities (Note 24)	(2,750)
(19,694)	Net increase or decrease in cash and cash equivalents	(3,896)
(5,169)	Cash and cash equivalents at the beginning of the reporting period	(24,863)
(24,863)	Cash and cash equivalents at the end of the reporting	(28,759)

E. NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2012/13 financial year and its position at the year-end of 31 March 2013. It has been prepared in accordance with the Accounts and Audit Regulations 2012 which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in United Kingdom 2012/13 and the Service Reporting Code of Practice 2012/13, supported by International Financial Reporting Standards (IFRS) It also complies with guidance notes issued by CIPFA on the application of accounting standards (Standard Statement of Accounting Practice and Financial Reporting Standards) to the local authority accounts.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- **Revenue from the sale of goods** is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- **Revenue from the provision of services** is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- **Supplies are recorded as expenditure** when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- **Expenses in relation to services received** (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- **Interest payable on borrowings and receivable on investments** is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- **Where revenue and expenditure have been recognised but cash has not been received or paid**, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

iv. **Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

v. **Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

vi. **Charges to Revenue for Non-Current Assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- **Depreciation** attributable to the assets used by the relevant service;
- **Revaluation and impairment losses on assets** used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- **Amortisation of intangible fixed assets** attributable to the service.

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisation. These are therefore reversed out of the General Fund and into an unusable capital reserve.

It is however, required to make annual provision from revenue towards the reduction in its overall borrowing requirement; this is referred to as Minimal Revenue Provision (MRP). New guidance was issued by the Secretary of State under section 21 (1A) of the Local Government Act 2003 for the calculation of this provision.

The Council is currently debt free and has no borrowing requirement and is therefore not required to make a MRP. If this were to change, the Council would need to set a policy for calculating MRP.

vii. Employee Benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (for example, cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, for example, time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year, where material. The accrual is made at the wage and salary rates applicable in the following year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to either terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged on an accruals basis to relevant services in the Comprehensive Income and Expenditure Statement when the Council has demonstrably committed to the termination of the employment or has made an offer to encourage voluntary redundancy to an officer or group of officers.

When termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pension Reserve to remove the notional debits and credits for pension enhancement termination benefits. These are replaced with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

The Local Government Pension Scheme (LGPS) is administered by Nottinghamshire County Council and is accounted for as a defined benefits scheme providing defined benefits to members (Retirement Lump Sums and Pensions) earned as employees working for the Council.

The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – (i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees).

The assets of the pension fund attributed to the Council are included in the Balance Sheet at their fair value

- **Quoted Securities** - current bid price
- **Unquoted Securities** - current bid price
- **Utilised Securities** - Professional Estimate
- **Property** - Market Value

The change in the net pension's liability is analysed into seven components:

- **Current Service Cost** – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the service for which the employees worked.
- **Past Service Cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- **Interest Cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- **Expected Return on Assets** – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- **Gains or Losses on Settlements and Curtailments** – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- **Actuarial Gains and Losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve
- **Contributions Paid to the Pension Fund** – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any amounts payable to the fund but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the LGPS.

viii. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of event can occur:

- **Those that provide evidence of conditions** that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events;
- **Those that are indicative of conditions** that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

ix. Financial Instruments

General

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Most straight forward financial assets (debtors, bank deposits and investments) are covered, together with more complex ones not used by the Council (debt instruments with embedded swaps and options).

The Council recognises a financial asset or liability on the Balance Sheet when it becomes party to the contractual provisions of an instrument.

Financial Liabilities

Financial liabilities are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable, are based on the carrying amount of liability, multiplied by the effected rate of interest for the investment. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The Council has no long term debt or plans to raise any within its prudential framework. There is consequently no agreed policy, but it is recognised that this would need to be established prior to such debts being taken on.

Financial Assets

Financial assets are classified as either;

- **Loans and Receivables** – assets that have fixed or determinable payments but are not quoted in an active market.

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the provisions of a financial instrument and are initially measured at “fair value”. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

The Council has made one loan at less than market rates (soft loan). When such a soft loan is made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the cricket club, with the difference serving to increase the amortised cost of the loan in the Balance Sheet.

If an asset was identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset’s original effective interest rate.

Any gains or losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- **Available-for-sale assets** – assets that have a quoted market price and/or do not have fixed or determinable payments. These are non-derivative financial assets designated available for sale they’re measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the income statement on de-recognition.

Financial Instruments – Risks

The Council’s activities in this area expose it to a number of risks; it regularly reviews and agrees policies for such risks which are set out below:

- **Credit Risk** – the possibility that other parties may fail to pay amounts due.

To mitigate this risk the parties that owe money are sent timely reminders, defaulters are given reminders, warnings and ultimately legal action is taken where necessary.

In addition, the Council has adopted the CIPFA Prudential Code and reviews and monitors the level of exposure to investments which mature beyond one year and the use of specified and non-specified investments.

- **Interest Rate Risk** – that changes in areas such as interest rates will affect the Council's revenue resources. To mitigate this risk the Council monitors the available rates, and also consults with its Treasury Advisors, Arlingclose Ltd, and maintains fixed deposits when good rates are available. Fixed rates deposits are maintained to maximise interest receivable; variable rate deposits are maximised for working capital requirements.

- **Liquidity Risk** – the possibility that the council cannot pay its commitments.

To mitigate this risk the Council ensures that current working capital requirements are immediately available. At the period end, there were no remaining investments which exceeded 12 months. Short-term flexibility is achieved by overdraft facilities.

x. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants, third party contributions and donations are recognised as due to the Council where there is reasonable assurance that.

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as long term liabilities (Capital Receipts in Advance). When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are contributions including sections 106's are credited to the Comprehensive Income Expenditure Statement as Taxation and Non Specific Grant Income, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure it is posted to the Capital Grants Unapplied Reserve. Where it has been applied it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xi. Heritage Assets

The Council has two classifications of Heritage Assets; a small art collection and a war memorial. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment, however the art collection is reported in the Balance Sheet at insurance valuation, which is based on market value, these insurance valuations are updated annually.

Art collection

The Council's art collection consists of 82 exhibits of oils, watercolours and prints. There are 7 items with a value of over £5,000. The highest value item is an oil painting valued at £65,000. The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Purchases are initially recognised at cost and donations are recognised at valuation.

War Memorial

The War Memorial is situated in West Bridgford and is held at Depreciated Historical Cost (a proxy for current value).

General

The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment, for example, where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

xii. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (for example, software licences). These are capitalised at cost when the economic benefit is estimated to be greater than 12 months.

Once capitalised, the assets will be amortised on a systematic basis over their useful lives. The amortisation charge will be made to the relevant General Fund Service revenue accounts.

Internally generated assets are only re-valued where the fair value of assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the council meets this criterion and they are therefore carried at amortised cost.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xiii. Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Long term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the value of works and services received under contract during the financial year.

xiv. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at fair value, and are not depreciated but are re-valued annually according to market conditions at the start of the year. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

xv. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

An exception is made where leases were in existence prior to the introduction of IFRS and not treated in accordance with proper practice as at 31st March 2010. Under the terms of the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010 no 454, the Council may continue to account for money received in accordance with the original type of leases.

Leases classified as Investment Properties are not required to show a split between the land and building elements.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for a payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability

for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from the leases asset.

The Authority as Lessor

Finance Leases

These finance leases are dealt with under the exception outlined above.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

xvi. Jointly Controlled Operations

Jointly controlled operations are activities undertaken by the Authority in conjunction with the other ventures that involve the use of assets and resources of the venture rather than the established of a separate entity. The Authority recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

xvii. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Code of Practice 2012/13 (SERCOP). The total absorption costing principle is used, with the full cost of overheads and

support services being shared between users in proportion to the benefits received, with the exception of:

- **Corporate and Democratic Core** – costs relating to the Council's status as a multi-functional, democratic organisation.
- **Non Distributed Costs** – this includes the cost of discretionary benefits awarded to employees retiring early and any impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SERCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

xviii. Property, Plant & Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential is charged as an expense when it is incurred. In addition, expenditure needs to be excess of the Council de-minimis level of £10,000 before it can be recognised as capital, spend below this limit is charged to revenue.

The Code requires components to be accounted for as separate items where they are material, the Council has undertaken a review of its assets relating to Property, Plant and Equipment and componentising these assets has no material impact. The Council has however componentised its assets, into two elements, land and buildings.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance, (i.e. it will not lead to variation in the cash flows of the Council). In the latter case, where an asset is acquired via exchange, the cost of the acquisition is the carrying amount of the asset given up by the council.

Donated assets are measured initially at fair value unless the donation has been made conditionally. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where

gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

Property, Plant and Equipment	
Other Land and Buildings	Existing Use Value (EUV)
Vehicles and Plant	Depreciated Historical Cost
Infrastructure	Depreciated Historical Cost
Community Assets	Depreciated Historical Cost
Assets Under Construction	Depreciated Historical Cost

Assets included in the Balance Sheet at fair value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every three years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the

original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction) and assets held for a commercial return (i.e. investment properties). It is calculated as follows:

Property, Plant and Equipment	
Other Land and Buildings	Straight line – over the useful life of the asset
Vehicles and Plant	Straight line – over the useful life of the asset
Infrastructure	Straight line – over the useful life of the asset
Community Assets	No charge is made for depreciation
Assets Under Construction	No charge is made for depreciation

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets held for Sale

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at

the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Capital receipts are credited to the Capital Receipts Reserve, and can then only be used for new capital investment. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

As the cost of fixed assets is fully provided for under separate arrangements for capital finance the written-off value of disposals is not a charge against council tax. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Assets under Construction

Assets under Construction are only recognised when it is probable that the future economic benefits will flow to the council and the cost can be measured reliably. Assets under construction are capitalised at cost which includes labour and overhead costs arising directly from the construction of the asset. Assets under construction are not depreciated until they are brought into the use under the relevant sections of Property Plant and Equipment.

xix. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain

future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Where it is probable that there will be an inflow of economic benefits or service potential, contingent assets are not recognised in the Balance Sheet but disclosed in a note to the Accounts.

xx. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

xxi. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xxii. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 ('the Code') has introduced several changes in accounting policies which will be required from 1 April 2013. The following changes are not considered to have a significant impact on the Statement of Accounts as demonstrated below:

- International Accounting Standard (IAS) 1 Presentation of Financial Statement – the changes require authorities to disclose separately the gains or losses re-classifiable into the Surplus or Deficit on the Provision of Services. The gains and losses are separately identified in the Comprehensive Income and Expenditure Statement (CIES) and therefore no further disclosure is required;
- Service concession arrangements, clarification for the recognition criteria for assets under construction or intangible assets. Given the values of both classes of assets this change is not expected to have a significant impact;
- IAS 12 Income Taxes – this relates to material changes to Group Accounts and does not impact upon the Council as Group Accounts are not required;
- IAS 19 Employee Benefits – there are several changes that will affect the budgeted pension expense for the next financial year. The main changes affecting the CIES are:
 - a. Removal of the expected return on assets, to be replaced by net interest cost comprising interest income on the assets and interest expense on the liabilities, which are both calculated with reference to the discount rate; and
 - b. Administration expenses, currently deducted from the actual and expected returns on assets, will in future be accounted for within the CIES.

The impact of the 2013/14 changes, if they were in effect from 2012/13, would increase the net charge recognised in the CIES by £0.5m.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts concern the following:

- a. There is high degree of uncertainty about future levels of funding for local government notably issues around welfare reform and localisation of Business Rates. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the authority might be impaired as a result of a need to close facilities and reduce levels of service provision. Future plans may have an effect on the assets of the authority for example the Council's Leisure Strategy and the future role of the Depot;
- b. One factor that has demonstrably in the past 3 years had a significant impact on the accounts concerns the assumptions surrounding pensions and the likelihood of legislative change and the impact of such change. The impact of either a change in the discount rate of 0.1% or a change in life expectancy of 1 year, for either, would be less than £100,000.
- c. The Council has no relationships with other entities which take the form of a parent/subsidiary, associate or joint control arrangement.

- d. It is anticipated no substantial legal claims or appeals will be made against the Council in the next financial year.

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Most significant estimates are for pensions, bad debts (impairments), accruals and provisions. Each of these has a different process for making the estimate:

- a. Pension estimates are provided by Nottinghamshire County Council and we place assurance on the use of suitably qualified professionals to provide this estimate. Note 3 gives further analysis;
- b. Bad debt estimates are based on prudent historical collection rates taking into account knowledge of existing conditions on outstanding debts, particularly given the current economic climate and future changes in relation to welfare reform. At 31st March 2013 the Authority had sundry debtor balances of £583,000 and Housing Benefit (HB) debtors of £621,000. If recoverability of these balances falls the amount set aside for the recoverability of these balances would increase. Provisions for bad debt are made according to the age of the debt and in the case of HB future uncertainty due to welfare reform. The provisions amount to £94,000 and £264,000, respectively for HB and sundry debtors. If recoverability of the debt falls by 10% across all ages of debt an estimated further £40,000 would have to be set aside;
- c. Purchase accruals – these are low in volume and value, but with items such as utility accruals they are based on past bills / seasonality / readings and current contract prices; and
- d. Provisions are similar to purchase accruals being low in both volume and value.

5. MATERIAL ITEMS OF INCOME AND EXPENSE

The Council has released £1.6m of grant funding in connection with Section 106 expenditure, primarily on Education and Transport/Road Safety related capital schemes. These schemes are not commissioned by Rushcliffe but the responsibility for ensuring that the criteria for the S106 are met, lies with the Borough Council. Both the income and expenditure sit within Planning Services in the Comprehensive Income and Expenditure Statement (CIES).

The Council is committed to the economic regeneration and the major redevelopment of Cotgrave Town Centre. As part of this project, the shopping precinct was acquired in 2012/13 at a cost of £1.84m has been recently valued at £1.02m giving rise to an impairment of £0.82m. In accordance with proper accounting practice this has been charged to the CIES within Planning services. It should also be noted that a capital grant of £1.6m from the Homes and Community Agency (HCA) was recognised in 2012/13. This was used to acquire Cotgrave shopping precinct and as a capital grant, is recognised within the CIES as a 'non-specific' grant.

6. EVENTS AFTER THE BALANCE SHEET DATE

There are no material post balance sheet events.

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are set against

General Fund Balance

The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice.

The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on the capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets which are restricted by the statute from being used other than to a fund new capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (reserve) holds the grants and contributions received towards the capital projects for which the Council has met the conditions that would have otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by the grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

7. ADJUSTMENT BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2012/2013	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Useable Reserves	Movement in Unusable Reserves
Adjustments primarily involving the Capital Adjustment Account	£000	£000	£000	£000	£000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation and impairment of non-current assets	(2,661)			(2,661)	2,661
Revaluation gain on Property Plant and Equipment	2,279			2,279	(2,279)
Movement in the market value of investment properties	410			410	(410)
Capital grants and contributions applied	1,635			1,635	(1,635)
Revenue expenditure funded from capital under statute	(773)			(773)	773
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(97)			(97)	97
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement					
Capital expenditure charged against the General Fund Balance	65			65	(65)
Adjustments primarily involving the Capital Grants Unapplied Account					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	249		(249)	0	
Adjustments primarily involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	259	(676)		(417)	417
Use of the Capital Receipts Reserve to finance new capital expenditure		3,672		3,672	(3,672)

7. ADJUSTMENT BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2012/2013	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Useable Reserves	Movement in Unusable Reserves
	£000	£000	£000	£000	£000
Transfer (from)/to the Deferred Capital Receipts Reserve upon receipt of cash		(33)		(33)	33
Adjustments primarily involving the Financial Instruments Adjustment Account					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(53)			(53)	53
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,613)			(3,613)	3,613
Employers' pensions contributions and direct payments to pensions payable in the year	1,406			1,406	(1,406)
Adjustments primarily involving the Collection Fund Adjustment Account					
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(16)			(16)	16
Adjustments primarily involving the Accumulated Adjustments Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	5			5	(5)
Total Adjustments	(905)	2,963	(249)	1,809	(1,809)

7. ADJUSTMENT BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2011/2012	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Useable Reserves	Movement in Unusable Reserves
Adjustments primarily involving the Capital Adjustment Account	£000	£000	£000	£000	£000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation and impairment of non-current assets	(1,642)			(1,642)	1,642
Revaluation gain on Property Plant and Equipment	305			305	(305)
Movement in the market value of investment properties	126			126	(126)
Capital grants and contributions applied	260		45	305	(305)
Revenue expenditure funded from capital under statute	(498)			(498)	498
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(62)			(62)	62
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement					
Capital expenditure charged against the General Fund Balance	392			392	(392)
Adjustments primarily involving the Capital Grants Unapplied Account					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	0			0	0
Adjustments primarily involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	0		0	0
Use of the Capital Receipts Reserve to finance new capital expenditure		1,472		1,472	(1,472)

7. ADJUSTMENT BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2011/2012	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Useable Reserves	Movement in Unusable Reserves
	£000	£000	£000	£000	£000
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(3)	3		0	0
Transfer (from)/to the Deferred Capital Receipts Reserve upon receipt of cash		(37)		(37)	37
Adjustments primarily involving the Financial Instruments Adjustment Account					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	21			21	(21)
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(13,250)			(13,250)	13,250
Employers pensions contributions and direct payments to pensions payable in the year	1,460			1,460	(1,460)
Adjustments primarily involving the Collection Fund Adjustment Account					
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	13			13	(13)
Adjustments primarily involving the Accumulated Adjustments Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	26			26	(26)
Total Adjustments	(12,852)	1,438	45	(11,369)	11,369

8. TRANSFERS TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund Balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

2012/13 Reserves

	Balance at 1 st April 2012 £000	Transfers In £000	Transfers Out £000	Balance at 31 st March 2013 £000
Investment Reserves				
Regeneration and Community Projects	2,101	100	65	2,136
Cotgrave Regeneration Project	0	100		100
Council Assets and Service Delivery	656	30	2	684
Local Area Agreement	294	0	0	294
New Homes Bonus	323	462	0	785
Invest to Save	1,161	0	500	661
Corporate Reserves				
Organisational Stabilisation Reserve	2,013	518	0	2,531
Risk and Insurance	100	0	0	100
Planning Appeals	349	0	0	349
Elections	200	0	0	200
Operating Reserves				
Planning	203	0	0	203
Building Control	0	0	0	0
Leisure Centre Maintenance	213	87	120	180
Lottery	55	0	0	55
Planned Maintenance	100	0	0	100
Total	7,768	1,297	687	8,378

INVESTMENT RESERVES

Regeneration and Community Projects – to provide funding to support capital improvement projects across the Borough.

Cotgrave Regeneration Project – is a new reserve for surpluses generated from investment properties on the site for re-investment into the project.

Council Assets and Service Delivery – to provide funding to support improvements and optimum rationalisation of council owned assets and facilitate the implementation of innovative service delivery models.

8. TRANSFERS TO/FROM EARMARKED RESERVES CONTINUED

Local Area Agreement – to provide funding for Local Strategic Partnership (LSP) initiatives where monies are held by the Council on behalf of the LSP as the Accountable body.

New Homes Bonus – to help facilitate growth within the Borough, not ring-fenced solely for housing projects.

Invest to Save – to fund projects that require ‘pump priming’ that generate future savings.

CORPORATE RESERVES

Organisation Stabilisation Reserve – to be used to provide resilience against risks surrounding the Medium Term Financial Strategy. This incorporates balances from 2011/12 in relation to Interest and VAT de minimis and Organisation Development in the 2011/12 table of reserves.

Risk and Insurance – to provide funding to be used to reduce the risk of loss or injury in the provision of Council services, with the objective of reducing future insurance costs.

Organisational Development – to provide funding for organisational development issues, for example, restructuring, claims, process improvements etc.,

Planning Appeals – to provide funding to cover potential legal and other cost in respect of large applications.

Elections – to provide funding for the future costs of the four yearly borough council elections.

OPERATING RESERVES

Planning - to provide funding for one off revenue costs of the planning service, for example, legal costs, specialist advice and consultancy.

Building Control – to hold surplus funds, which can be used to manage fluctuations in income caused by the economic downturn

Leisure Centre Maintenance – to provide funding for dilapidation works required at leisure centres as a result of the transfer of the management of the leisure centre to Parkwood and maintenance not covered as part of the contract.

Lottery – a sum left in reserve from a discontinued lottery scheme. Interest is used to fund small sports grants.

Planned Maintenance Reserve – to provide funding for potential higher value repairs and maintenance of existing buildings and land.

8. TRANSFERS TO/FROM EARMARKED RESERVES CONTINUED

This note sets out the amounts set aside from the General Fund Balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

	Balance at 1 st April 2011 £000	Transfers In £000	Transfers Out £000	Balance at 31 st March 2012 £000
Investment Reserves				
Regeneration and Community Projects	2,221	100	220	2,101
Council Assets and Service Delivery	707	47	98	656
Local Area Agreement	142	152	0	294
New Homes Bonus	0	323	0	323
Invest to Save	1,334	0	173	1,161
Corporate Reserves				
Interest and VAT de-minimis	1,458	0	47	1,411
Risk and Insurance	100	0	0	100
Organisational Development	602	0	0	602
Planning Appeals	349	0	0	349
Elections	200	0	0	200
Operating Reserves				
Planning	203	0	0	203
Building Control	41	0	41	0
Leisure Centre Maintenance	209	40	36	213
Community and Consultation	7	0	7	0
Lottery	54	1	0	55
Planned Maintenance	100	0	0	100
E-Petitions	4	0	4	0
Total	7,731	663	626	7,768

9. OTHER OPERATING EXPENDITURE

The composition of the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement is detailed below:

	2011/2012 £000	2012/2013 £000
Parish Council Precepts	1,773	1,794
Internal Drainage Board Levies	225	220
Payments to the Government Housing Capital Receipts Pool	2	0
(Gains)/losses on the disposal of non-current assets	34	(195)
Total	2,034	1,819

10. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

The composition of the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement is detailed below:

	2011/2012 £000	2012/2013 £000
Pensions interest cost and expected return on pension assets	545	988
Interest receivable and similar income	(597)	(313)
Income and Expenditure in relation to Investment Properties and changes in their fair value	(515)	(960)
Total	(567)	(285)

11. TAXATION AND NON SPECIFIC GRANT INCOME

The composition of the Taxation and Non Specific Grant Income line in the Comprehensive Income and Expenditure Statement is detailed below:

	2011/2012 £000	2012/2013 £000
Council Tax Income	(7,255)	(7,319)
Non Domestic Rates	(4,240)	(4,912)
Revenue Support Grant	(1,310)	(95)
Capital Grants (Notes 32)	(260)	(1,885)
Other Non Ring-fenced Grants	(610)	(771)
Total	(13,675)	(14,982)

12. PROPERTY, PLANT AND EQUIPMENT

Movements on Balances 2012/2013

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2012	17,693	10,171	3,018	329	305	41	31,557
Additions	1,804	632	31	0	0	0	2,467
Transfers	5	(112)	0	0	0	(35)	(142)
Revaluation (+/-) recognised in the Revaluation Reserve	2,003	0	0	0	0	0	2,003
Revaluation (+/-) recognised in the Surplus/Deficit on Provision of Services	(819)	0	0	0	0	0	(819)
Derecognition – Disposals	(1)	(1,061)	(11)	0	0	0	(1,073)
At 31 March 2013	20,685	9,630	3,038	329	305	6	33,993
Accumulated Depreciation or Impairment							
At 1 April 2012	(696)	(6,563)	(648)	0	0	0	(7,907)
Depreciation charge	(476)	(918)	(174)	0	0	0	(1,568)
Depreciation transfer	0	112	0	0	0	0	112
Depreciation written out to the Revaluation Reserve	272	0	0	0	0	0	272
Derecognition - Disposals	1	1,024	10	0	0	0	1,035
At 31 March 2013	(899)	(6,345)	(812)	0	0	0	(8,056)
Net Book Value							
At 31 March 2013	19,786	3,285	2,226	329	305	6	25,937
At 31 March 2012	16,997	3,608	2,370	329	305	41	23,650

12. PROPERTY, PLANT AND EQUIPMENT

Movements on Balances 2011/2012

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2011	18,120	9,600	2,676	329	0	130	30,855
Additions	122	845	310	0	0	39	1,316
Transfers	(234)	8	32	0	305	(128)	(17)
Revaluation (+/-) recognised in the Revaluation Reserve	(344)	0	0	0	0	0	(344)
Revaluation (+/-) recognised in the Surplus/Deficit on Provision of Services	74	0	0	0	0	0	74
Derecognition – Disposals	(45)	(282)	0	0	0	0	(327)
At 31 March 2012	17,693	10,171	3,018	329	305	41	31,557
Accumulated Depreciation or Impairment							
At 1 April 2011	(887)	(5,930)	(496)	0	0	0	(7,313)
Depreciation charge	(456)	(897)	(159)	0	0	0	(1,512)
Depreciation transfer	0	0	7	0	0	0	7
Depreciation written out to the Revaluation Reserve	640	0	0	0	0	0	640
Derecognition - Disposals	7	264	0	0	0	0	271
At 31 March 2012	(696)	(6,563)	(648)	0	0	0	(7,907)
Net Book Value							
At 31 March 2012	16,997	3,608	2,370	329	305	41	23,650
At 31 March 2011	17,233	3,670	2,180	329	0	130	23,542

12. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings 5-100 years
- Vehicles, Plant Furniture and Equipment 3-30 years
- Infrastructure 3-50 years

Capital Commitments

At 31 March 2013 the Council had no contracts for the construction of Property, Plant and Equipment in 2013/14 and future years. There was a contract for enhancement of Equipment at 31 March 2013. This related to two refuse freighters costing £300,000 which were delivered during April 2013.

Revaluations

In accordance with the Code of Practice, the Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is re-valued at least every five years. The Council have reviewed this policy and will be revaluing a third of its Land and Buildings portfolio every year.

Valuations of land and buildings were carried out in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (Red Book) 6th Edition. Every fair value valuation was carried out using the assumptions as set out in the Red Book. Where assumptions additional to those which are set out in the Red Book have been made these are stated on the relevant valuation certificates. Ms Leanne Baines MRICS is responsible for revaluation of property assets. An impairment review is carried out annually on the Land and Buildings portfolio.

Valuations of vehicles, plant, furniture and equipment are based on depreciated historic cost as a proxy for current prices. Valuations of vehicles, plant and equipment are reviewed annually to ensure that assets are recorded at no more than their recoverable amount.

All valuations were carried out internally.

The following table shows the progress of the Council's three year rolling programme for the revaluation of fixed assets. These figures are shown at gross book value.

	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000
Carried at Historical Cost	987	9,630	3,038	329	305	6	14,295
Valued at fair value as at:							
31 March 2013	9,435						9,435
31 March 2012	6,245						6,245
31 March 2011	4,018						4,018
Total Cost or Valuation	20,685	9,630	3,038	329	305	6	33,993

13. INVESTMENT PROPERTIES

The following items have been accounted for in the Financing and investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2011/2012 £000	2012/2013 £000
Rental income from investment property	774	860
Direct operating expenses arising from investment property	(206)	(160)
Net gain/(loss)	568	700

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's rights to the remittance of income and the proceeds of disposal with the exception of industrial units at Hollygate Lane (Phase I) and those on The Pithead site in Cotgrave. A rental income claw back arrangement is in place for both these sites, this will expire in 2015. The Council has no contractual obligations to purchase, construct or develop investment property or repair, maintain or enhance (except for voids)

The following table summarises the movement in the fair value of investment properties during 2012/13 and 2011/12.

	2011/2012 £000	2012/2013 £000
Balance at start of the year	7,899	8,018
Additions	0	2,127
Disposals	(6)	(60)
Net gains/losses from fair value adjustments	125	410
Transfers	0	30
Total	8,018	10,525

All of the Council's Investment Properties are treated as operating leases.

Valuations of Investment Properties are carried out annually in accordance with the Code of Practice and with the Royal Institution of Chartered Surveyors Valuation Standards (Red Book) 6th Edition. Every Fair Value valuation was carried out using the assumptions as set out in the Red Book. Where assumptions additional to those which are set out in the Red Book have been made these are stated on the relevant valuation certificates. Ms Leanne Baines MRICS is responsible for revaluation of property assets. An impairment review is carried out annually on the Investment Property portfolio.

14. INTANGIBLE ASSETS

The Council accounts for its software as intangible assets. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council.

The useful lives assigned to the major software suites used by the Council are three years.

The carrying amount of intangible assets is amortised on a straight line basis. The amortisation of £274,000 charged to revenue in 2012/13 (£203,000 2011/12) was charged to the IT cost centre and then absorbed as an overhead across all service headings in the Net Expenditure of Services. It is not possible to quantify how much of the amortisation is attributable to each service heading.

Movements on Intangible Fixed Assets

	2011/2012 £000	2012/2013 £000
Balances at start of the year		
Gross Carrying Amounts	1,170	1,383
Accumulated Amortisation	(606)	(809)
Net carrying amount at the start of the year	564	574
Additions		
Purchases	213	5
Transfers into the group	0	112
	213	117
Disposal	0	(137)
Amortisation		
Amortisations of the period	(203)	(274)
Amortisations on disposals	0	137
Amortisations on transfers into the group	0	(112)
	(203)	(249)
Net carrying amount at the end of the year	574	305
Comprising		
Gross Carrying Amounts	1,383	1,363
Accumulated Amortisation	(809)	(1,058)
Net Book Value	574	305

15. FINANCIAL INSTRUMENTS

The following categories of financial instruments are carried in the balance sheet.

	Long-term		Current	
	2011/2012	2012/2013	2011/2012	2012/2013
	£000	£000	£000	£000
Investments				
Loans and Receivables	0	0	34,948	33,770
Total Investments	0	0	34,948	33,770
Debtors				
Loans and Receivables	1,984	1,244	3,240	1,775
Total Debtors	1,984	1,500	3,240	1,775
Borrowings				
Financial Liabilities at Amortised Cost	0	0	54	54
Total Borrowing	0	0	54	54
Creditors				
Financial Liabilities at Amortised Cost	9,053	5,691	3,068	2,277
Total Creditors	9,053	5,691	3,068	2,277

Valuation Assumptions

Investments held at 31 March 2013 amount to £33.458m of deposits in Money Market Funds and Call Accounts where, in general, the rate only alters with movements in the Bank rate. No formal calculation of the effective interest rate (EIR) is necessary, and the carrying amount is a reasonable approximation of the fair value.

Debtors and creditors, both of which are instruments of short duration, with no formal effective interest rate (EIR) are at fair value.

An assessment has been made whether any impairment write-down or provisions previously made need to be reversed, or if any new ones need to be made. A full review of bad debt provisions has been completed and appropriate adjustments to the provisions have been made on the age analysis of debtors involved.

16. DEBTORS

	2011/2012	2012/2013
	£000	£000
Central Government Bodies	3,285	421
Other Local Authorities	187	128
Council taxpayers	56	51
Pre-payments	34	18
Sundry debtors	1,282	1,208
	4,844	1,826

17. CASH AND CASH EQUIVALENTS

	2011/2012 £000	2012/2013 £000
Cash held by the Council	1	1
Bank Current Accounts	369	245
Short-term Deposits	24,493	28,513
	24,863	28,759

18. ASSETS HELD FOR SALE

The Council had no Assets Held for Sale at 31 March 2013, this was also the case at 31 March 2012.

19. CREDITORS

	2011/2012 £000	2012/2013 £000
Central Government Bodies	232	2,106
Other Local Authorities	978	783
Nottinghamshire Police Authority	103	86
Nottinghamshire Fire Authority	44	36
Council taxpayers	76	79
Sundry creditors	2,667	1,989
	4,100	5,079

20. USEABLE RESERVES

Movements in the Council's useable reserves are detailed in the Movement in Reserves Statement (MiRS).

21. UNUSABLE RESERVES

	2011/2012 £000	2012/2013 £000
Revaluation Reserve	5,266	7,447
Capital Adjustment Account	29,316	31,201
Financial Instruments Adjustment Account	(34)	(87)
Pension Reserve	(32,099)	(34,306)
Deferred Capital Receipts	215	229
Collection Fund Adjustment Account	91	75
Accumulated Absences Adjustment Account	(65)	(60)
	2,690	4,499

21. UNUSABLE RESERVES CONTINUED

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2011/2012 £000	2012/2013 £000
Balance at 1 April	5,055	5,266
Upward Revaluation of Assets	305	2,279
Downward Revaluation of Assets and Impairment losses not charged to the surplus/deficit on Provision of Services	0	0
Surplus/deficit on revaluation of non-current assets not posted to the surplus/deficit on Provision of Services	305	2,279
Difference between fair value depreciation and historical cost depreciation	(80)	(98)
Accumulated gains on assets sold or scrapped	(14)	0
Amounts written off to the Capital Adjustment Account	(94)	(98)
Balance at 31 March	5,266	7,447

Available for Sale Financial Instruments

The Council has no available for sale financial instruments.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with postings from the Revaluation Reserve to convert fair values to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Council.

21. UNUSABLE RESERVES CONTINUED

The Account also contains revaluation gains accumulated on property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

	2011/2012 £000	2012/2013 £000
Balance at 1 April	29,129	29,316
Reverse of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for depreciation and impairment of non-current assets	(1,439)	(2,387)
Amortisation of Intangible Assets	(203)	(274)
Revenue Expenditure Funded from Capital Under Statute	(1,890)	(2,959)
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement.	(62)	(97)
	(3,594)	(5,717)
Adjusting amounts written out of the Revaluation Reserve	94	98
Write down long-term debtors	0	(464)
Net amount written out of the cost of non-current assets consumed in the year	(3,500)	(6,083)
Capital Financing Applied in the year		
Use of the Capital Receipts Reserve to finance new capital expenditure	1,472	3,672
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	1,652	3,821
Application of grants to capital financing from the Capital Grants Unapplied Account	45	0
Capital Expenditure charged against the General Fund Balance	393	65
	3,562	7,558
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	125	410
Balance at 31 March	29,316	31,201

21. UNUSABLE RESERVES CONTINUED

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory requirements.

	2011/2012 £000	2012/2013 £000
Balance at 1 April	(56)	(34)
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs charged in the year in accordance with statutory requirements	22	(53)
Balance at 31 March	(34)	(87)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2011/2012 £000	2012/2013 £000
Balance at 1 April	(20,309)	(32,099)
Actuarial gains or losses on pensions assets and liabilities	(11,317)	(921)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(1,933)	(2,692)
Employer's pensions contributions and direct payments to the pensioners payable in the year	1,460	1,406
Balance at 31 March	(32,099)	(34,306)

21. UNUSABLE RESERVES CONTINUED

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by capital receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2011/2012 £000	2012/2013 £000
Balance at 1 April	252	215
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0	47
Transfer to the Capital Receipts Reserve on receipt of cash	(37)	(33)
Balance at 31 March	215	229

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising between the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2011/2012 £000	2012/2013 £000
Balance at 1 April	79	91
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	12	(16)
Balance at 31 March	91	75

Accumulated Absences Account

The Accumulated Absences Account absorbs differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to/from the Account.

21. UNUSABLE RESERVES CONTINUED

	2011/2012 £000	2012/2013 £000
Balance at 1 April	(91)	(65)
Settlement or cancellation of accrual made at the end of the preceding year	91	65
Amounts accrued at the end of the current year	(65)	(60)
Amounts by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	26	5
Balance at 31 March	(65)	(60)

22. CASHFLOW STATEMENT – OPERATING ACTIVITIES

	2011/2012 £000	2012/2013 £000
Net (Surplus) or Deficit on the Provision of Services	1,803	1,653
Adjust net surplus or deficit on the provision of services for non-cash movements		
Depreciation	(1,439)	(1,568)
Impairment or downward valuations	0	(819)
Amortisation	(203)	(274)
Increase/Decrease in Creditors	(285)	96
Increase/Decrease in Debtors	2,363	(1,710)
Increase/Decrease in Inventories	28	(8)
Pension Liability	(1,933)	(1,289)
Movement in Provisions	(1)	0
Carrying amount of non-current assets sold	(62)	(97)
Collection Fund Adjustment Account	12	(16)
Other non-cash items charged to the net surplus or deficit on the provision of services	(3,511)	(426)
	(5,031)	(6,111)
Adjust for items in the net surplus or deficit on the provision of services that are investing or financing activities		
Capital Grants credited to surplus or deficit on the provision of services	(4,265)	4,071
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	28	259
	(4,237)	4,330
Net Cash Flows from Operating Activities	(7,465)	128

22. CASHFLOW STATEMENT – OPERATING ACTIVITIES CONTINUED

The cash flows for operating activities include the following items:

	2011/2012 £000	2012/2013 £000
Interest received	(576)	(366)
Soft Loans – Interest adjustment credited to the Income and Expenditure Statement	(21)	53
Interest paid	0	0
Total	(597)	(313)

23. CASHFLOW STATEMENT – INVESTING ACTIVITIES

	2011/2012 £000	2012/2013 £000
Purchase of property, plant and equipment, investment property and intangible assets	1,236	4,931
Purchase of Short-term and Long-term Investments	121,373	136,607
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(91)	(235)
Proceeds from Short-term and Long-term Investments	(140,450)	(141,604)
Other receipts from investing activities	(149)	(717)
Total Cash Flows from Investing Activities	(18,081)	(1,018)

24. CASHFLOW STATEMENT – FINANCING ACTIVITIES

	2011/2012 £000	2012/2013 £000
Cash receipts of short and long term borrowing	0	0
Other receipts from financing activities	5,443	0
Adjustment for Lottery from short term investments to Cash and Cash Equivalents	(57)	0
Repayment of short and long term borrowing	0	0
Other payments for financing activities	466	(2,750)
Total Cash Flows from Financing Activities	5,852	(2,750)

25. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Accounting Code of Practice. However, decisions about resource allocation are taken by the Council's Cabinet on the basis of budget reports that analyse across service areas. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

25. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS CONTINUED

- No charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation and amortisations are charged to services in the Comprehensive Income and Statement).
- The cost of retirement benefits is based on cash flows (payments of employer's pension's contributions) rather than current service cost of benefits accrued in the year.

During 2012/13 Rushcliffe undertook a senior management restructure which was implemented on an incremental basis between January and April 2013. This structure was used for internal financial management purposes from January 2013 onwards and in the setting of the 2013/14 budget. However due to the timing of formal reporting cycles the previous management structure was retained for in-year Cabinet monitoring reports. To enable comparison with on-going performance and budget plans the 2012/13 Service Areas Income and Expenditure detailed below has been prepared on the basis of this new structure.

25. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

Service Areas Income and Expenditure 2012/2013	Communities	Corporate Governance	Finance and Commercial	Neighbourhoods	Transformation	Total
Income	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(1,316)	(30)	(1,265)	(1,801)	(1,276)	(5,688)
Government Grants	0	0	(23,426)	0	(22)	(23,448)
Total Income	(1,316)	(30)	(24,691)	(1,801)	(1,298)	(29,136)
Operating Expenses						
Employee expenses	1,871	1,779	2,353	3,562	1,230	10,795
Other operating expenses	757	1,130	25,105	1,429	819	29,240
Total Operating Expenses	2,628	2,909	27,458	4,991	2,049	40,035
Net Cost of Services	1,312	2,879	2,767	3,190	751	10,899

Service Areas Income and Expenditure 2011/2012	Community Shaping	Corporate Services	Environment & Waste Management	Finance	Planning & Place Shaping	Revenues Property & ICT	Partnerships & Performance	Transformation	Total
Income	£000	£000	£000	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(651)	(10)	(1,548)	(650)	(1,245)	(113)	(1,039)	(1,005)	(6,261)
Government Grants	(805)	0	(258)	0	0	(22,457)	0	0	(23,520)
Total Income	(1,456)	(10)	(1,806)	(650)	(1,245)	(22,570)	(1,039)	(1,005)	(29,781)
Operating Expenses									
Employee expenses	1,198	831	3,681	1,418	1,144	1,329	815	577	10,993
Other operating expenses	719	600	1,241	1,063	173	22,584	1,670	740	28,790
Total Operating Expenses	1,917	1,431	4,922	2,481	1,317	23,913	2,485	1,317	39,783
Net Cost of Services	461	1,421	3,116	1,831	72	1,343	1,446	312	10,002

25. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS CONTINUED

Reconciliation of Service Area Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of service area income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2011/2012 £000	2012/2013 £000
Net expenditure in the Service Area Analysis	10,002	10,899
Net expenditure of services and support services not included in the Analysis	0	0
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	3,031	9,183
Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement	956	(4,981)
Cost of Services in the Comprehensive Income and Expenditure Statement	13,989	15,101

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of service area income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

25. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS CONTINUED

Reconciliation to Subjective Analysis 2012/2013	Service Analysis £000	Not reported to Mgmt £000	Not included in I & E £000	Net Cost of Services £000	Corporate Amounts £000	Total £000
Income						
Fees, charges and other service income	(5,688)	(2,268)	1,571	(6,385)	0	(6,385)
Financing and Investment Income	0	0	0	0	(4,168)	(4,168)
Income from council tax	0	0	0	0	(7,318)	(7,318)
Government grants and contributions	(23,448)	0	0	(23,448)	(7,664)	(31,112)
Total Income	(29,136)	(2,268)	1,571	(29,833)	(19,150)	(48,983)
Operating Expenses						
Employee Expenses	10,795	403	(4,160)	7,038	0	7,038
Other service expenses	29,020	5,091	(2,172)	31,939	0	31,939
Support Service recharges	0	3,983	0	3,983	0	3,983
Depreciation, amortisation and impairment	0	1,974	0	1,974	0	1,974
Interest payments	0	0	0	0	3,883	3,883
Precepts and Levies	220	0	(220)	0	2,014	2,014
Gain or Loss on Disposals of Fixed Assets	0	0	0	0	(195)	(195)
Total Operating Expenses	40,035	11,451	(6,552)	44,934	5,702	50,636
Surplus or deficit on the provision of services	10,899	9,183	(4,981)	15,101	(13,448)	1,653

25. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS CONTINUED

Reconciliation to Subjective Analysis 2011/2012	Service Analysis £000	Not reported to Mgmt £000	Not included in I & E £000	Net Cost of Services £000	Corporate Amounts £000	Total £000
Income						
Fees, charges and other service income	(6,261)	(82)	1,711	(4,632)	(235)	(4,867)
Financing and Investment Income	0	0	0	0	(4,528)	(4,528)
Income from council tax	0	0	0	0	(7,255)	(7,255)
Government grants and contributions	(23,520)	0	0	(23,520)	(6,420)	(29,940)
Total Income	(29,781)	(82)	1,711	(28,152)	(18,438)	(46,590)
Operating Expenses						
Employee Expenses	10,993	15	0	11,008	0	11,008
Other service expenses	28,565	2,000	(500)	30,065	257	30,322
Support Service recharges	0	0	(30)	(30)	0	(30)
Depreciation, amortisation and impairment	0	1,098	0	1,098	0	1,098
Interest payments	0	0	0	0	3,961	3,961
Precepts and Levies	225	0	(225)	0	1,997	1,997
Payments to Housing	0	0	0	0	3	3
Capital Receipts Pool						
Gain or Loss on Disposals of Fixed Assets	0	0	0	0	34	34
Total Operating Expenses	39,783	3,113	(755)	42,141	6,252	48,393
Surplus or deficit on the provision of services	10,002	3,031	956	13,989	(12,186)	1,803

26. TRADING OPERATIONS

The Council operates the following trading undertakings:

	2011/2012	2012/2013		
	Net £000	Expenditure £000	Income £000	Net £000
Bingham Market	6	36	(31)	5
Building Control	115	343	(240)	103
Net (Surplus)/Deficit	121	379	(271)	108

26. TRADING OPERATIONS CONTINUED

Bingham Market

The figures show the cost of repair and maintenance and the rental income in relation to the market stalls.

Building Control

The figures show the costs and income associated with ensuring compliance with Building Regulations including checking plans and making site visits.

27. AGENCY SERVICES

Rushcliffe Borough Council is part of the Nottinghamshire Parking Partnership operated by Nottinghamshire County Council which is involved in the collection of monies due from 'on' and 'off' street car parking, including the recovery of fines arising from Penalty Charge Notices (PCNs). Only those activities involving the recovery of monies due from PCNs in respect of off-street parking are relevant to Rushcliffe's accounts. In the financial year 2012/13 the expenditure relating to off-street parking was £103,137 (2011/12 £100,515) offset by income collected of £104,566 (2011/12 £105,823). These amounts are included within the Comprehensive Income and Expenditure Statement (CIES). The net amount outstanding to Nottinghamshire County Council at 31 March 2013 is £13,828 (2011/12 £25,908).

28. POOLED BUDGETS

Pooled budgets are not legal entities. The partners in a pool will nominate one partner to be the "host" to the pool. That host has legal responsibility for the administration of the pool and is required to produce a memorandum account of the activity of the pool. Disclosure of an authority's involvement in a pooled scheme is required for a proper understanding of an authority's accounts.

Choice Based Lettings

"Choice Based Lettings" is a partnership project between Broxtowe, Gedling and Rushcliffe Borough Councils that allows applicants for social housing to apply for available vacancies which are advertised widely. Rushcliffe Borough Council was appointed as the "host" authority for the implementation of this scheme and received a grant from the Department for Communities and Local Government (DCLG) and contributions from the other two authorities towards the cost accordingly. Following discussion between the three authorities, it was agreed that Broxtowe Borough Council would become the "host" authority for the scheme and formal approval was received from the DCLG on 11 November 2008.

Total expenditure on this scheme amounted to £53,262 in 2012/13. Total capital expenditure was £10,635 and total revenue expenditure was £42,627 from which funding was met from housing providers who advertise on the Choice Based Lettings website.

South Nottinghamshire Community Safety Partnership

The 'South Nottinghamshire Community Safety Partnership' (SNCSPP) is a joint working arrangement between Broxtowe, Gedling and Rushcliffe Borough Councils and other agencies including Nottinghamshire Police designed to address crime and disorder issues across the three council areas. As fellow members of the SNCSPP, Gedling and Rushcliffe Borough Councils agreed in 2009/10 to transfer their external crime and disorder funding to Broxtowe Borough Council as "host" authority to administer. This covers both revenue and capital funding and is intended to promote more effective financial management of these funds. The spending plans associated with these funds are approved by the SNCSPP Strategic Group.

28. POOLED BUDGETS CONTINUED

Total revenue expenditure attributable to Rushcliffe Borough Council amounted to £46,560 and was funded by grants of £45,408, £700 and £452 from the Home Office, Nottinghamshire County Council and Nottinghamshire Police respectively. There was no capital expenditure in 2012/13.

29. MEMBERS ALLOWANCES

The Council paid the following amounts to members of the Council during the year,

	2011/2012 £000	2012/2013 £000
Expenditure		
Allowances	301	304
Other Expenses	15	13
Total Expenditure	316	317

30. OFFICERS REMUNERATION

The remuneration paid to the Council's senior employees is as follows:

Post Title	Year	Salary, Fees & Allowances £	Lease Car, Car Compensation & Car Allowances £	Compensation for Loss of Office £	Pension Contribution £	Total £
Chief Executive	2012/13	112,000	7,101	0	14,448	133,549
	2011/12	112,282	6,478	0	14,448	133,208
Deputy Chief Executive – 1 (to 31 Dec 2012)	2012/13	61,762	4,886	62,695	77,278	206,621
	2011/12	81,786	6,202	0	10,514	98,502
Deputy Chief Executive – 2	2012/13	81,504	5,729	0	10,514	97,747
	2011/12	81,786	5,923	0	10,514	98,223
Deputy Chief Executive – 3 (to 31 Mar 2012)	2012/13	0	0	0	0	0
	2011/12	84,136	3,180	19,102*	8,009	114,427
Executive Manager – Corporate Governance (Head of Corporate Services to 31 January 2013)	2012/13	71,629	3,708	0	9,316	84,653
	2011/12	61,565	3,708	0	7,965	73,238
Executive Manager – Finance & Commercial	2012/13	72,149	147	0	9,293	81,589
	2011/12	0	0	0	0	0

30. OFFICERS REMUNERATION CONTINUED

Post Title	Year	Salary, Fees & Allowances £	Lease Car, Car Compensation & Car Allowances £	Compensation for Loss of Office £	Pension Contribution £	Total £
Executive Manager – Neighbourhoods (Head of Environment & Waste Management to 31 January 2013)	2012/13	70,758	3,136	0	9,128	83,022
	2011/12	69,372	3,736	0	8,949	82,057
Executive Manager – Communities (Head of Partnerships & Performance to 31 January 2013)	2012/13	64,398	3,166	0	8,307	75,871
	2011/12	63,012	3,322	0	8,129	74,463
Executive Manager – Transformation (Head of Transformation to 31 January 2013)	2012/13	64,398	2,510	0	8,307	75,215
	2011/12	0	0	0	0	0
Head of Planning & Place Shaping	2012/13	61,740	3,970	0	7,965	73,675
	2011/12	61,740	3,624	0	7,965	73,329
Head of Revenue & ICT	2012/13	61,829	3,932	0	7,965	73,726
	2011/12	61,740	3,990	0	7,965	73,695
Head of Financial** Services (to 25 September 2011)	2012/13	0	0	0	0	0
	2011/12	30,344	3,670	0	7,965	41,979
Head of Community Shaping (to 28 February 2013)	2012/13	48,712	2,547	36,482	5,920	93,661
	2011/12	50,059	3,563	0	6,458	60,080

*2011/12 compensation payment incorrectly omitted from 2011/12 accounts.

**2011/12 figure amended from 2011/12 accounts to reflect actual payment.

The Council has the following number of employees receiving more than £50,000 remuneration for the year.

Remuneration Band	Number of Employees 2011/12	Number of Employees 2012/13
£50,000 - £59,999	1	1

30. OFFICERS REMUNERATION CONTINUED

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below.

2012/2013				
Exit Package Cost Band	Number of Compulsory Redundancies	Number of other departures agreed	Total Exit Packages	
			Number	£
0 – 20,000	0	3	3	19,300
20,001 – 40,000	3	1	4	109,040
40,001 – 60,000	0	0	0	0
60,001 – 80,000	0	0	0	0
80,001 -	0	1	1	132,087
Total	3	5	8	260,427

2011/2012				
Exit Package Cost Band	Number of Compulsory Redundancies	Number of other departures agreed	Total Exit Packages	
			Number	£
0 – 20,000	0	9	9	66,887
20,001 – 40,000	0	1	1	33,634
40,001 – 60,000	0	1	1	59,884
60,001 – 80,000	0	0	0	0
80,001 -	0	0	0	0
Total	0	11	11	160,405

31. EXTERNAL AUDIT COSTS

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and for non-audit services provided by the Council's external auditors. Due to the change in external auditors for 2012/13 and a change in the way that the fees are billed, the accounts show the expenditure that relates to work done in 2012/13 by KPMG and 2011/12 by the Audit Commission.

	2011/2012 £000	2012/2013 £000
Fees payable with regard to external audit services carried out by the appointed auditor	90	54
Rebate of Charges	-7	-6
Fees payable for the certification of grant claims and returns	31	31
Fees payable in respect of other services provided during the year	2	1
Total	116	80

32. GRANT INCOME

The Council credited the following capital grants and contributions to the Comprehensive Income and Expenditure Statement in 2012/13 and 2011/12.

Grant	2011/2012 £000	2012/2013 £000
NCC - Leisure	0	267
NIEG - Website	40	0
LAA/LSP Partnership	33	0
Householder Contributions – Earl Howe Pumping Station Works	21	0
NCC/Parkwood – Rushcliffe Leisure Centre Gym Works	4	0
NCC – East Leake Leisure Centre Energy Efficiency	20	0
Donated Heritage Assets – Art Collection	142	0
Decent Homes Funding	0	18
Homes and Communities Agency Cotgrave Precinct	0	1,600
Total	260	1,885

The following grants, above £50,000, were credited to services.

Grant	2011/2012 £000	2012/2013 £000
DCLG – NNDR Cost of Collection	113	111
NCC – Leisure Centres	178	229
DWP – Housing Benefit Subsidy and Council Tax Rebates	21,843	22,853
DWP – Housing Benefit Administration	479	462
DWP – Homelessness Prevention*	50	0
Growth Point Funding – Supports for RSL's	650	0
DCLG – Disabled Facilities Grant (REFCUS)	258	287
LAA – Performance Reward Grant (REFCUS)	152	19
HCA – Support for RSL's (REFCUS)	70	133
S106 – Support for RSL's (REFCUS)	0	78
S106 – Planning Projects (REFCUS)	0	1,634
Council Tax Freeze Grant*	136	0
New Homes Bonus*	322	0
Total	24,251	25,806

* In 2012/13 these have been credited to Taxation and Non Specific Grant Income.

32. GRANT INCOME CONTINUED

The Council received grants, contributions and donations not yet recognised as income as they have conditions attached to them that will require the monies or property to be returned if the conditions are not met. The balances at the year-end are as follows:

Grant	2011/2012 £000	2012/2013 £000
S106 Planning Agreements		
Health Contributions	1,244	1,245
Transport Contributions	845	841
Education Contributions	2,449	904
Open Space Contributions	51	46
Leisure	61	61
Affordable Housing	957	886
Nature Conservation	80	80
Community Facilities	1,358	1,368
Other	27	27
LAA Grant – LSP Initiatives	51	32
HCA Cotgrave Masterplan	1,930	201
Total	9,053	5,691

33. RELATED PARTIES

The Council is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

Central Government has significant influence over the general operations of the Council, it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 25 on reporting for resource allocation decisions. Grant receipts outstanding at 31 March 2013 are shown in Note 32.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total members allowances paid in 2012/13 is shown in Note 29. The members of the Council could potentially have a material related party transaction with the Authority. During 2012/13 the Authority, in accordance with the National Code of Local Government Conduct, maintained a register of pecuniary and non-pecuniary interest disclosed by members. This register has been reviewed and was found to contain nothing that would suggest a material related party transaction occurred.

33. RELATED PARTIES CONTINUED

Officers

Similarly, a register for officers' outside interests and hospitality is also maintained. Again this has been reviewed and found to contain no entry that would suggest a material related party transaction.

Other Public Bodies

The Council has determined that material transactions have occurred in 2012/13 with the following parties and most transactions with related parties are disclosed elsewhere in the Statement of Accounts, as follows:

Joint Use arrangements with Nottinghamshire County Council.

Parish Precepts £1.794 million – disclosed in the Income and Expenditure Statement. Internal Drainage Boards are shown under precepts and levies on the Income and Expenditure Statement and totals £0.220 million.

Other local authorities, central government, the Nottinghamshire Police Authority and Nottinghamshire Fire Authority – disclosed in Note 3 to the Collection Fund Income and Expenditure Account.

Central Government – disclosed in all of the appropriate statements and notes.

Pensions Fund – administered by Nottinghamshire County Council (Note 38).

In addition, members and senior officers of the Council have been requested to complete a specific return on the matter. These returns have shown no transactions which are material to the individuals concerned.

34. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

	2011/2012 £000	2012/2013 £000
Opening Capital Financing Requirement	(505)	(505)
Capital Investment		
Property, Plant and Equipment	1,316	2,467
Heritage Assets	142	0
Investment Properties	0	2,127
Intangible Assets	213	5
Assets Held for Sale	0	0
Revenue Expenditure Funded from Capital Under Statute	1,890	2,959
Sources of Finance		
Capital Receipts	(1,472)	(3,672)
Government grants and other contributions	(1,697)	(3,821)
Direct Revenue Contributions	(392)	(65)
Closing Capital Financing Requirement	(505)	(505)
Explanations of movements in year		
Increase in the underlying need to borrow (unsupported by government financial assistance)	0	0
Assets acquired under finance leases	0	0
Increase/(decrease) in Capital Financing Requirement	0	0

35. LEASES

Council as a Lessor

Finance Leases

The Council leases out land for investment purposes generating income of £30,000 per annum. The Council recognises that this arrangement is a finance lease however it was entered into prior to 31 March 2010 as an operating lease. In accordance with its accounting policies (Note 1 xv) the Council continues to charge the income to the Comprehensive Income and Expenditure Statement.

Operating Leases

The Authority leases out property and equipment under operating leases for investment purposes for rental income or capital appreciation.

35. LEASES CONTINUED

The minimum lease payments receivable under non-cancellable leases are:

	2011/2012 £000	2012/2013 £000
Not later than one year	814	380
Later than one year and not later than five years	1,070	689
Later than five years	3,398	3,901
Total	5,282	4,970

36. IMPAIRMENT LOSSES

Paragraph 4.7.4.2(1) of the Code requires disclosure by class of assets of the amounts for impairment losses and reversals charged to the surplus or deficit on the Provision of Services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Note 12 reconciling the movement over the year in the Property, Plant and Equipment balances.

The impairment review undertaken during 2012/13 identified one impairment loss of £819,000 in relation to the Cotgrave Regeneration Project which has been charged to the Comprehensive Income and Expenditure Statement. There were no reversals of previously charged impairments during the year.

37. TERMINATION BENEFITS

The Council terminated the contracts of a number of people in 2012/13, incurring liabilities of £260,427 (£160,405 in 2011/12) – see Note 30 for the number of exit packages and total cost per band. Of this total, £191,128 related to three senior employees, a Deputy Chief Executive (£132,087), the Head of Community Shaping (£36,482) and the Head of Financial Services (£22,559). The remaining £69,299 relates to four officers who were made redundant under the Council's voluntary redundancy scheme and one officer who was made compulsory redundant.

38. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not be payable until employees retire, the Council has the commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in two post-employment schemes:

The Local Government Pension Scheme, administered by Nottinghamshire County Council is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Arrangements for the award of discretionary post-retirement benefits upon early retirement, is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made.

38. DEFINED BENEFIT PENSION SCHEMES CONTINUED

However, there are no investment assets built up to meet these liabilities, and cash has to be generated to meet actual pension payments as they fall due.

Transactions relating to retirement benefits

The cost of retirement benefits is reported in cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out via the Movement in Reserves Statement. The following transactions have been made to the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement during the year.

	2011/2012 £000	2012/2013 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
Current Service Cost	1,373	1,604
Settlements and Curtailments	15	100
Financing and Investment Income and Expenditure		
Interest Cost	3,542	3,516
Expected Return on Scheme Assets	(2,997)	(2,528)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	1,933	2,692
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Actuarial Gains and Losses	11,317	921
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	13,250	3,613
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(13,250)	(3,613)
Actual amount charged against the General Fund for Pensions in the year	0	0
Employers contributions payable to scheme	1,361	1,305

Defined Benefit Arrangements	2011/2012 £000	2012/2013 £000
Retirement benefits payable to pensioners	99	101

38. DEFINED BENEFIT PENSION SCHEMES CONTINUED

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to 31 March 2013 is a loss of £0.921 million.

Assets and Liabilities in Relation to Post-Employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation).

Local Government Pension Scheme	2011/2012 £000	2012/2013 £000
Opening Balance 1 April	63,530	75,502
Current Service Costs	1,373	1,604
Interest Cost	3,542	3,516
Contributions by scheme participants	446	410
Actuarial (Gains) and Losses	9,257	5,213
(Gains) and Losses on Settlements/Curtailments	15	100
Benefits Paid	(2,562)	(2,910)
Unfunded Pension Payments	(99)	(101)
Closing Balance 31 March	75,502	83,334

Defined Benefit Arrangements	2011/2012 £000	2012/2013 £000
Opening Balance 1 April	1,274	1,398
Actuarial (Gains) and Losses	124	25
Closing Balance 31 March	1,398	1,423

Reconciliation of the fair value of the scheme assets.

Local Government Pension Scheme	2011/2012 £000	2012/2013 £000
Opening Balance 1 April	44,495	44,801
Expected Rate of Return	2,997	2,528
Actuarial (Gains) and Losses	(1,936)	4,317
Employer Contributions	1,460	1,406
Contributions by Scheme Participants	446	410
Benefits Paid	(2,661)	(3,011)
Closing Balance 31 March	44,801	50,451

The expected return on the scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The expected return on scheme assets in the years was £2.528 million (2011/12 £2.997 million).

38. DEFINED BENEFIT PENSION SCHEMES CONTINUED

Scheme History

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
Present Value of Liabilities					
LGPS	54,451	83,242	63,530	75,502	83,334
Discretionary Benefits	1,377	1,533	1,274	1,398	1,423
Fair Value Of Assets in the LGPS	(33,235)	(44,001)	(44,495)	(44,801)	(50,451)
Total	22,593	40,774	20,309	32,099	34,306
(Surplus)/Deficit in the scheme					
LGPS	21,216	39,241	19,035	30,701	32,883
Discretionary Benefits	1,377	1,533	1,274	1,398	1,423
Total	22,593	40,774	20,309	32,099	34,306

The liabilities show the underlying commitments that the authority has in the long-run to pay retirement benefits. The total liability of £34,306 million has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, reducing it by 54.5%. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy.

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of the employees (i.e. before the payments fall due), as assessed by the scheme actuary.
- Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the Local Government Pensions Scheme by the Council in the year 31 March 2014 is £1,232 million. Expected contributions for the Discretionary Benefits Scheme in the year to 31 March 2014 are £101,000.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the County Council Fund and Discretionary Benefits liabilities have been assessed by Barnett Waddingham Public Sector Consulting, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31st March 2010.

38. DEFINED BENEFIT PENSION SCHEMES CONTINUED

The principal assumptions used by the actuary have been:

LGPS & Discretionary Benefits	2011/2012	2012/2013
Long-term expected rate of return on assets in the scheme		
Equity Investments	6.2%	5.9%
Gilts	3.3%	3.0%
Bonds	4.6%	4.1%
Property	5.7%	5.4%
Cash	3.0%	0.5%
Mortality Assumptions		
Longevity at 65 for current pensioners (additional years)		
Men	18.6	18.7
Women	22.7	22.8
Longevity at 65 for future pensioners (additional years)		
Men	20.6	20.7
Women	24.5	24.6
RPI (per annum)	3.3%	3.4%
Rates of Inflation CPI (per annum)	2.5%	2.6%
CPI (Real)	-0.8%	-0.8%
Rate of Increase in Salaries (Per Annum) (Real)	4.7%	4.8%
	1.4%	1.4%
Rate of Increase in Pensions (Per Annum) (Real)	2.5%	2.6%
	-0.8%	-0.8%
Rate of Discounting Scheme Liabilities (Per Annum) (Real)	4.6%	4.4%
	1.3%	1.0%
Take-up of option to convert annual pension into retirement lump sum	50.0%	50.0%

The Discretionary Benefits arrangements have no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion on the total assets held:

	2011/2012	2012/2013
Equity Investments	70%	73%
Debt Instruments	12%	13%
Other Assets	18%	14%

38. DEFINED BENEFIT PENSION SCHEMES CONTINUED

History of Experience Gains and Losses

The actuarial gains identified as movements on the Pension Reserve in 2012/13 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2013.

	2008/09	2009/10	2010/11	2011/12	2012/13
	%	%	%	%	%
Difference between the expected and actual return on assets	(30.8)	20.5	(3.0)	(4.3)	8.6
Experience Gains and Losses on Liabilities	0.00	0.1	4.6	(0.1)	0.0

39. CONTINGENT LIABILITIES

At the 31st March 2013 the Council had two contingent liabilities requiring disclosure:

- (a) The Council gave an environmental warranty as part of the housing stock transfer in 2003, both to Rushcliffe Homes – now Metropolitan Housing Trust and to their lender, Nationwide Building Society. The former is expected to run for 15 years until 2018 and the latter for 32 years to 2035. The value of the liability is unknown and to date there have not been any issues identified.
- (b) Rushcliffe Borough Council is a defendant in proceedings brought by a group of Property Search Companies for refunds of fees paid to the Council to access land charges data. In the current litigation the Council faces a claim of £29,000 plus interest and costs. A second group of Property Search Companies are also seeking to claim refunds although no proceedings have yet been issued. The Council has been informed that the value of those claims at present is £57,000 plus interest and costs. The second group of Property Search Companies have also intimated that they may bring a claim against all English and Welsh local authorities for alleged anti-competitive behaviour. It is not clear what the value of any such claim would be against the Council. It is possible that additional claimants may come forward to submit claims for refunds, but none have been intimated at present.

40. CONTINGENT ASSETS

At the 31 March 2013 the Council has two contingent assets requiring disclosure:

Following the large scale voluntary transfer of council houses to Metropolitan Housing Trust (formerly Rushcliffe Homes Ltd & Spirita Ltd) the Council is still entitled to preserved right to buy receipts. There were receipts of £107,000 in respect of 2012/13 disposals compared to no receipts in 2011/12. Future receipts will depend on further right to buy sales and it is difficult to predict the amount to be received in any one year.

40. CONTINGENT ASSETS CONTINUED

In addition, the Council has identified a contingent asset relating to an overage agreement for Land at Sharphill, Edwalton. The agreement arises from a transfer of a piece of agricultural land to the original seller. The transfer back included a provision giving the Council a percentage of the uplift of the original value of the land in the event of it being sold with the benefit of planning permission. Cabinet (January 2005) approved that the Council would receive 40% of such an uplift thus giving rise to a significant capital receipt.

The overage agreement defines the events which could trigger a payment or payments to the Council.

41. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council's activities expose it to a variety of financial risks:

- **Credit Risk** – the possibility that other parties might fail to pay amounts due to the Authority.
- **Liquidity Risk** – the possibility that the Authority might not have funds available to meet its commitments to make payments.
- **Market Risk** – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council in the Annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers.

The risk is minimised through the Treasury Management Policy, which requires that deposits are not made with financial institutions unless they meet the identified minimum credit criteria. This means that, ordinarily, the counterparty must have long-term credit ratings of AA or above, but due to the current economic climate the Council is only lending money to institutions that can also access the Government's credit guarantee scheme.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits set in accordance with internal ratings in accordance with parameters set by the Council.

41. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS CONTINUED

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. There remains a risk that the Council's deposits could be unrecoverable in the event of an institution failing, but there was no evidence at the 31 March 2013 that this was likely to happen.

No credit limits were exceeded during the reporting period and the Authority does not expect any losses from non-performance by any of its counterparties in relation to its deposits.

The Authority does not generally allow credit to its customers. The past due but not impaired amount can be analysed by age as follows:

	2011/2012 £000	2012/2013 £000
Less than three months	513	443
Three to six months	101	79
Six months to one year	188	87
More than one year	504	518

Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the authority has ready access to borrow from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead the risk is that the authority will be bound to replenish a significant proportion of its borrowings as a time of unfavourable interest rates. The authority sets limits on the proportion of its fixed rate borrowing during specific periods. All trade and other payables are due to be paid in less than one year.

Market Risk

Interest Rate Risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movement in interest rates have a complex impact on the authority. For instance, a rise in interest rates could have the following effects:

- **Borrowings at variable rates** – the interest expense charged to the Surplus or Deficit on the Provision of services would rise.
- **Investment at variable rates** – interest income credited to the Surplus or Deficit on the provision of Services will rise.
- **Investments at fixed rates** – the fair value of the assets will fall.

41. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS CONTINUED

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income or Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. The Authority is cushioned to some degree as it does not have any debt at the balance sheet date. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

As the Council does not have any borrowings at the balance sheet date the management of interest rate exposure is focused on its investments. The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated.

According to this assessment strategy, at 31 March 2013, if interest rates had been 1% higher or lower with all variables held constant, the effect would be:

	2011/2012 £000	2012/2013 £000
Increase in Interest Receivable on Variable Rate Investments	122	352
Impact on Surplus or Deficit on the Provision of Services	122	352
Decrease in Fair Value of Fixed Rate Investments	0	0
Impact on Other Comprehensive Income and Expenditure	0	0

Price Risk

The Authority has no equity shareholdings and therefore no exposure to risk arising from movements in share prices.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to loss arising from movements in exchange rates.

F. COLLECTION FUND

Income and Expenditure Account

The Collection Fund is an agent's statement that reflects the statutory obligation of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Non-Domestic Rates (NNDR).

2011/ 2012 £000		Note Ref	2012/2013 £000
	INCOME		
61,094	Council Tax (net of benefits, discounts and transactional relief)	2	61,972
	Transfers from General Fund		
5,327	• Council Tax Benefits		5,310
21,101	Income collectable from business ratepayers	1	22,561
87,522			89,843
	EXPENDITURE		
	Precepts and Demands		
49,108	• Nottinghamshire County Council		49,468
6,590	• Nottinghamshire Police Authority		6,899
2,868	• Nottinghamshire Fire Authority		2,889
7,191	• Rushcliffe Borough Council		7,241
	Business Rate		
20,991	• Payments to the National Pool	1	22,450
110	• Costs of Collection	1	111
	Impairment of Debts/Appeals		
(102)	• Write offs and uncollectable amounts		(123)
180	• Allowance for Impairment		205
	Contributions		
465	• Distribution of previous year's Collection Fund surplus	3	861
87,401			90,001
121	Movement on Fund Balance		(158)
718	Opening Fund Balance		839
839	Closing Fund Balance	3	681

F. NOTES TO THE COLLECTION FUND

1. NON-DOMESTIC RATES

The Council collects non-domestic rates for its area which are based on local rateable values multiplied by a uniform rate in the pound. The total, less certain reliefs and other deductions, is paid to a central pool (the NNDR pool) managed by Central Government, which in turn pays a standard amount back to Councils on a per capita basis.

The total non-domestic rateable value, amounts due to the national pool and the national non-domestic rate multiplier for the year, are shown in the table below.

2011/2012		2012/2013
£71.473m	Local Rateable Values	£71.276m
£20.991m	Amount due to the National Pool	£22,450
43.3p	National non-domestic rate multiplier	45.8p

2. CALCULATION OF COUNCIL TAX BASE

The calculation of the Council Tax base i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings is shown in the table below:

Band D Equivalents 2011/12	Band	Chargeable properties after discounts	Ratio	Band D Equivalents 2012/13
3,200	A	4,836	6/9	3,224
6,241	B	8,126	7/9	6,320
8,235	C	9,363	8/9	8,323
8,036	D	8,111	9/9	8,111
7,033	E	5,756	11/9	7,035
5,142	F	3,571	13/9	5,158
3,497	G	2,107	15/9	3,511
188	H	98	18/9	195
41,572				41,877
(415)	Non-Collection Impairment was 1.00% for 2012/13 (2011/12 1.00%)			(418)
41,157	Council Tax Base			41,459

3. COLLECTION FUND BALANCE/REDISTRIBUTING SURPLUSES

The precepts detailed in the statement are shown net of the previous year's surpluses. The Council estimates the year end Collection Fund balance in January each year and in accordance with the Local Authorities (Funds) (England) Regulations 1992 this amount is distributed in the following financial year to the major preceptors in proportion to the respective precepts and demands. Any difference between the estimated and outturn figure is adjusted for in the following year.

3. COLLECTION FUND BALANCE/REDISTRIBUTING SURPLUSES CONTINUED

For 2012/13 a Collection Fund surplus of £861k was redistributed between the major precepting authorities. Of this £607k reflected the estimated outturn on the 15 January 2012 and £254k arose from the difference between the estimated and actual outturn positions for 2011/12.

At the 15 January 2013 the Collection Fund surplus for 2012/13 was estimated at £231k comprising an in-year surplus of £253k and £22k deficit arising from the difference between the actual and estimated outturns for 2012/13. These funds will be redistributed to the major precepting authorities in 2013/14.

2011/12 £000		2012/13 £000	2013/14 £000
349	Nottinghamshire County Council	643	172
45	Nottinghamshire Police Authority	86	24
20	Nottinghamshire Fire Authority	38	10
51	Rushcliffe Borough Council	94	25
465		861	231

At the 31 March 2013 the actual outturn for the Collection Fund was £681k, an increase of £450k for the estimated outturn. This will be adjusted for as part of the calculations for the redistribution of Collection Fund balances in 2014/15.

H. GLOSSARY OF TERMS

ACCOUNTING PERIOD

This is the length of time covered by the accounts. It is normally a period of twelve months commencing on 1st April. The end of the accounting period is in the balance sheet.

ACCRUALS

Income or expenditure relating to goods or services received / provided during the accounting period where payment has not been made or received at the end of the accounting period.

ACTUARIAL ASSUMPTIONS

Assumptions made by the Pension Fund Authority in valuing the funds assets and liabilities.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with the actuarial assumptions made in the last
- the actuarial assumptions have changed.

ACTUARIAL VALUATION

An actuary undertakes a valuation by comparing the value of the pension scheme assets with its liabilities. The actuary then calculates how much needs to be paid into the scheme by the employer and members to ensure there will be adequate funds to pay the pensions when they become due.

AMORTISATION

This is a charge made to the service revenue accounts each year to reflect the reduction in the value of the assets used in the delivery of services.

ASSET

An asset is something the Council owns. Assets can be either current or fixed.

A current asset is one that will be used or cease to have a material value by the end of the next financial year.

A **fixed asset** provides a benefit to the Council for a period greater than one year.

BALANCE SHEET

A statement summarising the Council's financial position at the end of the accounting period. The statement shows the Council's assets and liabilities.

BILLING CONTROL

Rushcliffe Borough Council is classed as a billing Council as it has the responsibility of collecting the Council Tax and non-domestic rates. It collects the Council Tax on behalf of the County Council, Fire, Police and Crime Commissioner and Parish Councils and the non-domestic rates on behalf of the central government.

CAPITAL EXPENDITURE

Expenditure on the acquisition or enhancement of a fixed asset, which adds to and not merely maintains the value of existing assets.

CAPITAL RECEIPTS

Proceeds arising from the sale of fixed assets, such as land and buildings.

CAPITAL FINANCING

Sources of money that have been used to finance the capital programme. The Council uses various methods to finance its capital expenditure, including direct financing, usable capital receipts, capital grants, revenue reserves and earmarked reserves.

CAPITAL ADJUSTMENT ACCOUNT

This account contains the amount that was required to be set aside from the capital receipts and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between amounts provided for depreciation and the amount that must be set aside from revenue for the repayment of external debt.

CAPITAL GRANTS UNAPPLIED

These are capital grants that the Council has received, that have not yet been used to finance capital expenditure.

CAPITAL PROGRAMME

The planned capital schemes the Council intends to carry out over a specified period of time.

CAPITAL RECEIPT

The Council can use the proceeds from the disposal of fixed assets to finance new capital investments, the proceeds cannot be used to finance revenue expenditure.

CENTRAL SERVICES TO THE PUBLIC

The main service to the public often provided by central departments, includes, Council Tax, Council Tax Benefits, Elections, Emergency Planning, Local Land Charges and General Grants.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

Professional accountancy body specialising in the public sector.

COLLECTION FUND

A separate fund recording the income and expenditure relating to Council Tax and Business Rates.

CONTINGENT LIABILITIES ASSETS

A contingent liability / asset is either:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control, or
- a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities.

CREDITORS

Amounts owed by the Council for goods or services they have received for which payment has not been made.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefit schemes liabilities.

DEBTORS

Amounts owed to the Council for goods or services the Council has provided for which payment has not been received.

DEPRECIATION

This is a charge made to the service revenue accounts each year to reflect the reduction in the value of the asset used in delivery of services.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure or support the cost of provision of services. These grants may be specifically towards the cost of particular schemes or to support the revenue spend of the Council.

GROSS BOOK VALUE

The historical cost or the revalued amount of the asset before depreciation.

HISTORICAL COST ADJUSTMENT

This is the difference between Historical Cost Depreciation and the actual depreciation charged calculated on re-valued assets.

IMPAIRMENT

Where the value of fixed assets reduces below its carrying amount on the balance sheet.

INVENTORIES

Items brought for consumption or resale, or raw materials, currently being held.

LIABILITY

A liability is where the Council owes payment to an individual or on organisation.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to a Councils revenue account each year for the servicing of debt.

NET BOOK VALUE

This is the value of an asset that is counted in the balance sheet. It represents its historical re-valued cost less than accumulated depreciation of the asset.

NET WORTH

The total value of an organisation expressed as total assets less total liabilities.

NON –DISTRIBUTED COSTS

Past service pension costs including settlements and curtailments which are not to be included in total individual service costs.

NATIONAL NON DOMESTIC RATES (NNDR)

A levy on business, based on a national rate in the pound set by the government multiplied by the rateable value of the premises they occupy. NNDR is collected by billing authorities on behalf of central government and then redistributed among all local authorities.

NON OPERATIONAL ASSET

Fixed assets held by the Council but are not directly occupied used or consumed in the delivery of services.

OPERATING LEASE

A lease where the ownership of the asset remains with the lessor.

OPERATIONAL ASSET

Fixed assets held and occupied, used or consumed by the Council in the direct delivery of services.

PRECEPT

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from taxpayers on their behalf.

PROVISION

Provisions are liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain.

RATEABLE VALUE (RV)

The annual assumed rental value of a property that is used for business purposes.

REALISED VALUATIONS

Any revaluations in the Revaluation Reserve relating to individual assets when they are disposed of are transferred to the Capital Adjustment Account and are referred to as Realised Valuations. This ensures the Revaluation Reserves balance represents revaluations on assets that the Council still holds.

RELATED PARTIES

The Council is required to disclose material transactions with related parties- bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

RESERVES

Funds set aside for expenditure in future years. Certain reserves have constraints on how they can be spent.

REVALUATION RESERVE

This reserve records unrealised revaluation gains/ losses from holding fixed assets.

REVENUE EXPENDITURE

Expenditure on the day-to-day costs of providing services.

REVENUE SUPPORT GRANT (RSG)

Grant from Central Government towards the cost of service provision.

SERCOP

Stands for Service Reporting Code of Practice for Local Authorities and provides guidance on financial reporting to stakeholders and supports the objective to establish the widest range of financial reporting requirements, in order that date comparability is achieved.

TRANSFER PAYMENTS

Relates to payments for which no goods or services are received by the Council e.g. Rent Allowances.

Report of the Executive Manager - Operations and Corporate Governance

Summary

In June 2013 Council received a petition from residents of Shelford and Newton Parish requesting the cessation of the existing parish council and the formation of two separate parish councils. The Council is now required to carry out a Community Governance Review in Shelford and Newton Parish in accordance with Part 4 of the Local Government and Public Involvement in Health Act 2007.

This report sets out the key issues to be considered and requests that Cabinet refer the Terms of Reference for the Review to Council for approval in order that the process can commence.

Cabinet considered the process and terms of reference at its meeting on 10 September 2013 and agreed to extend the remit of the cross party Community Governance Review Member Group set up for the Community Governance Review of Edwalton so that the review of Shelford and Newton could also be considered (paragraph 15 – 18). Cabinet also agreed to refer the terms of reference for the Community Governance Review to Council for approval along with the terms of reference for the Member Group.

Recommendations

Council is recommended to:

- a) Consider the process involved for the delivery of a Community Governance Review, the proposed timetable and the associated resource implications;
- b) Refer the Terms of Reference for the Community Governance Review (**Appendix 2**) to Council for approval in order that the process can commence in line with the proposed timetable (**Appendix 3**);
- c) Extend the remit of the cross party Community Governance Review Member Group established for the Community Governance Review of Edwalton to consider the Council's position in response to the consultation to be undertaken as part of the review of Shelford and Newton;
- d) Approve the revised Member Group Terms of Reference (**Appendix 4**).

Why are we carrying out a Community Governance Review?

1. Under the Local Government and Public Involvement in Health Act 2007 the Council must carry out a Community Governance Review on receipt of a valid petition specifying one or more recommendations which the petitioners wish a review to consider making.
2. At the Council meeting in June 2013 a petition was submitted asking for the formation of two separate parish councils for Shelford and Newton to replace the existing combined parish council. The petition contained 347 signatures from people indicating they were electors of the Shelford and Newton Parish. At that time Shelford and Newton Parish had 624 local electors (based on the 1 April 2013 Electoral Register). For a petition of this type to be valid it must be signed by at least 250 of the electors in an area where there are between 500 and 2,499 electors. Following checking of the petition it was established that it contained 298 valid signatures. Consequently the petition was determined as valid for the purposes of the Community Governance Review.
3. The petition is for the proposal to form two separate parish councils with the wording as set out below:

“Shelford and Newton Parish Council hereby petition Rushcliffe Borough Council to undertake a community governance review in order to permit the cessation of the existing parish council and in its place to create a separate parish council for both Shelford and Newton”.

4. A map of the proposed parish area was submitted with the petition and a copy of the map which has been agreed with the petitioners is attached as **Appendix 1**. It should be noted that the proposed area does not cover the whole of the current Shelford and Newton Parish and as a consequence could potentially have an impact on the boundary of Saxondale Parish. As such the boundaries proposed by the petitioners are not co-terminus with the existing Trent Ward boundary or that of the new East Bridgford Ward boundary which will come into effect in May 2015 following the Local Government Boundary Commission Review.
5. A Community Governance Review of Shelford and Newton will now be carried out under the powers and requirements of Part 4 of the Local Government and Public Involvement in Health Act 2007. It is proposed that the review will be conducted in line with the Terms of Reference set out in **Appendix 2**.

What is a Community Governance Review?

6. The Community Governance Review is the process used to consider whether the existing parish council should be replaced with two separate parish councils. There are a number of options with regards the outcome of the review depending on the results of the consultation. The review could recommend to Council that:
 - there should be no change to the existing arrangements
 - the existing parish should be replaced with two separate parishes
 - a parish council should be established for one or both of the new

parishes, and if so, the boundary, names, and the electoral arrangements for each, ie how many councillors on each and the election cycle

- an 'alternative style' for one or both of the areas should be established, eg. parish, neighbourhood, community or village meeting (see paragraph 23).

7. The recommendations made in a Community Governance Review have two main objectives:

- to improve community engagement and result in better local democracy;
- more effective and convenient delivery of local services.

8. The review must ensure that community governance reflects the identities and interests of the community in that area, and is effective and convenient. It must also take into account any other arrangements for the purposes of community representation or community engagement in the area, eg community associations or similar.

What area is under review?

9. The area being reviewed is the area on which the petition was based. This is primarily the current parish of Shelford and Newton however it does not include part of the land on the former airfield south east of Lawson's Barn Farm.

10. In proposing any parish arrangements for Shelford and Newton the Borough Council is not bound by the area referred to in the petition. The Council could seek to ensure that any proposed parish boundaries are the same as ward boundaries. In doing this the Council would have regard to the new East Bridgford Ward boundary which will come into effect in May 2015. The maps of the areas being considered are included in **Appendix 1**. These are:

- a) Reproduction of the map of petition area submitted with the petition (Map A);
- b) Map of the petition area and Trent Ward boundary (Map B). Note that the current Shelford and Newton Parish boundary follows the line of the Trent Ward boundary excluding the area marked on the map as part of Radcliffe on Trent Parish Council;
- c) Map of new East Bridgford Borough Ward from May 2015 (Map C).

11. As part of the Terms of Reference for the review the Council has to provide the number of electors in the area. This will be used to decide on the electoral arrangements if the Council recommends that two parish councils should be set up, eg how many councillors on each parish council. The Council has used the Register of Electors of 1 July 2013 in providing the existing ward electorate figures. The Council must also give consideration to the electorate forecasts for the next five years which are set out in the proposed Terms of Reference.

What are the key stages of the Review?

12. There are two main stages to the review: the first stage will require a period of consultation to gather opinions on whether the parish should be divided into separate parishes of Shelford and Newton; the second stage will be the Council's recommendations on the way forward. The legislation includes a requirement to consult local government electors who are affected by the proposals and also those who appear to have an interest in it.
13. A summary of the key stages of the review, including the consultation proposed, is set out below.

Action	Timescale
Agree Terms of Reference at Full Council	26 September 2013
Publish Terms of Reference	30 September 2013
Undertake consultation on the proposal to establish two parish councils	30 September – 29 November 2013
Analyse and appraise results of consultation and develop proposals depending on the outcome of consultation (including meeting of Member Group and report to Cabinet)	2 December 2013 – 14 February 2014
Publish proposals for further consultation	17 February – 11 April 2014
Analyse responses to published proposals and draft final recommendations	14 April – 9 May 2014
Council considers recommendations for final approval	June 2014
If required: Organisation of Community Governance Order	Following on from Council
If agreed: Establishment of two new Parish Councils in place of the existing one	May 2015

14. In this case it is proposed that the review will be supported by Council officers. However as is clear from this report and the on-going work on the Community Governance Review of Edwalton there is a resource implication when undertaking such reviews. In view of this should any further requests be received the Chief Executive will determine what additional support would be required to assist in the delivery of future reviews. This will help to ensure the resource impact is properly managed and also ensure the additional work does not detract from the delivery of the Council's core business.

Proposed Member Group

15. Members will recall that in order to support delivery of the Community Governance Review of Edwalton Cabinet approved the establishment of a cross party Member Group. In order to maintain a pragmatic approach and make best use of resources it is proposed that the Terms of Reference for the Group be extended in order for the Group to support the delivery of the review of Shelford and Newton. The Group comprises nine Members with each party being represented. Proposed revised Terms of Reference for the Member Group are attached as **Appendix 4**.
16. It is intended that the Member Group will be required to meet on two occasions. The first meeting of the Group will be to consider the submissions received as part of the first round of consultation undertaken in October and November and to develop proposals as to the way forward. It is anticipated that this would be the same meeting at which the Member Group will consider the final recommendations for the review of Edwalton, scheduled for early January. The Member Group will then report these proposals for Shelford and Newton to Cabinet for their consideration and endorsement.
17. Following this stage it is then proposed that there be further consultation undertaken on the proposals endorsed by Cabinet. This will take place between February and April 2014. At the end of this second round of consultation the Member Group will meet again to consider the responses and make its final recommendations to Cabinet in June 2014. Cabinet will consider the Member Group's recommendations and endorse these, or if necessary offer an alternative recommendation to Council. Cabinet's recommendations to Council will be considered at the Council meeting in June 2014. If required any subsequent Community Governance Order would be organised following that Council meeting.
18. **Appendix 3** of the report sets out a more detailed proposed timescale for the review including details of the consultation periods, consideration of the responses by the Member Group and also the anticipated dates for reports to Cabinet and ultimately Council.

When does the review start and how will the Council consult on the proposal?

19. Publication of the Terms of Reference formally begins the review, and the review must be completed within twelve months. As indicated it is anticipated that a final decision on whether to establish a parish council would be taken at a meeting of Full Council in June 2014. If agreed, this would enable any new parish council to be set up in time for the parish elections in 2015, if this was the Council's recommendation. The proposed Terms of Reference are set out in **Appendix 2**.
20. Under the legislation the Council has to consult local government electors for the area under review and any other person or body who appears to have an interest in the review. All comments received by the Council should be taken into account when developing the proposals.

21. It is proposed that the Council will consult in a number of ways. During stage one all electors in the area contained in the map submitted with the petition will be consulted directly by way of a letter and a questionnaire to complete and return. At this stage it is anticipated that other interested parties such as local businesses and community groups will also be consulted in the same way. It is also proposed that the consultation will be open to anyone who has an interest, ie all residents of the Borough indirectly via a survey on the Council's website.
22. The following table sets out the proposed consultation and the times when this will be undertaken:

Activity	Purpose	Timescale
Publicity on the Council's website	<ul style="list-style-type: none"> • Raise awareness • People will be able to respond to consultation online 	From 30 September 2013
Press releases	<ul style="list-style-type: none"> • Raise awareness 	From 30 September 2013
Article in Rushcliffe Reports	<ul style="list-style-type: none"> • Raise awareness 	Winter edition
Letter and leaflet with reply slip to each household within area marked on the map from petitioner (385 households)	<ul style="list-style-type: none"> • Raise awareness • Enable responses 	w/b 30 September 2013
Letter and leaflet with reply slip to local groups in Shelford and Newton eg churches, community groups	<ul style="list-style-type: none"> • Raise awareness • Enable responses 	w/b 30 September 2013
Letter and leaflet with reply slip to local businesses	<ul style="list-style-type: none"> • Raise awareness • Enable responses 	w/b 30 September 2013
Letter to local councillors and political groups	<ul style="list-style-type: none"> • Raise awareness • Enable responses 	w/b 30 September 2013

23. Under the legislation the Council is required to publish their recommendations arising from the review. It is intended that the findings of the consultation and the draft and final proposals will be available on the Council's website at the appropriate time following the analysis and the meetings of the Member Group.

Other issues for consideration

24. As part of the consideration of the submissions it will be necessary for the Council to be mindful of the follow issues:-
- Is there sufficient support for the parish to be divided and two parishes

- to be established in Shelford and Newton
 - Would two parishes in Shelford and Newton provide convenient and effective governance
 - If so, should one or two parish councils be established
 - How many parish councillors in each parish council
 - Would a parish meeting be more appropriate as an alternative form of parish governance. Where there are between 150 and 1000 electors it is for the Borough Council to decide whether or not the parish should have a council;
 - a parish meeting (or neighbourhood, community or village meeting) consists of local government electors for the parish. The meeting elects a parish chairman at the annual parish meeting. It must hold an annual meeting and at least one other meeting throughout the year. Some of the resolutions of a parish meeting are legally binding but others are persuasive only.
25. If, following consultation and delivery of the Community Governance Review the Council is minded to recommend and agrees to replacing the existing Shelford and Newton Parish Council and forming two separate parish councils a Reorganisation of Community Governance Order will need to be adopted by Council. This is a requirement of Part 4 of the Local Government and Public Involvement in Health Act 2007.
26. The Reorganisation Order may cover consequential matters if relevant including:
- the transfer and management or custody of property;
 - the setting of precepts for new parishes;
 - provision with respect to the transfer of any functions, property, rights and liabilities;
 - provision for the transfer of staff, compensation for loss of office, pensions and other staffing matters.
27. The electoral arrangements for any new parish council, if agreed, would come into effect at the next parish council elections in 2015.

Financial Comments

It is recognised that there are potential additional costs associated with the establishment of a parish council. The level and detail of these costs are something that would be determined by the parish councils at the time a decision was made on their establishment. It will be the responsibility of the parish councils to determine the nature and level of their costs which will be linked to its activities and the level of support required to deliver both parish councils e.g. associated salaries, premises, and any assets that might be transferred to its possession.

Currently Shelford and Newton residents currently pay a parish precept of £41.68 per annum in addition to their Council Tax. The potential precept for any new parishes will be calculated based on the cost of the parish council and the transfer of any assets or services from the Borough Council to either parish council. It will not necessarily be the current parish precept redistributed on a pro rata basis. Therefore it could be a greater or lesser amount than at present.

The following table provides examples of other precepts within the Borough. The charge shown is the annual charge for Band D properties. There are 209 electors in Shelford and 430 electors in Newton (as at 1 July 2013). This information will be included in the Terms of Reference and the consultation material for the Community Governance Review in order that respondents are able to consider potential comparable costs.

Parish	Parish size (Electorate)	Annual Precept	Weekly Precept
Shelford & Newton	209 (Shelford) 430 (Newton)	£41.68	£0.80
Barton in Fabis	215	£27.94	£0.54
Kingston Upon Soar	226	£33.69	£0.65
Upper Broughton	241	£63.33	£1.22
Wysall	291	£41.73	£0.80
Flintham	471	£48.54	£0.93
Hickling	424	£28.06	£0.54
Willoughby	446	£25.14	£0.48
Langer cum Barnstone	770	£123.81	£2.38

Section 17 Crime and Disorder Act

None directly from this report.

Diversity



None directly from this report.

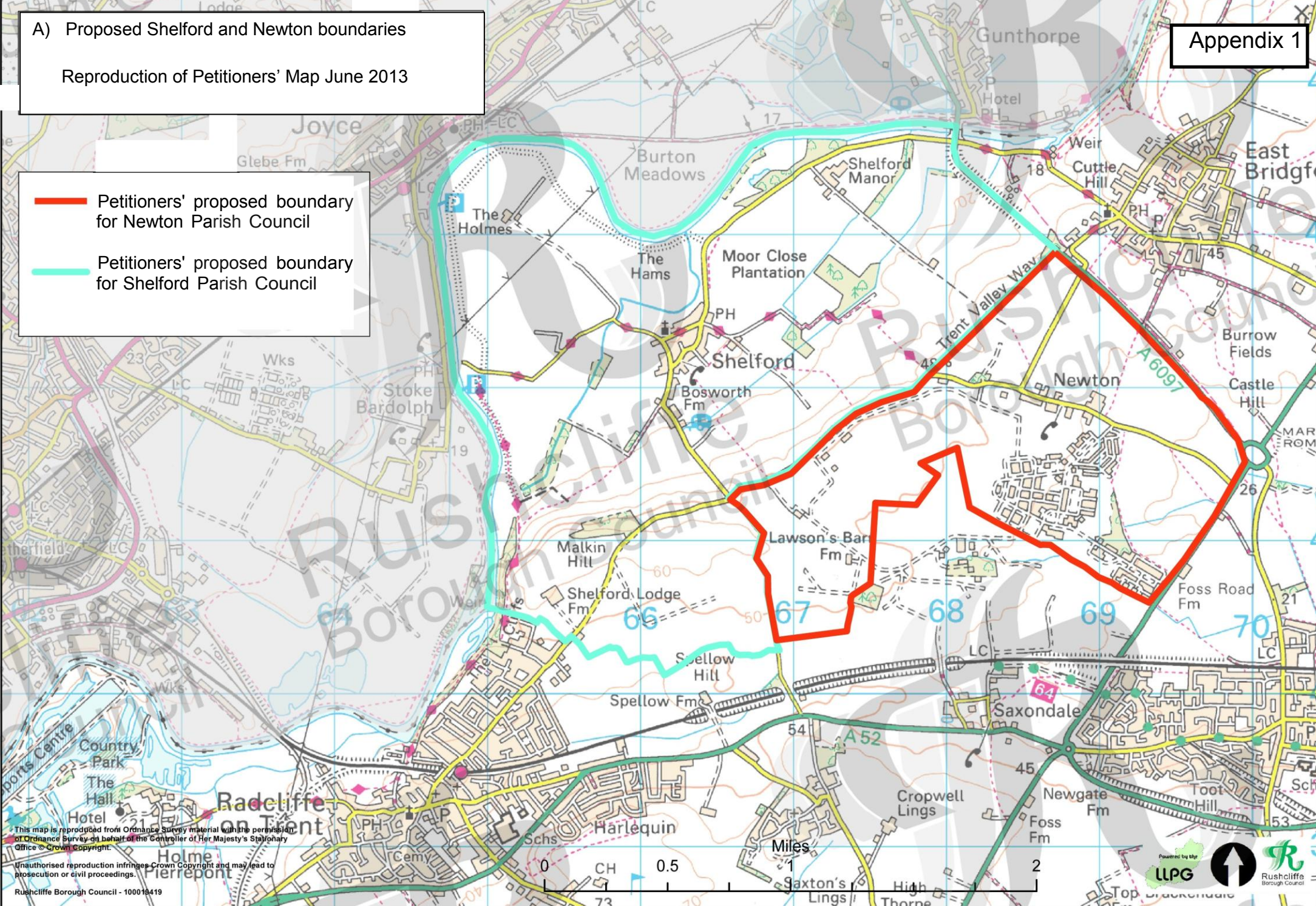
Background Papers Available for Inspection:

Community Governance Review – Shelford and Newton:
Report to Cabinet 10 September 2013

A) Proposed Shelford and Newton boundaries

Reproduction of Petitioners' Map June 2013

-  Petitioners' proposed boundary for Newton Parish Council
-  Petitioners' proposed boundary for Shelford Parish Council






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B) Proposed Shelford and Newton Parish Boundaries with Trent Ward

Based on Reproduction of Petitioners' Map June 2013

-  Petitioners' proposed boundary for Newton Parish Council
-  Petitioners' proposed boundary for Shelford Parish Council
-  Trent Ward (existing)

This area is part of the Radcliffe on Trent Parish Council

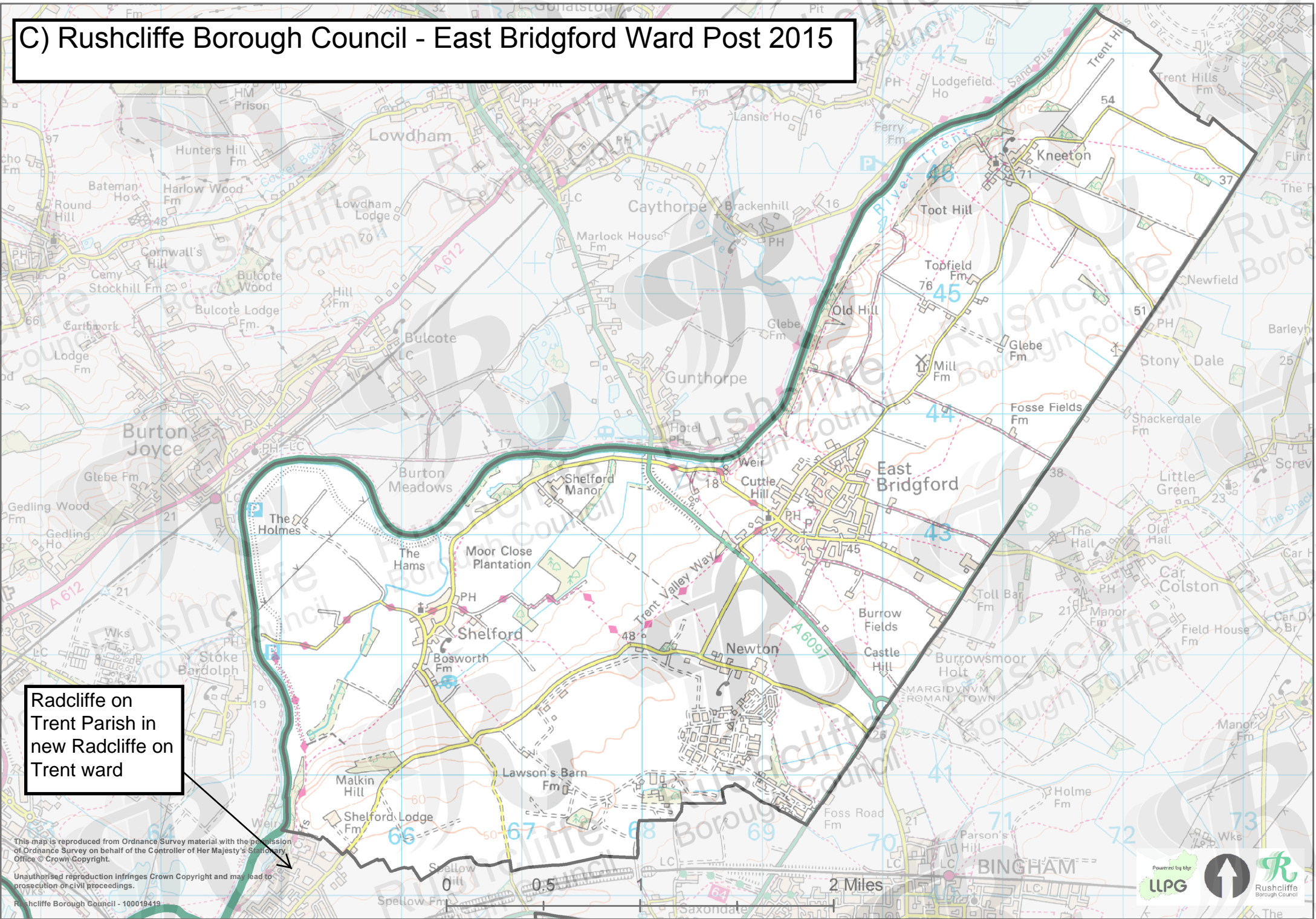
Area not included in petitioner's proposal for either Shelford or Newton Parish Councils (is within the current parish boundary)

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C) Rushcliffe Borough Council - East Bridgford Ward Post 2015



Radcliffe on Trent Parish in new Radcliffe on Trent ward

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2 Miles



RUSHCLIFFE BOROUGH COUNCIL

COMMUNITY GOVERNANCE REVIEW OF SHELFORD AND NEWTON

TERMS OF REFERENCE

Introduction

Rushcliffe Borough Council is carrying out a Community Governance Review in the Shelford and Newton Parish in accordance with Part 4, Chapter 3 of the Local Government and Public Involvement in Health Act 2007.

The Council is required to have regard for the Guidance on Community Governance Reviews issued by the Secretary of State for Communities and Local Government. This guidance has been considered in drawing up these terms of reference.

Why are we carrying out a Community Governance Review in Shelford and Newton?

Rushcliffe Borough Council has received a valid petition asking for the formation of two separate parish councils for Shelford and Newton to replace the existing combined parish council. The petition contained 347 signatures from people indicating they were electors of the Shelford and Newton Parish. At that time Shelford and Newton Parish had 624 local electors (based on the 1 April 2013 Electoral Register). Following checking of the petition it was established that it contained 298 valid signatures for the purposes of a Community Governance Review.

The petition is for the proposal to form two separate parish councils with the wording as set out below:

“Shelford and Newton Parish Council hereby petition Rushcliffe Borough Council to undertake a community governance review in order to permit the cessation of the existing parish council and in its place to create a separate parish council for both Shelford and Newton”.

A reproduction of the map of the area submitted with the petition is shown at the end of this document.

What is a Community Governance Review?

The Community Governance Review is the process used to consider whether the existing parish council should be replaced with two separate parish councils. There are a number of options with regards the outcome of the review depending on the results of the consultation. The review could recommend to Council that:

- there should be no change to the existing arrangements
- the existing parish should be replaced with two separate parishes

- a parish council should be established for one or both of the new parishes, and if so, the boundary, names, and the electoral arrangements for each, ie how many councillors on each and the election cycle
- an 'alternative style' for one or both of the areas should be established, eg. parish, neighbourhood, community or village meeting.

The recommendations made in a community governance review have two main objectives:

- to improve community engagement and better local democracy;
- more effective and convenient delivery of local services.

The review must ensure that community governance within the area under review reflects the identities and interests of the community in that area, and is effective and convenient. It must also take into account any existing arrangements such as community or residents associations or neighbourhood councils.

There are two stages to the review: the first stage will gather opinions on whether Shelford and Newton should be divided into two separate parishes for the area; the second stage will be the Council's recommendations on the way forward which the public will be able to comment on.

Who carries out the Review?

The Borough Council is responsible for conducting the review. A decision on whether or not to form two separate parish councils for Shelford and Newton to replace the existing combined parish council will be taken by Rushcliffe Borough Councillors at a meeting of Full Council in June 2014.

A full consultation process will form part of the Review to take full account of the views of local people.

How to submit your views

You can submit your views on line at www.rushcliffe.gov.uk/shelfordandnewton or by writing to:

Democratic Services Manager
Rushcliffe Borough Council
Civic Centre
Pavilion Road
West Bridgford
Nottingham, NG2 5FE

A timetable for the Review

Publication of this Terms of Reference formally begins the review, and the review must be completed within twelve months.

Action	Timescale
Terms of Reference presented to Full Council	26 September 2013
Publish terms of reference	30 September 2013
Deadline for submissions	29 November 2013
Prepare draft proposals	2 December 2013– 14 February 2014
Consultation on draft proposals	17 February – 11 April 2014
Deadline for submissions	11 April 2014
Prepare final proposals	14 April – 9 May 2014
Publish final proposals	Mid June 2014
Report to Council	June 2014
If required: Organisation of Community Governance Order	Following Council decision in June 2014

What area is being reviewed?

The area being reviewed is the area on which the petition was based. This is primarily the current parish of Shelford and Newton however it does not include part of the land on the airfield south east of Lawson's Barn Farm. This has been marked on the map as Saxondale Parish. In proposing any parish arrangement for Shelford and Newton the Council is not bound by the area referred to in the petition. The Council could seek to ensure that any proposed parish boundaries were the same as ward boundaries. In doing this the Council would have regard to the new East Bridgford Ward boundary which will come into effect in May 2015.

As part of the review the Council has to provide the number of electors in the area. If the Council recommends that a parish council should be set up this information will be used to decide on the electoral arrangements, eg how many councillors on each parish council.

The Council has used the Register of Electors of 1 July 2013 in providing the existing ward electorate figures. These are:

	Current number of electors	Estimated electorate in 2018
Shelford	209	223
Newton	430	638

Will there be any additional cost to residents in Shelford and Newton?

It is recognised that there are potential additional costs associated with the establishment of a parish council. The level and detail of these costs are something that would be determined by each parish council at the time a decision was made on its establishment. It will be the responsibility of each parish council to determine the nature and level of its costs which will be linked to its activities and the level of support required to deliver these e.g. associated salaries, premises, and any assets that might be transferred to its possession.

Currently Shelford and Newton residents currently pay a parish precept of £41.68 per annum in addition to their Council Tax. The potential precept for any new parishes will be calculated based on the cost of the parish council and the transfer of any assets or services from the Borough Council to either parish council. It will not necessarily be the current parish precept redistributed on a pro rata basis. Therefore it could be a greater or lesser amount than at present.

The following table provides examples of other precepts within the Borough. The charge shown is for the annual charge for band D properties. There are 209 electors in Shelford Parish Ward and 430 electors in Newton Parish Ward (as at 1 July 2013). Comparable parish precepts are set out below:

Parish	Parish size (Electorate)	Annual Precept	Weekly Precept
Shelford & Newton	209 (Shelford) 430 (Newton)	£41.68	£0.80
Barton in Fabis	215	£27.94	£0.54
Kingston Upon Soar	226	£33.69	£0.65
Upper Broughton	241	£63.33	£1.22
Wysall & Thorpe in the Glebe	291	£41.73	£0.80
Flintham	471	£48.54	£0.93
Hickling	424	£28.06	£0.54
Willoughby	446	£25.14	£0.48
Langer cum Barnsone	770	£123.81	£2.38

When will the review begin?

The review will begin on 30 September 2013.

Proposed timetable

Action	When
Terms of Reference presented to Full Council	26 September 2013
Publish Terms of Reference and begin consultation	30 September 2013
Deadline for submissions	29 November 2013
Analyse submissions and prepare draft proposals for consideration	25 November 2013 – 6 January 2014
Meeting of Member Group to review submissions and recommend a way forward	w/b 13 January 2013
Report to Cabinet to consider and endorse Member Group proposals	11 February 2014
Consultation on draft proposals	17 February – 11 April 2014
Deadline for submissions	11 April 2014
Prepare final proposals	14 April – 9 May 2014
Member Group to make final recommendation	w/b 13 May 2014
Report to Cabinet to consider and endorse Member Group proposals	June 2014
Publish final proposals	Mid June 2014
Report to Council with final recommendations	June 2014
Organisation of Community Governance Order (if required)	After Council

Member Group Revised Terms of Reference

Membership

9 Members cross party: 6 Conservative, 1 Liberal Democrat, 1 Labour, 1 Green

Terms of Reference

- a) To consider the submissions received as part of the first round of consultation for the Community Governance Reviews ;
- b) To develop proposals as to the way forward for further public consultation for consideration by Cabinet;
- c) To consider the responses of the second round of consultation for the Community Governance Reviews;
- d) To make final recommendations to Cabinet for endorsement, and referral to Council.



Council

26 September 2013

**Proposed Changes to Constitution
- Member Champions**

9

Report of the Executive Manager – Operations and Corporate Governance

Summary

At its meeting on 19 September 2013 the Corporate Governance Scrutiny Group (CGG) will consider a report on proposed changes to the Constitution with regards to the introduction of Member Champions. A copy of the report to CGG is attached to this report.

Comments made by CGG will be reported to the meeting of Council.

Recommendation

It is RECOMMENDED that the comments from CGG on changes to the Constitution relating to Member Champions be noted and actioned as required.

Financial Comments

None relating directly to this report.

Section 17 Crime and Disorder Act

None relating directly to this report.

Diversity

None relating directly to this report.

Background Papers Available for Inspection:

Report to Corporate Governance Group 19 September 2013 – Proposed Changes to Constitution – Member Champions

Report of the Executive Manager - Operations and Corporate Governance

Summary

This report sets out details of the introduction of 'Member Champions' to support relevant Cabinet Portfolio holders as necessary. The item was considered at the meeting of Cabinet on 9 July 2013 and they agreed to refer the matter to the Corporate Governance Group in order that the necessary changes to Article 7 – The Cabinet, within the Council's Constitution can be determined. The proposed changes will then be referred to Council for approval.

Recommendation

It is RECOMMENDED that the Corporate Governance Group:

- a) considers the necessary changes to 'Article 7 – The Cabinet' of the Council's Constitution to reflect the introduction of 'Member Champions' (as set out in **Appendix A**); and
- b) refers the proposed changes to 'Article 7 – The Cabinet' to Council for approval.

Background

1. At its meeting on 9 July 2013 Cabinet considered a report requested by the Leader of the Council to identify how 'Member Champions' could be introduced. This was because over time the Cabinet Portfolio Holder role has required a greater need to assimilate a significant and diverse range of information. It is intended that 'Member Champions' will assist Cabinet Portfolio Holders meet these increasing demands. In turn this will help to ensure the Executive retains focus on delivery of the Council's priorities as set out in the Corporate Plan.
2. As a consequence of the introduction of 'Member Champions' there are a number of changes required to the 'Article 7 – The Cabinet' of the Council's Constitution. These are detailed in paragraph 6 of the report and set out in **Appendix A**. Changes to the Constitution are considered by the Corporate Governance Group prior to approval by Full Council as set out in Article 15 of the Constitution.

Member Champions

3. As reflected in the report to Cabinet it is intended that the role of the 'Member Champion' will complement and support the responsibilities of Cabinet Portfolio Holders. The roles will carry no additional allowance and as such they

are not reflected in the Council's Members' Allowance Scheme. Member Champions cannot be decision makers but may act as information gatherers, challengers and advisors in support of the designated Portfolio Holder. Member Champions will be appointed by the Leader in line with the existing constitutional arrangements for the appointment of Cabinet Members.

4. Member Champions will remain in place until they are replaced by the Leader or if they resign from office or cease to be a Councillor. It is intended that each Member Champion will be allocated a theme to reflect their alignment with a particular Cabinet Portfolio. The role and remit of the Member Champions as reflected is set out as follows:

To fulfil their role effectively a Member Champion will:

- Act in the wider interest of the Council and not merely represent the interests of their wards or local community groups;
- Be sensitive to Council priorities; although they may be advocating the opinions of a particular group of people or bodies, they should not do so at the expense of Council Policy and Corporate Policies;
- Lead and respond to the relevant wider range of issues rather than focussing upon their own specific issues within the topic area.

Champions will retain focus on the thematic topic they have been allocated by:

- Raising and championing the profile of the topic/issue both internally and externally whilst continuing to act in accordance with existing Council policy;
- Fostering the engagement of a wider range of Members in the review, support and development of the issue;
- Promoting effective communication and positive working relationships both within the Council and amongst partners, stakeholders and community groups;
- Promoting the positive work that is being undertaken within the Borough, at a local, regional and national level;
- Through agreed communication arrangements with the Portfolio Holder and Senior Management Team provide positive support, and on occasions, constructive challenge to officers in driving forwards the Council's agenda on the assigned issue.

5. It is intended that the Cabinet Portfolio Holder who the Member Champion supports will allocate and communicate their activity, responsibilities and actions to the Chief Executive or the Executive Manager – Operations & Corporate Governance. In their absence the Chief Executive will assign a relevant Executive Manager as required or appropriate to facilitate the Member Champions role. The role of the Member Champions will operate within the established 'Councillor: Staff Protocol' which sets out rules and guidance on the relationship between Councillors and Staff.
6. As set out at paragraph 3 of this report Member Champions will be appointed by the Leader in line with the existing constitutional arrangements for the appointment of Cabinet Members. There are a number of themes or areas of work where a Member Champion may support a Cabinet Portfolio Holder and where necessary the Leader may, in due course appoint, to these positions. Examples of potential themes for Member Champions are:

- Business and Economic Development
- Promoting and developing Young people
- Recycling
- Rural Communities (incorporating Public Houses, Post Offices and Agriculture)

Proposed changes to the Constitution

7. **Appendix A** to the report sets out the necessary changes to the Constitution required to facilitate the introduction of Member Champions. These changes are to 'Article 7 – The Cabinet' within the Council's Constitution.
8. The table at paragraph 7.2 of the appendix reflects the Cabinet Portfolios as updated by the Leader at the Annual Council meeting in May 2013. This table also provides a column for inserting details of the relevant 'Member Champion' and their associated themes.
9. Paragraphs 7.5 and 7.6 sets out details of the role and the remit of the Member Champions in the underline text. Any other changes proposed are also set out in underlined text.
10. The text highlighted as 'strike through' reflects changes that are required to remove reference to Councillors' suspensions that were part of the now repealed provisions within the Local Government Act 2000.
11. Community Governance Group is asked to consider the proposed changes and refer them to Council for approval.

Financial Comments

There are no direct financial implications arising from this report as the Member Champions will receive no additional Members' Allowance for the role.

Section 17 Crime and Disorder Act

There are no direct implications arising from this report.

Diversity

There are no direct implications arising from this report.

PROPOSED REVISIONS

ARTICLE 7 – THE CABINET**THE ROLE OF THE CABINET**

7.1 Role

The Cabinet will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under this Constitution.

7.2 Form and composition

The Cabinet will consist of the Leader together with at least two, but not more than nine, Councillors appointed by the Leader at the annual Council meeting, following the local government elections, at which the Leader is appointed.

The current composition of the Cabinet comprises the Leader and five members. One member is designated as the Deputy Leader and will act in the absence of the Leader. The Leader will retain the overall leadership and strategic role and the Deputy Leader and four Cabinet Members will be allocated a portfolio for the following functions:–

Title	Portfolios	Member Champion(s)
Strategic Direction (Leader)	<ul style="list-style-type: none"> • Overall Direction Focus and Vision • Corporate Strategy • Medium Term Financial Strategy (MTFS) • Budgetary Policy (linking MTFS and four year plan) • Economic and Business Growth 	
Resources (Deputy Leader)	<ul style="list-style-type: none"> • Finance (Budget and Debt Management) • Benefits • Procurement • Asset Management • ICT Business Continuity • Member Services • Transformation 	
Safety and Wellbeing	<ul style="list-style-type: none"> • Community Safety • Public Health Protection • Performance Management • Licensing • Police and Crime Panel • South Notts Crime Prevention • Member Development 	

Community Services	<ul style="list-style-type: none"> • Leisure Strategy • Community Engagement • Young People • Customer Access and Communications • Cultural Services 	
Environment	<ul style="list-style-type: none"> • Waste Management <ul style="list-style-type: none"> - Waste Services - Fleet Management - Streetwise • Environmental Protection <ul style="list-style-type: none"> - Recycling • Community Emergency Planning 	
Sustainability	<ul style="list-style-type: none"> • Planning Policy (Local Plan) • Strategic Housing Policy • Environmental Protections in Developments • Development Control • Building Control 	

7.3 Leader

The Leader will be a Councillor elected by the Council at their annual meeting following the local government elections for a period of four years or until the Leader's term of office as a Councillor ends.

The Leader shall otherwise continue to hold office as above unless:

- The Council by resolution removes the Leader during his or her term of office whereupon his or her term of office as Leader shall end on the day of that Council meeting; or
- He/she resigns from the office; ~~or~~
- ~~He/she is suspended from being a Councillor under Part III of the Local Government Act 2000 (although he/she may resume office at the end of the period of suspension).~~

If the Council removes a Leader by resolution, the Council must elect a new Leader at the same meeting.

The Leader shall determine the number of Councillors who may be appointed to the Cabinet subject to a maximum of ten, including the Leader. The Leader will appoint Councillors to the Cabinet positions.

The Leader shall appoint one of the Members of the Cabinet to be his or her Deputy. The Deputy Leader shall hold office for the same term as the Leader unless:

- a) He/she is removed from office by the Leader; or ceases to be a Councillor; or
- b) He/she resigns from the office; or
- ~~c) He/she is suspended from being a Councillor under Part III of the Local Government Act 2000 (although he/she may resume the role of Deputy Leader at the end of the period of suspension).~~

The Leader shall allocate Cabinet portfolios to other Cabinet Members. The Leader may also appoint Member Champions to support and assist the Cabinet positions.

The Leader shall report to the Council on all appointments to, and changes to, the Cabinet and Member Champions positions.

If for any reason the Leader is unable to act, or the office of Leader is vacant, the Deputy Leader must act in place of the Leader.

If for any reason the Leader and Deputy Leader are both unable to act or their offices are vacant, then the Cabinet must act in the Leader's place or arrange for a Member of the Cabinet to do so.

7.4 Other Cabinet Members

Other Cabinet Members will be appointed by the Leader on his/her appointment at the annual Council meeting and shall hold office until:

- (a) they are replaced by the Leader at any time; or
- (b) they resign from office; or
- ~~(c) they cease to be a Councillor; or~~
- ~~(d) he/she is suspended from being a Councillor under Part III of the Local Government Act 2000 (although he/she may resume office at the end of the period of suspension)~~

7.5 Member Champions

'Member Champions' will remain in place until:

- (a) they are replaced by the Leader at any time; or
- (b) they resign from office; or
- (c) they cease to be a Councillor.

Each 'Member Champion' will be allocated a theme to reflect their alignment with a particular Cabinet Portfolio.

The role of and remit the Member Champions is:

7.6 To fulfil their role effective a Member Champion will:

- Act in the wider interest of the council and not merely represent the interests of their wards or local community groups.
- Be sensitive to Council priorities; although they may be advocating the opinions of a particular group of people or bodies, they should not do so at the expense of Council Policy and Corporate Policies.

- Lead and respond to the relevant wider range of issues rather than focussing upon their own specific issues within the topic area

Champions will retain focus on the thematic topic they have been allocated by:

- Raising and championing the profile of the topic/issue both internally and externally whilst continuing to act in accordance with existing Council policy.
- Fostering the engagement of a wider range of Members in the review, support and development of the issue.
- Promoting effective communication and positive working relationships both within the Council and amongst partners, stakeholders and community groups.
- Promoting the positive work that is being undertaken within the Borough, at a local, regional and national level.
- Through agreed communication arrangements with the portfolio holder and senior management team provide positive support, and on occasions, constructive challenge to officers in driving forward the Council's agenda on the assigned issue.

7.7 Proceedings of the Cabinet

Proceedings of the Cabinet shall take place in accordance with the Executive Procedure Rules set out in Part 4 of this Constitution.

7.8 Responsibility for Functions

The Leader shall allocate Cabinet portfolios to other Cabinet Members.

The Council will determine any delegation of responsibility to individual members of the Cabinet, committees of the Cabinet, officers or joint arrangements for the exercise of particular executive functions. The delegations arrangements are set out in Part 3 – Responsibility for Functions of this Constitution.



Council

26 September 2013

**Standards Committee Recommendations
and Update on the Appointment of the
Independent Person**

10

Report of the Executive Manager - Operations and Corporate Governance

Summary

At its meeting on 21 June 2012 Council agreed a Code of Conduct and the composition and terms of reference of the Standards Committee. At that time Council requested that these be reviewed after a year. At its meeting on 25 July 2013 the Standards Committee undertook this review and this report sets out the Committees recommendations.

The report also provides an update on the process for the appointment to the vacant Independent Person position in line with Section 28 of the Localism Act 2011.

Recommendation

It is RECOMMENDED that Council considers the resolution of the Standards Committee and:

- a. confirms that no changes be made to the Councillor Code of Conduct (**Appendix A**),
- b. agrees that the terms of reference and composition of the Standards Committee remain as they are (**Appendix B**);
- c. acknowledges the temporary arrangements with regard to the vacant 'Independent Person' position and receives a further report once suitable arrangements have been made for a formal appointment.

Details

1. At its meeting on 21 June 2012 Council considered and agreed a revised Standards Framework as recommended to it by the previous Standards Committee. This comprised a new Councillor 'Code of Conduct' (**Appendix A**) and also the establishment of a revised 'Standards Committee' comprising of six Borough Councillors, two parish members and one independent member.
2. Having agreed the new Code and the establishment of a revised 'Committee', Council asked that these be reviewed after a year and the findings of this review be reported to it. This report informs Council of the views of the Standards Committee at its meeting on 25 July 2013 when the review was considered.

Code of Conduct

3. The Code of Conduct agreed by Council on 21 June 2012 was based on the requirement for consistency with the seven principles of public life and the mandatory requirements relating to disclosable pecuniary interests. There was no national model code that had to be followed and each local authority was free to decide the code suitable for it. The Code agreed by Council was in effect a hybrid comprising the Local Government Association Template and the 'illustrative text' for a code of conduct as provided by the Department for Communities and Local Government. In addition provisions from the previous code relating to advice from the statutory officers and confidentiality and equality were also included.
4. Following agreement of Council the Monitoring Officer wrote to the Parish and Town Councils highlighting that for consistency purposes, the Borough Council's Code could be adopted by them. Consequently a high number of the Parish and Town Councils have adopted the same Code as the Borough Council.
5. As part of the review of the Code of Conduct the Standards Committee considered:
 - a. the provisions in relation to Disclosable Pecuniary Interests as set out in the schedule within the Code to determine if any further subjects, such as extending the application of pecuniary interest beyond the Member, their spouse or civil partner or someone they are living with as husband or wife or civil partner, should be added;
 - b. if a Member's membership of any external organisations or groups, beyond those that reflect a 'pecuniary interest', should be added to the list so that these have to be declared. In considering this the Standards Committee was asked to have regard to the potential public perception of such interests and members involvement in decision making. The Committee was reminded that any other such interests would not be classed as a 'Disclosable Pecuniary Interests (DPI)' and as such requiring these to be declared would be an addition to the legislative requirements;
 - c. how any such arrangements would work as presently the disclosure of a DPI restricts the ability of a Member to participate in a meeting, whereas any other interest declared would not necessarily carry such a formal requirement. The Committee was reminded that this would mean it would rely on the Member's judgement in order for them to determine the appropriateness of their involvement in any proceedings based on the extent and nature of any interest included in register.
6. The Standards Committee was of the view that there did not appear to have been any difficulties with the Code in its first year of operation and therefore it was not necessary to make changes to it. Furthermore they considered that the codes principles and the provisions within clearly indicated that Councillors must declare any private interests, both pecuniary and non-pecuniary and must take steps to resolve any conflict arising in a way which protects the public interest.

Composition of the Standards Committee

7. As previously indicated the Committee comprises of six Borough Councillors, two parish members and one independent member. There is no formal requirement to have such a Committee. However the former Standards Committee, and a sub-committee of it, which developed the post-Localism recommendations did not believe disciplinary type decisions should be delegated to officers. It was also believed that the Committee needed to be in place to consider Councillor behaviour and ethical standards as a wider policy issue.
8. The Standards Committee recognised that its parish and independent members were co-optees under section 102(3) of the Local Government Act 1972 and as such had no voting rights. However the Committee believed these positions ensured external experience, knowledge and influence were not lost, demonstrating a transparent and fair process. It also recognised that its composition and its terms of reference provided a mechanism for hearing the findings of any investigation when it was determined there was a case to answer.
9. Having reviewed its composition and role the Standards Committee believed that the system was working well and did not require any changes. Therefore the Committee agreed that there should be no changes to its composition and terms of reference as reflected in the report's recommendations.

Independent Person

10. Following the resignation of the previous Independent Person in July 2013 the vacant position was advertised on the Council's website and also in the local press. The adverts invited people to apply up to 23 August but unfortunately no applications were submitted in this period. Therefore it is intended that the vacancy will be re-advertised with a further report being submitted to Council once suitable arrangements have been made for finalising an appointment. In the meantime temporary informal arrangements have been put in to utilise the Independent Person from Newark and Sherwood District Council if necessary, whilst there remains a vacancy.

Financial Comments

None arising directly from this report.

Section 17 Crime and Disorder Act

As failure to declare a disclosable pecuniary interest could constitute a criminal offence it is not proposed to change any of these as they reflect the schedule as set out by the regulations. As such there are no direct implications arising from this report in relation to the prevention and detection of crime and disorder.

Diversity

None arising directly from this report.

Background Papers Available for Inspection:

New Standards Regime – Update and Review - Standards Committee 25 July 2013

New Standards Arrangements - Report to Council 21 June 2012

Code of Conduct for Members – Rushcliffe Borough Council

Member Code of Conduct

You are a Member or Co-opted Member of Rushcliffe Borough Council and as such are committed to behaving in a manner that is consistent with the following principles to achieve best value for our residents and maintain public confidence in this authority.

SELFLESSNESS: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP: Holders of public office should promote and support these principles by leadership and example.

Accordingly, when acting in your capacity as a Member or Co-opted Member –

- i. You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate
- ii. You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties
- iii. When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit
- iv. You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office

- v. You must be as open as possible about your decisions and actions and the decisions and actions of your authority and should be prepared to give reasons for those decisions and actions
- vi. You must declare any private interests, both pecuniary and non-pecuniary, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in the box below
- vii. You must, when using or authorising the use by others of the resources of your authority, ensure that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986
- viii. You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example
- ix. You must have regard to any relevant advice provided to you by the Council's Monitoring Officer, Section 151 Officer and Chief Executive where they are acting pursuant to his or her statutory duties
- x. You must not disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where:-
 - a. You have the consent of a person authorised to give it
 - b. You are required by law to do so
 - c. The disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
 - d. The disclosure is:
 - i. Reasonable and in the public interest and
 - ii. Made in good faith and in compliance with the reasonable requirements of the authority.
- xi. Members must promote equality by not discriminating against any person , and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability

Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a member or co-opted member, notify your authority's monitoring officer of any disclosable pecuniary interest as defined by regulations made by the Secretary of State (see attached Schedule), where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.

In addition, you must, within 28 days of taking office as a member or co-opted member, notify your authority's monitoring officer of any disclosable pecuniary or non-pecuniary interest which your authority has decided should be included in the register.

If an interest has not been entered onto the authority's register, then the member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.¹

Following any disclosure of an interest not on the authority's register or the subject of pending notification, you must notify the monitoring officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest as defined by regulations made by the Secretary of State. Additionally, you must observe the restrictions your authority places on your involvement in matters where you have a pecuniary or non-pecuniary interest as defined by your authority.

¹ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

SCHEDULE

<i>Subject</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Terms of Reference for Standards Committee

- a. promoting and maintaining high standards of conduct by Councillors and co-opted Members;
- b. assisting Councillors and co-opted Members to observe the Members' Code of Conduct;
- c. advising the Council on the adoption or revision of the Members' Code of Conduct;
- d. monitoring the operation of the Member's Code of Conduct;
- e. advising, training or arranging to train Councillors and co-opted Members on matters relating to the Members' Code of Conduct;
- f. dealing with complaints about Councillors in accordance with the published Members' Complaints Procedure approved under section 28(6) of the Localism Act 2011;
- g. the exercise of (a) to (f) above in relation to parish councils wholly or mainly in its area and the members of those parish councils;
- h. granting dispensations to Councillors and co-opted Members from requirements relating to disclosable pecuniary interests;
- i. considering any reference to the Committee by the Chief Executive pursuant to paragraph 10 of the Members' Allowances Scheme relating to the failure of a member to attend any meeting during a period of three months, with power to suspend the payment of allowances under the Scheme to the member concerned, unless the reasons for non-attendance are approved by the Committee.

Standards Committee Hearing Sub Committee

Criteria for referral of cases to Standards Committee for hearing

- Does the status of the member or members, or the number of members about whom the complaint is made, make it difficult for the Sub Committee to deal with the complaint? For example, is the member a group leader, elected mayor or a member of the authority's Cabinet?
- Does the status of the complainant or complainants make it difficult for the Sub Committee to deal with the complaint? For example, is the complainant a group leader, elected mayor or a member of the authority's cabinet or the Chief Executive, the Monitoring officer or other senior officer?
- Does the Sub Committee believe that there is a potential conflict of interest of so many members of the Sub Committee that it could not properly consider the complaint?
- Is the case so serious or complex, or involving so many members, that it cannot be handled by the Sub Committee?
- Does the complaint relate to long-term or systemic member/officer bullying and therefore should it be considered by the full Standards Committee?
- Might the public perceive the authority to have an interest in the outcome of the complaint and therefore is it in the public interest for the case to be heard by the full committee rather than the Sub Committee?

Report of the Executive Manager - Operations and Corporate Governance

The Scrutiny annual report provides a review of the work undertaken by the Council's four scrutiny groups during 2012/13. Over the year, the following subjects have been scrutinised and monitored.

Community Development Group

- Choice Based Lettings progress
- Planning application - public notification process
- Assets of Community Value - draft procedure
- Community Right to Challenge - draft procedure
- West Bridgford Democracy and Local Engagement
- Draft housing allocations policy
- Relationship with town and parish councils
- Economic assessment/economic growth

Corporate Governance Group

- Statement of Accounts
- To examine the outturn and statement of accounts, making comments and recommendations to Council
- Report on the Annual Governance Statement
- Treasury management
- Fraud and Irregularities
- Capital and revenue budget monitoring
- Internal audit
- Risk management

Partnership Delivery Group

- Annual scrutiny of the partnership with Nottinghamshire County Cricket Club and call-in of support
- Annual review of partnership with Metropolitan and Waterloo Housing
- Review of partnership with Rushcliffe Advice Network (RAN)
- The wide range of partnerships eg partnership work with Sure Start
- Review of South Notts Community Safety Partnership
- Progress report on Rushcliffe Community Strategy action plans

Performance Management Board

- Performance Monitoring
- Civil Parking Enforcement Contract Update
- Review of Customer Feedback
- Ombudsman's Annual Letter
- Edwalton Golf Courses Annual Report
- Climate Change Strategy Action Plan
- Leisure Centres Contract

Recommendation

It is RECOMMENDED that Council endorses the work undertaken by the four scrutiny groups.

Financial Comments

There are no direct financial implications arising from the matters in this report

Section 17 Crime and Disorder Act

There are no direct Section 17 implications arising from the matters in this report

Diversity

There are no direct diversity implications arising from the matters in this report

Background Papers Available for Inspection:

Annual reports to Individual Scrutiny Groups

Annual Scrutiny Report 2012/13



Scrutiny Annual Report 2012/13

The main role of Rushcliffe's scrutiny groups are to:

- Develop a work programme which scrutinises the Council's priority outcomes
- Ensure the Group's work helps implement the Council's plans and policies
- Review, challenge and question how the policy, plans and services are implemented and recommend to Cabinet and Council improvements to services and their performance
- Ensure the work contributes towards value for money, continuous improvement and best practice.

This annual report summaries the main work of the Council Scrutiny Groups which were led by the following Chairmen and Vice Chairmen

Partnership Delivery Group



Councillor
R Hetherington
Chairman



Councillor
F A Purdue-Horan
Vice Chairman

Performance Management Board



Councillor
D G Wheeler
Chairman



Councillor
R M Jones
Vice Chairman

Community Development Group



Councillor
N C Lawrence
Chairman



Councillor
T Combella
Vice Chairman

Corporate Governance Group



Councillor
G S Moore
Chairman



Councillor
E A Plant
Vice Chairman

Community Development Group

Annual Report 2012/13

Chairman's foreword

I am pleased to write this brief foreword to this year's annual report of the Community Development Group. This year our work has been challenging and rewarding. We have covered many significant topics, linked to the theme of ensuring communities within Rushcliffe remain vibrant, despite the tough economic times and regime of funding cuts.

Thanks to the many senior officers who gave us presentations throughout the year, with particular thanks to those officers who have supported this Scrutiny Group throughout the year.

We have scrutinised many interesting topics ranging from our progress with choice based lettings and revising our housing allocations policy, through to how we are supporting the business economy and how we can improve relationships with parishes even further.

I would like to thank all Group Members for their involvement, support and professionalism during our meetings. I give special thanks to my Vice Chairmen Councillor Tina Combellack for her support in managing the process.

Councillor Nigel Lawrence
Chairman – Community Development Scrutiny Group

What are we responsible for?

The main role of Rushcliffe's scrutiny groups is to:

- Develop a work programme which scrutinises the Council's priorities
- Ensure the Group's work helps implement Council plans and policies
- Review and challenge how the policy, plans and services are implemented and make recommendations to Cabinet and Council on any improvements to services and their performance
- Ensure the work contributes towards value for money, continuous improvement and best practice.

The Community Development Group's remit is to scrutinise:

- Community priorities and proposed solutions
- Engaging and identifying needs of key groups
- Building relationships to ensure that policies empower communities
- Reputation management gained via communications and promotion
- Town and Parish Councils shared working (identifying opportunities whilst establishing priorities)

A major element of the Group's role is to understand the key issues for residents, and encourage them to give their views about matters of importance. The Group also ensures the Council maintains its excellent reputation via effective communications.

Our work this year

During this year the Group considered many service areas and issues within its scrutiny role, particularly:

- Choice Based Lettings progress
- Planning application - public notification process
- Assets of Community Value - draft procedure
- Community Right to Challenge - draft procedure
- West Bridgford Democracy and Local Engagement
- Draft housing allocations policy
- Relationship with town and parish councils
- Economic assessment/economic growth

Choice Based Lettings

At the Group's first meeting in July 2012, Members received a progress report on the Choice Based Letting scheme which had then been in operation for just over a year. Members learnt more about how the scheme operates, for example the 'bidding process' and about research to be undertaken to evaluate the accessibility of the process and also a review of the housing allocations policy. Members found out how the scheme had already been improved based on partners' and customers' comments, for example, advertising properties weekly rather than fortnightly and a proactive approach to helping people to 'bid'. Members received answers to their questions around help given to people with disabilities, demand for homes in the Borough and how the Register was managed.

Notification for Planning Applications

At the July meeting, Members also received a request to scrutinise the public notification process for planning applications. Members learnt about the current process, in effect, how a planning application was considered, reasons why people were consulted and the impact of consultation. The Group acknowledged that the Council met its statutory obligations, had a very good service and did considerably more than it had to. Members asked officers to consider some improvements including informing adjacent Ward Members if a consultation crosses the Ward boundaries, contacting the Ward Member before a site visit to ascertain if the development would have a wider impact, sending site notices to the Parish Council and providing Members with a weekly list of planning applications. Officers considered the suggestions and reported back on their implementation (or otherwise) at the October meeting.

Assets of Community Value and the Community Right to Challenge

At the October 2012 meeting, Members discussed the draft procedure for administering Assets of Community Value, as required by the Localism Act. Members then discussed the draft procedure for the Community Right to Challenge ie to run Council services. Both the above processes were explained thoroughly and questions were answered by officers.

Governance of West Bridgford

Members also received a report outlining a request for the democratic and community engagement arrangements for the governance of West Bridgford to be included on the Group's work programme. Following a thorough debate on the pros and cons of such a body, Members were informed about how community governance arrangements were triggered by the electorate. The Group noted that there was not yet enough visible evidence of dissatisfaction with the current arrangement from the people of West Bridgford. Upon voting, the Group agreed not to scrutinise this subject at this time.

Draft Housing Policy

The draft Housing Allocations Policy was the focus of the December 2012 meeting. The Group was informed that the Localism Act gave local housing authorities more discretion on who qualified to join the Housing Register and what priority was given to certain circumstances. One of the proposals was to reduce the number of people on the waiting list by restricting the eligibility criteria to only those actually in need for housing. For Rushcliffe it was proposed that priority would be given to people employed in the area, foster carers and additional priority given to the armed forces. Members raised many pertinent questions around issues as diverse as the 'bidding' process and its impact, eligibility for joining the list, how the policy affected people transferring from another area and the different 'bandings' people were placed in on the Register. The Group asked for some wording changes to be made and to forward their comments to Cabinet for consideration.

Relationship with Town and Parish Councils

The main topic under review at the February 213 meeting was the relationship with Town and Parish Councils. Members were asked to consider any gaps in the partnership with the parishes and any questions that should be included in a

questionnaire to be circulated to Town and Parish Councils. There was an in depth discussion on staff employed to help with this remit, what was currently done to further relationships and what more could be done. Members felt there was a need to improve communication, for example, a brief document to give the gist of help available to parishes from the Borough Council.

At the April 2013 meeting, Members received an update on improving relationships with parishes and the results from the questionnaire. In the main, relationships were good and staff were helpful, although the response rate to the questionnaire was low, meaning results would have limited reliability. The recommendations to Members revolved around 2 key topics - planning and communications. Members accepted the recommendations put forward including producing a summary of the 'Partnership with the Parishes' document for Town and Parish Councils for quick reference, executive summaries of large Council documents, a programme of relevant training for parishes and providing key link officers' names for further information, for example on planning. Members also wanted information on material and non-material considerations on plans to be sent to parishes.

Economic Development and Growth

At the April 2013 meeting, Members received a presentation on the current economic situation in the Borough and how the Council was helping support economic growth. The Borough was buoyant and Members learnt how many agencies could help businesses to thrive, grow or start up and the funding that is available. Many topics were covered including the current business support package offered by the Council, the state of play with improving broadband, particularly in rural areas, Cotgrave regeneration and events held for businesses by the Council and its partners. The main areas of focus for the Council were to adopt and implement the Local Plan, support businesses, use the Council's property and estates to best effect, promote Rushcliffe and regenerate Cotgrave. Many pertinent topics were debated - and their impact on businesses - including car parking, commercial loans to businesses, the general high street national decline, the role of Local Enterprise Partnerships and progress with leasing Bridgford Hall.

The year ahead

The Group will continue to help review and shape policy, ensuring improvements are implemented in the year ahead. This will be done by developing a challenging work programme linked to the Council's four-year plan.

Corporate Governance Group

Annual Report 2012/13

Chairman's Foreword

I am pleased to write this short foreword to reflect on the busy and productive year of the Corporate Governance Group in 2012/13. I am confident that I speak on behalf of all group members when I say the year has been enjoyable and interesting, despite the many challenges during these difficult times.

The scrutiny process is vital to challenge and influence how the Council makes decisions to maintain service quality. The report demonstrates the variety of areas which Corporate Governance Group has scrutinised over the past year and the actions taken to ensure the soundness of the Council's decisions.

On a personal note, I would like to thank all members of the Group, particularly my Vice Chairman, for their support and thank the staff for their role in the scrutiny process.

Councillor Gordon Moore

Chairman - Corporate Governance Group

What are we responsible for?

The main roles for Rushcliffe's four Scrutiny Groups are to:

- Develop a work programme which scrutinises important issues for the community
- Ensure that the group's work of the Group helps with implementing Council plans and policies;
- Review and question the agreed policy and services and make recommendations to the Cabinet and Council to improve performance and services
- Ensure the work contributes to the delivery of best value, continuous improvement and best practice.

The Corporate Governance Group's Remit

The Corporate Governance Group is a scrutiny committee constituted under section 21 of the Local Government Act 2000. The Group's responsibilities include:

- **Statement of Accounts**
To examine the outturn and statement of accounts and make comments and recommendations to Council.
- **Annual Governance Statement**
To consider the annual report on applying the Council's system of internal control and make recommendations to Cabinet on improvements/changes in practice and the acceptance of a draft Statement. This statement ultimately comprises a key element of the Council's Statement of Accounts.
- **Treasury Management**
To consider the annual and interim reports on Treasury Management activity and ensure that practice has complied with the approved Treasury Management Strategy, making recommendations to Cabinet as appropriate.
- **Protecting against fraud**
To consider the annual report on fraud and irregularities in order to make an informed judgement on the corporate governance and internal control statements, making recommendations to Cabinet on improvements.

To consider any matters arising as a result of irregularity referred to it by Cabinet.
- **Capital and Revenue Budget Monitoring**
To consider regular reports on progress against the revenue and capital budget, making recommendations to Cabinet on matters requiring its approval and where progress is considered to be unsatisfactory.

- **Internal Audit**
To consider periodic reports on the more significant findings of internal audit in order to make an informed judgement on corporate governance and internal control statements, making recommendations to Cabinet on improvements.
- **Risk Management**
To consider periodic reports on controls over key risk areas as identified in the risk register in support of making an informed judgement on the corporate governance and internal control statements, making recommendations to Cabinet on improvements.

Our work this year

Statement of Accounts

The external auditors presented their annual governance report for 2011/12 to the September 2012 meeting. The report covered the auditing of the Council's accounts and work relating to the economy, efficiency and effectiveness of the use of resources. The statement of accounts 2011/12 was considered alongside this report and the Group recommended its acceptance by full Council. The council again successfully obtained an unqualified opinion on the accounts.

Both the Executive Manager and the council's external auditors have highlighted a range of issues around the final accounts process, and reportage throughout the year has highlighted the successful way in which these are being addressed. This oversight, and the attendant improvements, has continued into the 2013/14 financial year.

Annual Governance Statement

The draft annual governance statement was agreed by the Group in June 2012.

Treasury Management

The treasury management aspect of the Group's work addresses the investment practice and policies applied by the Council. To assist the Group's understanding of this area the Council's treasury management advisors, Arlingclose Limited, presented an oversight of the current economic overview to the January 2013 meeting.

The Group recognised the increasing challenges that the Executive Manager and his team face in obtaining investment income whilst ensuring the continued safety of the Council's funds.

Protecting against fraud

The Audit Commission presented a report detailing advice and recommendations on tackling and preventing fraud and error at the May 2012 meeting. Members scrutinised the checklist provided for those responsible for governance to help them judge whether the Council's arrangements were adequate. Members were satisfied after discussions that the Council was taking a reasonable and prudent approach to preventing error based on Audit Commission guidance.

In the June 2012 meeting the Group discussed the annual report on fraud and irregularities for 2011/12. There had been two investigations carried out by Internal Audit which had previously been reported to the Group, but corrective action was now in place. Members were told about the 123 cases of investigating council tax

and housing benefit fraud where 35 cases were irregular and 25 sanctions were applied – an increase from 20 the previous year.

Capital and Revenue Budget Monitoring

The Group received regular updates on the Council's capital and revenue budgets for 2012/13 and the financial outturn for 2011/12. These demonstrated that the council's managers had been successful in containing expenditure within the funding envelopes allocated for the years in question allowing unutilised resources to be carried forward for future years.

Internal Audit

The Council's internal auditors, RSM Tenon, attended and provided updates at every meeting of the Group. In addition to regular progress monitoring meetings in May 2012 the Group also received and agreed two annual reports:

- The three year internal audit strategy for 2012/13 to 202014/15.
- The 2011/12 internal audit annual report.

Risk Management

A report to the September 2012 meeting highlighted that the corporate risk register had been reviewed and updated. Members discussed topical risks at the time including the Council's response to recent flooding incidents.

At the May 2012 meeting, members reviewed the fourth annual report on health and safety which highlighted a positive and improving picture with a significant decrease in the number of accident forms completed which had decreased from 94 to 47 over the last two years. The number of days lost due to employee accidents had reduced from 155 to 36 over the last year. Accidents at leisure centres remained at a similar level to the previous 12 months. Members received an update on mandatory training undertaken by staff such as the e-learning on display screen equipment and manual handling training.

Looking forward to the year ahead

The Group is keen to build on the good work undertaken this year and will continue to deliver a work programme focusing on relevant issues so that it influences how services are delivered and how decisions are made. In particular, the Group will look to develop a programme of activities that fits within its area of expertise and helps to add further value to scrutiny's role as a 'critical friend'.

Partnership Delivery Group

Annual Report 2012/13

Chairman's Foreword

I am delighted to present this annual report which summaries the Group's work over the past year. Scrutiny allows the Council to review and sometimes challenge decisions and by doing so ensures better, more informed, decisions. The Partnership Delivery Group focuses on ensuring that our many partnerships are productive, mutually beneficial and meet their objectives.

Scrutiny involves objectivity, impartiality and independence with the overarching aim to improve our performance, policies and services.

I am proud of the way we work with our many partners - we set out to achieve mutually beneficial relationships which deliver synergy, good outcomes and good value for money.

I am confident that our work this year will lead to even greater productivity and fruitful partnerships and that scrutiny will help ensure Rushcliffe remains the partner of choice when new business opportunities arise.

I would like to thank all my colleagues for their constructive debate, questioning approach and professionalism during the meetings.

I would also like to thank our partners and Council staff for attending the meetings and for ensuring a thorough scrutiny process.

Councillor Ron Hetherington
Chairman – Partnership Delivery Group

What we do

The main role for Rushcliffe's four scrutiny groups is to:

- Scrutinise priority outcomes for the community
- Ensure that this work helps the Council to implement its plans and policies.
- Challenge and question existing policies and the way services are delivered and recommend any improvements to Cabinet and Council.
- Ensure that scrutiny helps the Council to improve, implement best practice and provide excellent value for money.

The Partnership Delivery Scrutiny Group's role is to:

- Make sure existing partnerships are effective, grow and develop
- Help ensure partnership working is the norm to deliver synergy, better asset and resource utilisation, better value for money, remove duplication etc
- Forge public sector partnerships to deliver community benefits
- Develop future partnership working with both the public and private sector

Our work this year

The main work was monitoring services, helping develop policy and consultation prior to Cabinet.

During the year the group considered many services and issues, particularly:

- Annual scrutiny of the partnership with Nottinghamshire County Cricket Club and call-in of support
- Annual review of partnership with Metropolitan and Waterloo Housing
- Review of partnership with Rushcliffe Advice Network (RAN)
- The wide range of partnerships eg partnership work with Sure Start
- Review of South Notts Community Safety Partnership
- Progress report on Rushcliffe Community Strategy action plans

Annual Scrutiny of Partnership with Nottinghamshire County Cricket Club

Members were updated on the work of Nottinghamshire County Cricket Club at the July 2012 meeting, which outlined how the Club had developed a wide range of cricket activities across the Borough for boys and girls, as well as opportunities for young people with disabilities. The support work, as part of the Positive Futures work in Cotgrave, had been inspirational and the teams and individuals should be congratulated for all their hard work. The excellent outcomes included reducing anti-social behaviour and juvenile crime, as well as improvements in motivating children to develop themselves and get jobs. The funding for the scheme finished in November 2011 and whilst the programme is secure in the near future, it was recognised that further financial support would be required to maintain the programme. The Group felt this was a showcase scheme and wanted to support and promote the activities and results being achieved. The Group agreed to encourage

Cabinet to look positively at the significant social and community benefits arising from the partnership and would encourage them to do all possible to facilitate the long term continuation of the partnership benefits when reviewing the loan arrangement.

Cabinet Call In – Support to Nottinghamshire County Cricket Club

In December 2012, the Group considered a call-in of the “£810,000 grant/gift to the Club, money it was felt that would not be coming back to the Council.” In summary, Councillor Boote stated that the signatories to the call-in felt that the Cabinet decision was flawed for reasons including expenditure was not proportionate to the expected benefits, insufficient consultation and no scrutiny, unclear aims and outcomes were unclear and insufficient evidence on how much benefit could be directly attributed to Positive Futures. After a thorough debate, being appraised of the options available to them, the Group felt that the call-in process had been useful. On voting, the Group agreed that while the decision had breached a decision-making principle, it was not sufficient to warrant referral back to Cabinet, consequently the Cabinet decision was upheld.

Review of partnerships with Metropolitan and Waterloo Housing Group

Members were appraised of the work of Metropolitan and Waterloo at the September 2012 meeting.

Metropolitan were going through a period of change and Members still had concerns about how enquiries were being dealt with. There were some actions agreed at the last annual scrutiny meeting that still appeared to be outstanding and needed to be addressed. There was still the need for more clarity about how Metropolitan dealt with emergency situations. Metropolitan needed to be proactive and report emerging anti-social behaviour problems to the Rushcliffe housing team to enable them to inform local ward Members. Metropolitan should confirm their programme of resident forums for potential support by local councillors and agreed to confirm their proposed new working arrangements for warden assisted properties when finalised.

Members acknowledged Waterloo Housing Group's long and successful history of developing and maintaining properties and rural housing in Rushcliffe. The Group agreed that the Waterloo Housing Group performed well and took action when any poor performance was identified. Waterloo Housing agreed to provide the name of a contact officer for any Councillor enquiries on behalf of tenants and to confirm details of any tenant forums for potential support by local councillors.

Review of Partnership with Rushcliffe Advice Network (RAN)

Members received a presentation on the work of the Rushcliffe Advice Network (RAN) at the November 2012 meeting. RAN is an umbrella organisation funded by a Big Lottery grant of just under £500,000 which improves advice given to people in need. The Group recognised that it was early days for the Network, acknowledged that there were some good results from the three centres and it was hoped to have more centres in Keyworth and Bingham during 2013. Members noted that approximately 2,000 residents had been helped.

Review of the South Nottinghamshire Community Safety Partnership

At the January 2013 meeting, the Group was informed of the Partnership's achievements during 2012/13, which included the 'Make Cotgrave Smile' campaign

which had been recognised nationally and was now shared as best practice throughout the County. In addition, crime had fallen considerably by 13%.

Members were informed about the activities in 2013/14 and that work would continue to address issues in the Trent Bridge Ward. An exit strategy will be implemented in Cotgrave.

Members were appraised of restructures to the Notts Fire and Rescue Service and the work carried out by the risk reduction teams.

Partnership work with Sure Start Children's Centres

Members received a presentation on the seven children's centres and their work in Rushcliffe at the Match 2013 meeting. They work with children (birth to 12) and vulnerable families, working with many partners to help with health matters, childcare, drop-in support and help with jobs. They also deal with referrals from agencies.

The Group endorsed the work being undertaken by the Borough Council in partnership with Sure Start Children's Centres.

Progress on Rushcliffe Community Strategy action plans

Members received a report on the performance within each of the four theme groups over the last year at the March 2013 meeting. The Group were informed of the highlights and the fact that there were no 'exceptions' for each themed group. For example, the business group activity had been strengthened with many successful events held, as well as business growth advice and support sessions at the Rushcliffe Community Contact Centre weekly and work was focusing on young people who were 'Not in Employment, Education or Training' (NEETs). With regard to the Children and Young People's group, one of the highlights was the YouNG project which was a social network project developed in conjunction with young people from Rushcliffe's secondary schools. This helped to promote local businesses and events. Also young people had been consulted about the services that will be delivered from the new young people's centre in West Bridgford.

The year ahead

The Group will continue to scrutinise the Council's work with partners and the new work programme will be confirmed at the first meeting of the new financial year.

Performance Management Board

Annual Report 2012/13

Chairman's Foreword

This annual report summaries the main work which we have undertaken this year. Scrutiny ensures the Borough Council is accountable for its decisions and underpins policy-making based on analysis and evaluation.

We have explored the Council's performance against its strategic tasks and key performance indicators. We have identified areas of strength, balanced against areas where improvement is needed. We have celebrated the good performance and reviewed and investigated areas where we need to strengthen what we do. Our work has proved to be challenging and energising. The role of as 'overseer' and 'surveillance' helps Council to maintain high service standards and value for money in these challenging economic times.

Councillor Gordon Wheeler
Chairman – Performance Management Board

What we are responsible for

The main role of Rushcliffe's scrutiny groups are to:

- Develop a work programme which scrutinises the Council's priorities
- Ensure the Group's work helps implement the Council's plans and policies
- Review, challenge and question how the policy, plans and services are implemented and recommend to Cabinet and Council improvements to services and their performance
- Ensure the work contributes towards value for money, continuous improvement and best practice.

The Performance Management Board's remit is to scrutinise performance including:

- Monitoring the Council's overall performance
- Monitoring performance of specific services and ensuring the Council uses resources effectively
- Complaints.

Our work this year

Monitoring services, helping develop policy and consultation before Cabinet

During the year, the Group considered a wide range of service areas and issues within its scrutiny role, particularly:

- Performance Monitoring
- Civil Parking Enforcement Contract Update
- Review of Customer Feedback 2011/12
- Ombudsman's Annual Letter 2011/12
- Edwalton Golf Courses Annual Report
- Climate Change Strategy Action Plan
- Leisure Centres Contract

Performance Monitoring

An important aspect of the Board's work is to monitor the Council's performance against its key performance indicators and strategic tasks. As part of the Council's performance management framework, the Board scrutinises performance every quarter. Exceptions and highlights are identified and the Board ensures that appropriate corrective action is taken to bring under-performing tasks and indicators back on track.

Some of the issues arising from performance reports discussed this year include:

- Percentage of Calls answered with 30 seconds at the RCCC
- Vehicle Crime
- Burglaries
- Delivery of Affordable Homes – Members were concerned about the low level of delivery and requested for more options to be explored
- Rateable Value of Commercial Property in the Borough

Civil Parking Enforcement contract update

In August 2012, Members discussed the financial performance of the contract including the number of Penalty Charge Notices (PCNs), costs associated with the contract and income and deficits. The district councils had put pressure on the County Council and the contract would be retendered to obtain a more beneficial financial outcome based on four years' data and experience.

At the Board's request a further update was received in April 2013 where Members discussed the appeals process for PCNs, partnership arrangements with the County Council and details of the future Enforcement Contract coming into effect in November 2013.

Review of Customer Feedback 2011/12

This subject is closely linked to the Ombudsman's Annual Letter. The process had been streamlined by reducing the number of stages of complaints from three to two. Members learnt that the Council had received 194 compliments and 116 complaints with the highest number of complaints being in the Trent Bridge Ward which was home to the largest number of flats and student accommodation units.

Ombudsman's Annual Letter 2011/12

There were eight cases decided upon – three cases were dismissed, four had no maladministration and one was deemed to have had no or minor injustice.

Edwalton Golf Courses Annual Contract Report

At the November 2012 meeting, Members learnt that the contract with Glendale Golf had been extended for another five years. The dreadful weather had caused the number of people playing golf to decline, however, the number of people using the social facilities had increased. The annual survey showed 90% of respondents lived within 12 miles of the course and the majority were either satisfied or very satisfied with facilities. Members received an update on the development of junior golf including its work with primary schools. A new loyalty scheme and plans in the future to improve the website and target marketing using the database were being developed. Members were informed that Glendale had received the golf mark award and accreditation for its work coaching young people.

Climate Change Strategy Action Plan Update

Members were updated on progress against the targets to reduce emissions by 15% by 2015 and by 30% by 2020. Highlights thus far included the Warmstreet Scheme, fuel poverty advice, IT power management controls, purchase of new more energy efficient vehicles and energy champions in each service area. Members were pleased that 80% of the plan and 78% of the Carbon Management Action Plan had been completed. As part of their discussions the Board recommended that the impact and consequences of developments on climate change and the environment should be included in all reports to the Development Control Committee.

Leisure Centre Contract – Annual Report by Parkwood Leisure 2013

Members received a report outlining the contract for the management of five of the Council's leisure centres at the February 2013 meeting.

Members heard that usage overall was higher than targeted. Parkwood was working hard to increase participation among young people including developing apps, online bookings and developing Facebook content.

The leisure card was well used and provided good value for money membership opportunities. With all the data available Parkwood had analysed people's postcodes and identified that the majority of the users used a centre that was within five miles of their home.

Following the introduction of the Non Profit Distribution Organisation, significant savings had been achieved for the Council which had improved the financial viability of the centres. It was pleasing to note that this had been achieved whilst increasing customer satisfaction levels, which had been rated at 81.9%. All centres had achieved highly commended within the Quest accreditation and Parkwood had achieved the Investors In People award.

Parkwood had developed the performance of the leisure centres over the first 5 years attaining and improving quest scores across all sites. Other highlights for the year included the continuation of the apprenticeship schemes with South Nottingham College and the Amateur Swimming Association, successful partnership working with the Sports Development Officer on Sportivate projects and successful holiday programmes across all five sites.

The Board noted that the objectives and performance measures for the contract needed updating and asked for new proposals to be included in future reports.

Member Panels

The Board did not establish any Member Panels this year.

Call-ins

The Board did not discuss any Call-ins this year.

Looking forward to the year ahead

The Performance Management Board will build on its work over the last year by scrutinising the Council's performance in delivering its priorities for improvement, along with scrutinising key service areas. The new work programme will be outlined at the first meeting of the new year.

Standard Checklist for Reports

Meeting: Council

Report Title: Annual Review of Scrutiny 2012-13

Author:

The following issues are relevant to this report and have been properly considered in its preparation and in the recommendations made. Appropriate consultation has been made and advice sought on these issues as required. (See notes on the intranet)

Financial	<input type="checkbox"/>	Human Rights	<input type="checkbox"/>
Legal	<input type="checkbox"/>	Equal Opportunities	<input type="checkbox"/>
Policy	<input type="checkbox"/>	Crime and Disorder	<input type="checkbox"/>
Risk Management	<input type="checkbox"/>	Environment/EMAS	<input type="checkbox"/>

(Mark all appropriate boxes)

Has this report been considered by EMT Yes/No

Comments:

If you do not think your report needs to consider any of the above categories please state why.

Name of Officer Completing Form:

This form must be completed and sent to the relevant Member Support Officer together with the Report by the agreed deadline. It will also be appropriate to complete this form when producing reports for certain officer meetings, e.g. Management Team

Notes for completion of this form can be found on the intranet