

When telephoning, please ask for :

Telephone no :

Email:

Our Reference :

Your Reference :

Date : 17 September 2014

To all Members of the Council

Dear Councillor

A meeting of the RUSHCLIFFE BOROUGH COUNCIL will be held on Thursday 25 September 2014 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
4. Mayor's Announcements
5. Leader's Announcements
6. Chief Executive's Announcements
7. Statement of Accounts 2013/14

The report of the Executive Manager – Finance and Commercial is attached (pages 6 - 14).

8. Independent Review of Members' Allowances

The report of the Chief Executive is attached (pages 15 - 18).

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9. Polling District and Polling Places Review

The report of the Chief Executive is attached (pages 19 - 34).

10. Scrutiny Annual Reports 2013/14

The report of Executive Manager - Operations and Corporate Governance is attached (pages 35 - 56).

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

12. Local Government Act 1972

It is RECOMMENDED that the public be excluded from the meeting for consideration of the following item of business pursuant to section 100A (4) of the above Act on the grounds that it is likely that exempt information may be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

13. Investment Opportunity, West Bridgford

The report of the Chief Executive is attached (pages 57 - 62).

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| 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.

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**MINUTES
OF THE MEETING OF THE
COUNCIL
THURSDAY 26 JUNE 2014**

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

PRESENT:

Councillor R Hetherington - Mayor
Councillor F A Purdue-Horan – 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, B Buschman, R L Butler, H A Chewings, L B Cooper, J E Cottee, J A Cranswick, J E Fearon, J E Greenwood, R M Jones, K A Khan, I I Korn, N C Lawrence, E J Lungley, A MacInnes, Mrs M M Males, G R Mallender, S E Mallender, D J Mason, F J Mason, G S Moore, B A Nicholls, E A Plant, S J Robinson, J A Stockwood, Mrs M Stockwood, B Tansley, J E Thurman, H Tipton, D G Wheeler, J G A Wheeler

OFFICERS PRESENT:

| | |
|---------------|---|
| A Graham | Chief Executive |
| V Nightingale | Senior Member Support Officer |
| P Steed | Executive Manager – Finance and Commercial |
| D Swaine | Executive Manager - Operations and Corporate Governance |

APOLOGIES FOR ABSENCE:

Councillors Mrs S P Bailey, J N Clarke, T Combellack, A M Dickinson, Mrs J M Marshall, D V Smith, Mrs J A Smith, P Smith, T Vennett-Smith

OPENING PRAYER

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

11. Declarations of Interest

There were none declared.

12. Minutes

The minutes of the meeting held on Thursday 15 May 2014 were received as a correct record and signed by the Mayor.

13. Mayor's Announcements

The Mayor informed Council that he had attended 17 functions since the last Council meeting. He reminded Members of the two events being held at the

weekend, the Proms in the Park on Saturday and his Civic Service on Sunday.

14. Leader's Announcements

The Deputy Leader stated that the Leader had announced his changes to the Cabinet portfolio holders. Since then Councillor Fearon had said that he wished to retire from the Cabinet. The Leader had said that to facilitate this he was appointing Councillor Cottee to the Community and Leisure Portfolio from 1 July 2014. Councillor Cranswick thanked Councillor Fearon for all his hard work whilst he had been the Cabinet Portfolio Holder for Community Safety and Leisure, where he had worked on the development of the Leisure Strategy.

Councillor Cranswick informed Members that the Council had been shortlisted for its YouNG project in the Municipal Journal Award 'Better Outcomes' category. Unfortunately, the Council had not won but the initiative had been one of only eight national projects shortlisted.

15. Chief Executive's Announcements

The Chief Executive stated that Members had been provided with a briefing note regarding the Core Strategy Examination that would take place between 1 and 11 July 2014. He stated that staff had worked hard to prepare for the examination and it was hoped that the Inspector would find that it was a sound policy.

He also informed Members that the Executive Manager – Finance and Commercial had led a team of officers who had participated in the O2 Rugby competition at Twickenham. He was pleased to announce that they had been raised £1,225 for the Mayor's charity. The Mayor thanked staff for this contribution.

16. Community Governance Review of Shelford and Newton: Recommendation of Cabinet

Councillor Cranswick presented the report of the Executive Manager - Operations and Corporate Governance in respect of the Community Governance Review for Shelford and Newton. He reminded Members that a petition had been received from 47.8% of residents requesting that separate parish councils should be established for Shelford and Newton in June 2013. As a result of that petition a community governance review was undertaken in accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 – Schedule 1.

He explained that, following Cabinet's decision on 11 February 2014, a second consultation had been undertaken. The consultation asked residents if they agreed with the proposed recommendations on the names of the new parishes, the number of councillors per parish and that the two parishes should not be warded. A map was included within the leaflet which identified the proposed boundaries for residents to comment upon. He stated that these boundaries had been amended from the original proposition to ensure that

they were co-terminous with the Newton boundary and the new East Bridgford Ward boundary from May 2015.

Commenting further Councillor Cranswick confirmed that the Community Governance Review Member Group had met on 7 May 2014 to consider responses to the second round of consultation. He stated that 98% of the respondees agreed with the recommendation. Having considered the responses from the Stage 2 consultation the Group had therefore agreed that the recommendations should be upheld and had referred this matter to Cabinet on 10 June 2014. Cabinet had unanimously supported the recommendations.

Councillor S Boote, in support of the recommendation, thanked all officers and Members for the work that had been carried out to fulfil the residents' request. He stated that there had been a discussion at the Parish Conference about the role of parishes and local democracy. With regards to the finances and the costs of running a parish council he pointed out that this was not part of the Borough Council's remit and that any precept was the responsibility of the parishes.

Councillor Bannister stated that he believed that several positives lessons had been learnt from the community governance review for Edwalton and these had been applied to this review.

Councillor S Mallender agreed with the previous comments and acknowledged the hard work of the Community Governance Review Member Group.

In conclusion, Councillor Cranswick informed Members that following Council's approval there were many technical issues, including finances, that would have to be dealt with and that the Council would be guided by the Monitoring Officer. He also stated that the Reorganisation Order would need to be finalised in order that the arrangements were in place for the elections in 2015.

RESOLVED that:

- a) separate parish councils for Shelford and Newton be established;
- b) these parishes should be named Shelford and Newton respectively;
- c) there should be five parish councillors for Shelford and nine parish councillors for Newton
- d) the parishes should not be warded.
- e) the boundaries of the new parishes should be as shown on the map contained within **Appendix 3** of the report.
- f) Council authorises the Chief Executive to finalise the Reorganisation Order, in consultation with the Cabinet Portfolio Holder for Transformation, in order that its commencement is consistent with the statutory electoral timetable and the process for setting any parish budget requirements.

17. **To Answer Questions under Standing Order 11(2)**

Question from Councillor S J Boote to Councillor J A Cranswick

What procedures are there for informing councillors of complaints by members of the public about Council services?

Councillor Cranswick replied that a report was presented to the Performance Management Board each year which outlined the number of complaints, comments and compliments from residents.

Supplementary Question

Councillor S Boote asked if Members could be informed of the complaints received on a more frequent basis. He felt that these should be included in Members' Matters along with the compliments.

Councillor Cranswick stated that the Council's process was very vigorous and that reporting complaints in this way would not be correct. He felt that the report to the Performance Management Board contained sufficient detail for Members to consider if there were any trends.

Question from Councillor R M Jones to Councillor J A Cranswick

What are the outcomes for the 517 Rushcliffe households, you told us last year were affected by the 'under-occupancy'/bedroom tax arrangements, in terms of debt and of move of accommodation?

Councillor Cranswick replied that debt only concerned the tenant and the landlord and was not a matter for Council. He informed Members that since the changes to the benefit system had been introduced the number of people affected had reduced. He stated that 41 people had moved and that 125 people had ceased claiming housing benefit, primarily due to people starting work or having moved out of the Borough.

Supplementary Question

Councillor Jones acknowledged that debt was not directly a Council responsibility. However, he felt that the Council should consider undertaking a survey of those residents affected to ascertain if there were any future consequences to the Borough's housing stock.

Councillor Cranswick did not feel that a Borough wide survey would be beneficial as this was a national initiative. He was confident that if it was necessary the Government would sponsor a nationwide survey.

Question from Councillor L Abbey to Councillor R L Butler

As a result of the number of new housing developments that have already gained recent planning permission in East Leake, providing far in excess of the 400 homes proposed for the settlement in the emerging Core Strategy, how much of a reduction is there likely to be in the number identified so far in other areas of the Borough, in particular on the urban fringe?

Councillor Butler replied that the proposed Core Strategy's housing targets for East Leake, Keyworth, Radcliffe on Trent and Ruddington are minimum targets for new homes expected to be built by the end of the Plan period (2028) over and above those sites that had already been identified within the April 2013 Strategic Housing Land Available Assessment update. As these targets are minimums, and the Plan's overall housing target of 13,150 new homes is a minimum target, exceeding the minimum target in any one of these settlements would not lead to a corresponding reduction in the number of new homes expected on proposed allocations elsewhere in the Borough.

Question from Councillor D M Boote to Councillor R L Butler

Given that the Annual Affordable Housing report of August 2013 said that the net annual need for affordable homes was for 463 new dwellings and the SHMA in 2008 said the annual requirement was for 334 dwellings, how many affordable homes have been completed in each of the recent years?

Councillor Butler replied that in 2013/14 30 affordable homes had been built. He also explained that in 2012/13 there had been 41; in 2011/12 there had been 53; 2010/11 there had been 27; 2009/10 there had been 67 and in 2008/09 there had been 73 affordable homes built.

Supplementary Question

Councillor Mrs D Boote asked about future plans to build affordable homes.

Councillor Butler responded that the Council was working with developers to ensure that the Council's policy which required a minimum of 30% of the dwellings to be affordable on large site was included in the mix of proposed properties. He also reminded Members that affordable housing was one of the elements of the Core Strategy that was being considered by the Planning Inspector at the Inquiry starting on 1 July 2014. He also reminded Members that the New Homes Bonus had been utilised to assist housing providers, such as Metropolitan Housing, to develop affordable housing.

He acknowledged that the recent recession had caused many challenges but he was sure that the situation would improve over the next few years, especially as officers would continue to work closely with partner organisations and developers.

The meeting closed at 7.30 pm.

MAYOR

Report of the Executive Manager – Finance and Commercial

Summary

1. The 2013/14 Statement of Accounts was considered, along with the External Auditor's 'Report to those charged with governance' by the Corporate Governance Group meeting on 4 September 2014. The Corporate Governance Group was satisfied with the quality and content of the Accounts and identified no issues that it wished Council to consider in their approval. This report requires the Council to approve the Statement of Accounts for 2013/14 and the Management Representation Letter.

Recommendation

It is RECOMMENDED that Council approve:

- a) The Statement of Accounts for 2013/14 (**Appendix A**).
- b) The Management Representation Letter (**Appendix B**).

2. Reasons for Recommendation

- 2.1 To demonstrate compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 ('the Code') and various legislation such as the Accounts and Audit Regulations (2011); and to help readers and stakeholders engage with the Accounts and demonstrate good stewardship.

3. Supporting Information

- 3.1 The Statement of Accounts 2013/14 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 2013/14 ('the Code') and the Service Reporting Code of Practice for Local Authorities (SerCOP).
- 3.2 Members will recall in recent years concerns were raised by the auditors regarding the closure of accounts process, much of which was addressed in the closure of the 2012/13 Accounts. Pleasingly this positive direction of travel has continued with the Accounts being closed earlier, allowing for better quality assurance, and no diminution in the quality of working papers presented for audit. These are highlighted for reference in the external

auditors (KPMG) 'Report to those charged with governance (ISA260) 2013/14' (Corporate Governance Group, 4 September 2014).

3.3 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 2013/14;
- The statements have been properly prepared in accordance with the relevant code of practice; and
- The Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year 2013/14.

3.4 **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.

4 Risk and Uncertainties

4.1 Failure to adhere to professional accounting practice could lead to potential criticism from the Council's external auditors and inadequate Financial Statements.

5 Implications

5.1 Finance

There are no direct financial issues although the report and **Appendix A** relate to the Council's overall financial position for 2013/14.

5.2 Legal

None

5.3 Corporate Priorities

Not applicable

5.4 Other Implications

None

| | |
|--|---|
| For more information contact: | Name; Peter Linfield Service Manager - Finance and Commercial 0115 914 8439 email plinfield@rushcliffe.gov.uk |
| Background papers Available for Inspection: | Corporate Governance Group Agenda, 4 September 2014 |
| List of appendices (if any): | Appendix A – Statement of Accounts 2013/14 Appendix B – Draft Management Representation Letter Appendix C – Draft Management Representation Letter: Definitions |

STATEMENT OF ACCOUNTS FOR YEAR ENDED 31 MARCH 2014



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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 2013/14 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 2013/14.

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 2013/14 (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 2013/14.

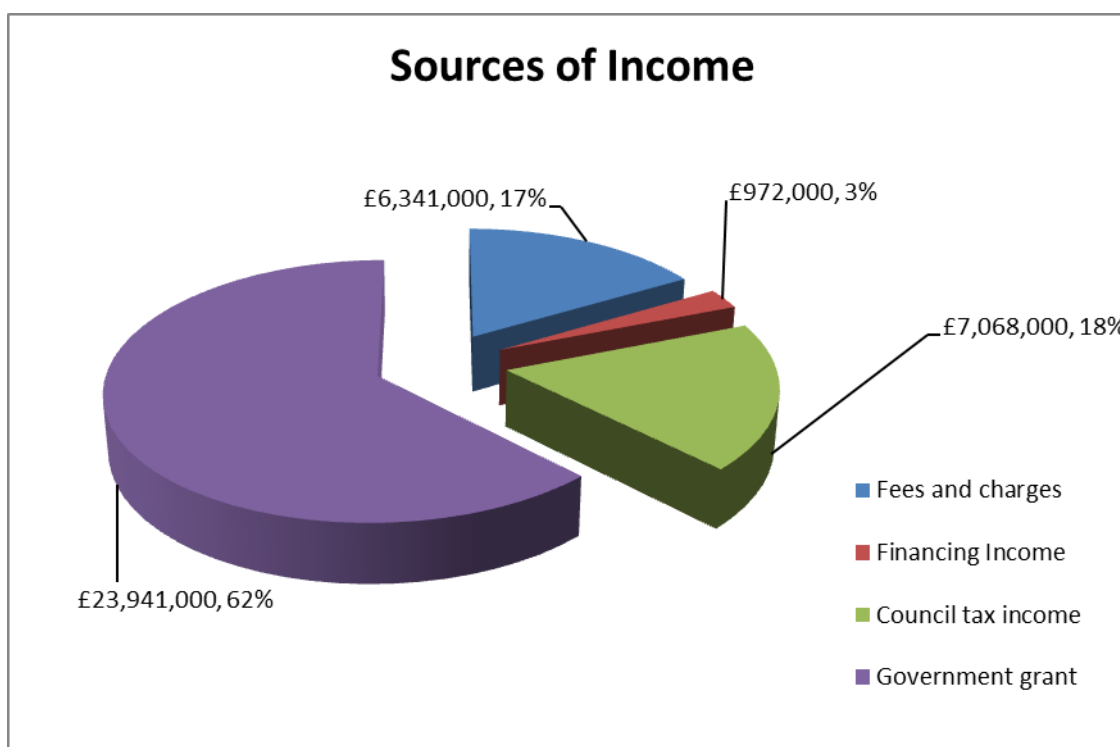
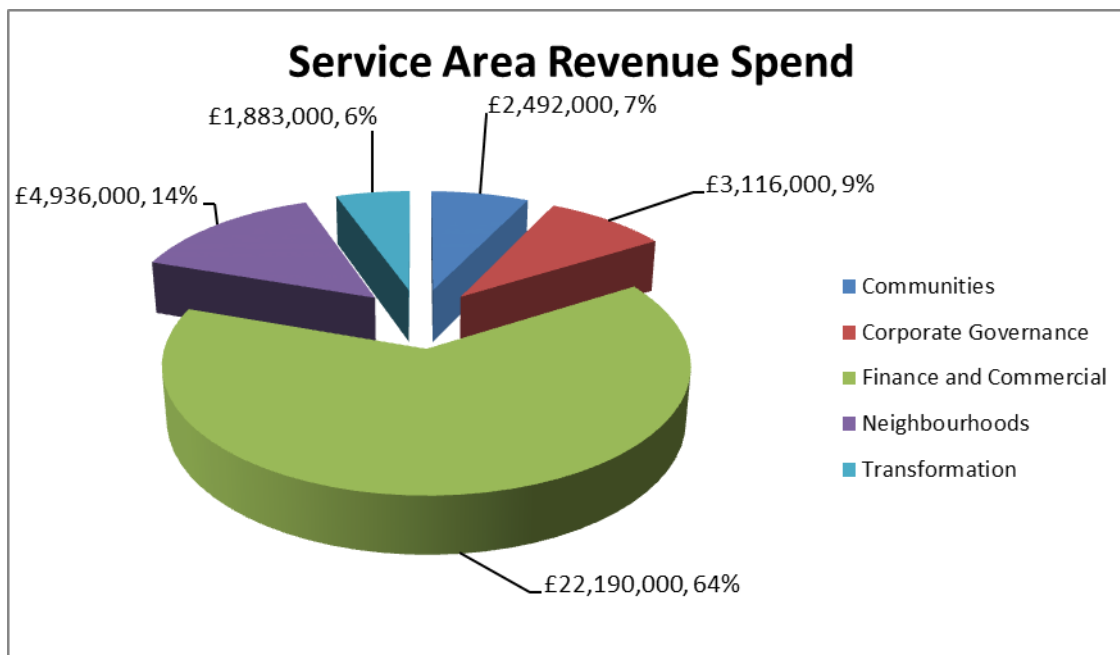
2. Revenue Expenditure and Income

The Council receives and spends money from various sources. The income comes primarily from central government, local residents in the form of Council Tax, and local businesses (as Business Rates). 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 £1.844m into Reserves. This included £0.974m of New Homes Bonus, £0.340m arising from the release of balances from the balance sheet as a result of a cleansing exercise and £0.350m of Small Business Rates Relief as a result of the Government extending the level of relief from 50% to 100%. 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; and
- 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 2012/13 at £2.6m. Earmarked reserves have increased by £1.8m from £8.4m to £10.2m (see Note 8, page 30). The increase in reserves puts the Council in a stronger position to both withstand future financial pressures and look at opportunities to develop the borough.

The following charts demonstrate where money was spent in 2013/14 and how this expenditure was funded:



Source: Segmental Reporting – Note 26

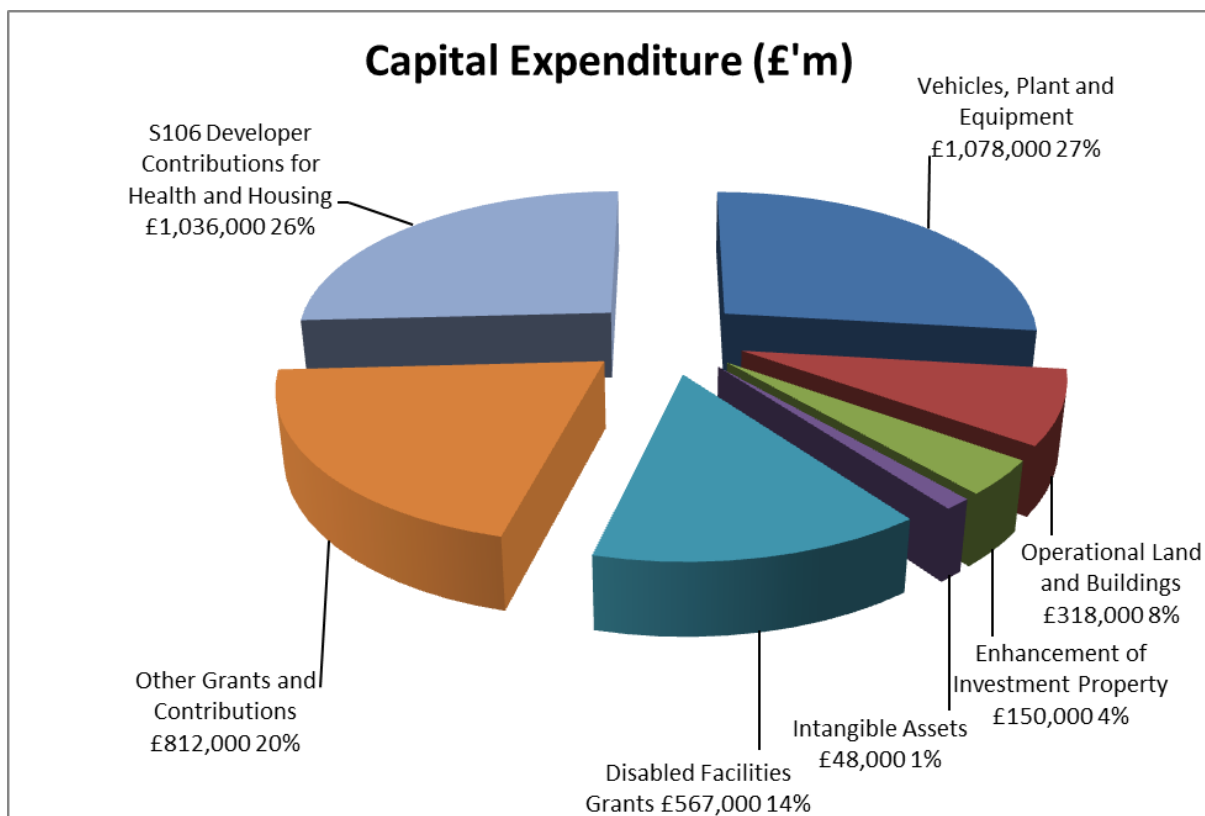
3. Capital Expenditure and Income

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 2013/14, schemes totalling £577,000 were undertaken on the Civic Centre giving rise to enhancement of the operational building and the Civic landlord function. The Council

invested £539,000 in the acquisition and enhancement of vehicles for the fleet and also spent £245,000 improving Information Systems either through the acquisition of hardware or intangible software assets. The other significant form of Capital Expenditure comprises capital grants and contributions released to finance capital assets owned by third parties. Of the £812,000 released, £512,000 was invested to facilitate provision of Social Housing units by way of grants to Registered Social Landlords and the balance was awarded for Partnership Grants. A further £567,000 was awarded to owner occupiers in the form of Disabled Facilities Grants (partially offset by a grant from Central Government totalling £225,000).

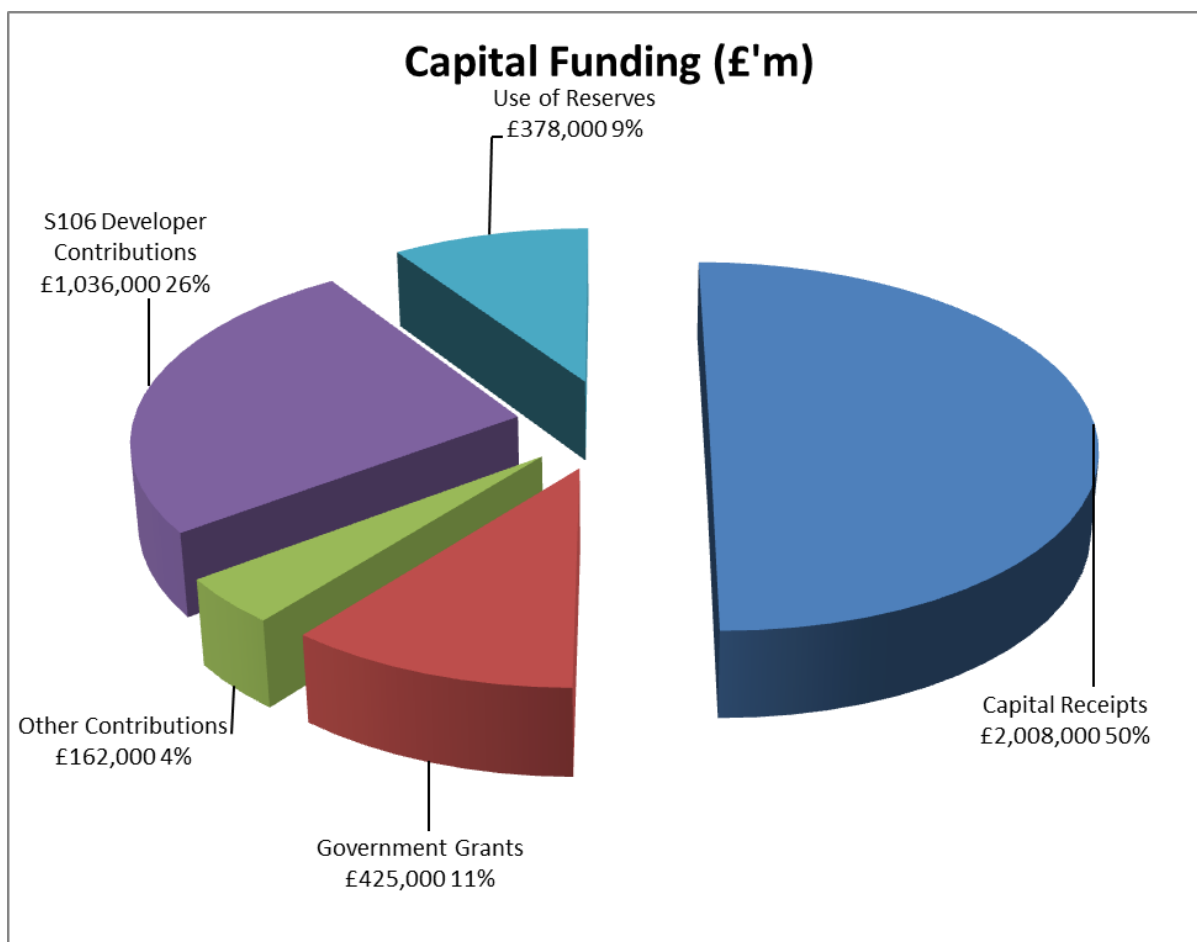
The Council has to ensure its Capital Programme is not only prudent, but also affordable and sustainable. In 2013/14 the Council spent £3.4m compared to an overall Capital Programme of £5.4m. This included the release of £461,000 of Section 106 Planning Agreement Developer Contributions to third parties for investment in Social Housing units. Of the remaining £2m, £1.5m is committed to on-going Capital Schemes and this has been carried forward to the 2014/15 Capital Programme.

In addition to the above expenditure, the Council released £575,000 of Section 106 Planning Agreement Developer Contributions to third parties for investment in Health facilities. This resulted in total capital expenditure for the year of £4m split as follows:



Source: Capital Expenditure and Capital Financing – Note 33

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 Expenditure and Capital Financing – Note 33*

In 2013/14 Capital Receipts represented the largest funding source and, as a result, at 31 March 2014 the balance in the Useable Capital Receipts Reserve stood at £10.949m (2012/13 £12.663m). The release of S106 Planning Agreement Developer Contributions was the next largest source of funding. Of the £1.036m, £575,000 was used for investment in a new Health Centre in Bingham and the remainder supported the development of Social Housing units. Use of Government Grants was the third largest source of funding with the application of £425,000. Just over half of this was for Disabled Facilities Grant expenditure and the remainder was used to fund Partnership Grants and a strategic property acquisition in Cotgrave (Social Housing). Use of Council Reserves increased from £65,000 in 2012/13 to £378,000 in 2013/14 as the Council commenced application of its New Homes Bonus money for Capital Investment in the Borough.

4. Major Service Developments and Future Challenges

During 2013/14 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 2013 Annual Audit Letter, the delivery of transformational activity such as that being delivered with partners at Cotgrave, and looking forward the development of leisure and office facilities, and the maintenance of a balanced revenue budget without reductions in service quality. It also reflects the continued work, outlined in the original Four Year Plan, and the newly developed Transformation Strategy to identify efficiency savings of £1.6m until 2018/19 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 Transformation Strategy and monitors the position on significant projects such as alternative service delivery vehicles such as Streetwise (as a company) and the Leisure and Office accommodation projects. 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 as a result of both a fall in asset values and a rise in liabilities. Statutory arrangements should ensure the financial position of the Council's Pension Fund remains healthy. On-going national reforms, which commenced in April 2014, should assist the Council in closing the funding gap.

5. Financial Statements

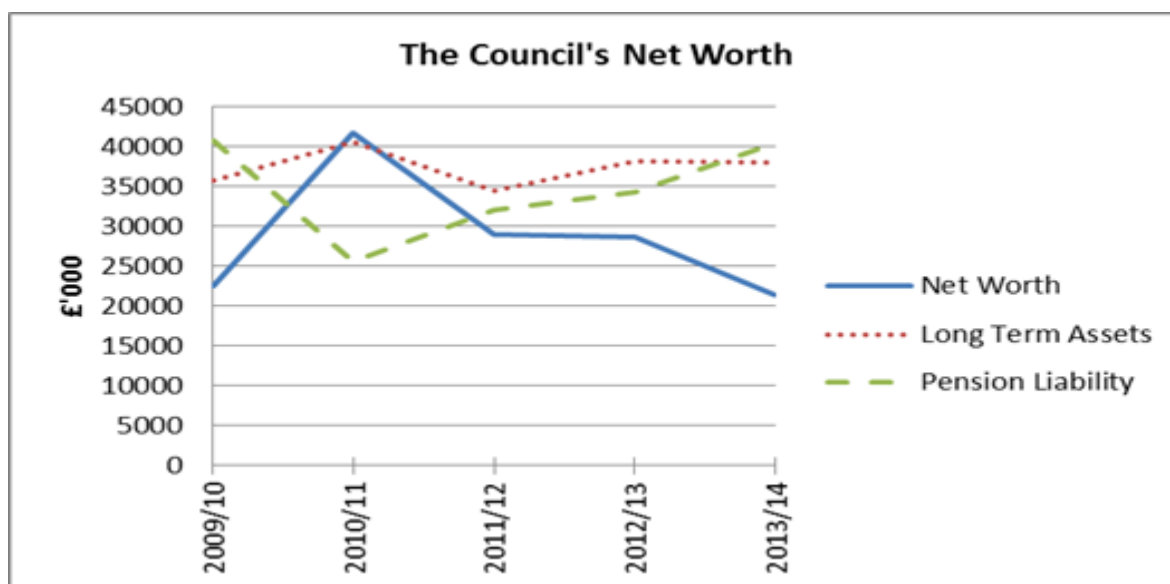
The financial activities of the Council can be split between revenue and capital, and in general terms, the definitions are as follows:-

- 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. Unlike last year some of the one-off costs linked to the Cotgrave re-development downward valuation are not present in 2013-14; the culmination of this and downward pressure on net costs has resulted in the Net Cost of Service reducing from £15.1m to £14.3m. The movement in Financing and Investment Income and Expenditure is technical in nature due to IAS19 treatment of interest in relation to Employee Benefits (pensions). Taxation and non-specific grant income has reduced for a number of reasons, a primary one being that in 2012/13 £1.6m was received in grant from the Homes and Communities Agency for the Cotgrave project.

- **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. The net worth has reduced by £7.4m largely due to the increase in pensions liability.



Source: Balance Sheet

Further key points to note are that as the Council looked to invest longer term there has been a switch between the value of cash held to the value of short term investments. The latter has risen by £12.5m, whereas cash has fallen by a similar amount. This also impacts upon cashflow (Note 24) with higher purchases of short term investments.

Note 20 of the Statement is a new note detailing short term and long term provisions. This has primarily been added due the requirement, as a result of the new Business Rates retention scheme, for a provision for valuation appeals.

- **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 7-22)** – these explain the basis of the figures presented in the accounts. The main changes to these were agreed by the Corporate Governance Group (19th June 2014) concerning the impact of IAS19 on Employee Benefits, changes to the Collection Fund as a result of the Business Rates Retention Scheme, and the removal of what are deemed either non-material or low relevance notes.

- **Notes (pages 7-68)** – these provide supporting context to the above Statements. A number of non-material notes have been removed covering Trading Operations, Agency Services and Pooled Budgets.

6. Supplementary Financial Statements

- **Collection Fund (pages 69-72)** – 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. As stated in Accounting Policy (xxiii) the accounting arrangements for Business Rates has altered with the introduction of the Business Rates Retention Scheme. It is noted that there is a £2.1million deficit on the Business Rates section of the Collection Fund. This is due to a reduction in in-year valuations largely due to the power station.

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 Transformation Strategy 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 981 9911 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)
30 June 2014

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 2014 and up to the date of approval of the statement of accounts.

2 THE GOVERNANCE FRAMEWORK

2.1 Vision and priorities

Long term strategic planning has enabled Rushcliffe to address its immediate financial pressures, develop an initial financial strategy to 2018/19 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; and
- 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 2013/14 and 2014/15, and the financial strategy to 2018/19.

During 2013/14 the Council developed its approach to the financial pressures facing all public bodies through the development of a new Transformation Strategy replacing the Four Year Plan. This outlines how the Council will meet its financial challenges until 2018/19. The Transformation Strategy focuses upon three key elements income generation, service re-design and business cost reduction. It highlights the relationship between the Corporate Strategy, the Medium Term Financial Plan and the Transformation Strategy. As part of the service re-design 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

Progress against previous priorities and actions, as laid down in previous service plans, has been reported to the 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. Its original efficiency requirement of £2.8m has increased to around £6m from 2011/12 to 2018/19. Much has been achieved with around £3.2m of savings over a 3 year period; however, there remains the need to continue to identify savings from the Transformation Strategy in order to meet financial pressures in the medium term. A combination of Member and management challenge has reduced a projected budget shortfall from £2.8m to £1.6m (until 2018/19). The following thematic areas summarise how the budget will be balanced in future years:-

- (a) Service Efficiencies – focusing on both the customer and looking at streamlining services;
- (b) Management Challenge – challenging base budgets each year;
- (c) Transformational Projects - both new projects and those identified via the 4 year plan, eg building control and garage partnerships
- (d) Thinking big reviews – for example the Leisure Strategy and office accommodation projects.

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 significant review was undertaken in 2011/12; however a number of amendments have been made since then to accommodate legislative changes or to reflect changes to the Council's structure.

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 2013/14, the Council's financial management arrangements complied in all respects with the governance requirements of the aforementioned statement, in particular:

- During 2013/14 the Executive Manager (Finance and Commercial) held the post of Chief Financial Officer. The postholder is a professionally qualified accountant with direct access to the Chief Executive, Leader of the Council and other Cabinet Members. The postholder also has 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 Baker Tilly (formerly 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 2013/14. The effectiveness of the overall risk management arrangements is monitored by the Corporate Governance Group who, on 6 February 2014, approved the changes to the Risk Management Strategy. Pleasingly within the 2013/14 Annual Report by Internal Audit there have been enhancements to the existing framework resulting in an improvement in the direction of travel and a 'green' rating (giving substantial assurance).

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

Three 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.

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. The Council also undertakes consultation to inform decisions relating to policy changes. Over the

course of this year, additional consultation was undertaken on leisure provision in West Bridgford, the future uses of Bridgford Hall, and the Edwalton Community Governance Review (regarding parish status). A further review for the Shelford and Newton parish has been undertaken with a report due to June Cabinet.

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.

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 (now Baker Tilly). 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. As mentioned at Section 2.4 the direction of travel has improved and in terms of governance, risk management and internal control substantial assurance has been given by Internal Audit.

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.

The provision of external audit is undertaken by 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.

Whilst the Council's external auditors have recognised improvements in the production of the Statement of Accounts they have also identified two key risks, which the Council are actively managing:

- (a) given the pension fund has undergone a triennial review, risks surrounding the accuracy of the estimate for pension liabilities; and
- (b) the impact of the new cash receipting system on the bank reconciliation process.

During 2014/15 the Council will also need to manage a number of challenges 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. Other challenges include the management of the leisure and accommodation project, and as the Council becomes increasingly innovative the management of alternative service delivery vehicles such as Streetwise (Social Enterprise); and greater collaborative arrangements including the provision of Garage services through Nottingham City Council; and Building Control Services with South Kesteven District Council. These opportunities 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 Auditors 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 2014 on pages 2 to 72. 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 2013/14.

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 Finance and Commercial's 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 2013/14.

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 XVI 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 October 2013, 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 2014.

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 October 2013, 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 2014.

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.

Neil Bellamy

for and on behalf of KPMG LLP, Appointed Auditor

Chartered Accountants

St Nicholas House
31 Park Row
Nottingham
NG1 6FQ
30 September 2014

STATEMENT OF ACCOUNTS

2013/14

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 2014.

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 2014 and its income and expenditure for the financial year ended 31 March 2014.

Peter Steed
Executive Manager (Finance and Commercial)
30 June 2014

FORMAL APPROVAL

Full Council approved the audited Statement of Accounts on 25 September 2014

On behalf of the Council
Councillor Hetherington
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.

| 2013/2014 | 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 2013 | (2,604) | (8,378) | (12,663) | (487) | (24,132) | (4,499) | (28,631) |
| Movement in Reserves during 2013/2014 | | | | | | | |
| (Surplus) or deficit on the provision of services | 3,948 | 0 | 0 | 0 | 3,948 | 0 | 3,948 |
| Other Comprehensive Income and Expenditure | 3,437 | 0 | 0 | 0 | 3,437 | 0 | 3,437 |
| Total Comprehensive Income and Expenditure | 7,385 | 0 | 0 | 0 | 7,385 | 0 | 7,385 |
| Adjustments between accounting basis and funding basis under regulations (Note 7) | (9,229) | 0 | 1,714 | 75 | (7,440) | 7,440 | 0 |
| Net Increase/Decrease before Transfers to Earmarked Reserves | (1,844) | 0 | 1,714 | 75 | (55) | 7,440 | 7,385 |
| Transfers to/from Earmarked Reserves (Note 8) | 1,844 | (1,844) | 0 | 0 | 0 | 0 | 0 |
| Increase/Decrease in 2013/2014 | 0 | (1,844) | 1,714 | 75 | (55) | 7,440 | 7,385 |
| Balance at 31 March 2014 Carried Forward | (2,604) | (10,222) | (10,949) | (412) | (24,187) | 2,941 | (21,246) |

D. THE FINANCIAL STATEMENTS

MOVEMENT IN RESERVES STATEMENT (MIRS)

| 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

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.

| 2012/2013 | | | | 2013/2014 | | |
|-------------------|-------------------|-----------------|---|-------------------|-------------------|-----------------|
| Gross Exp £000 | Gross Inc £000 | Net Exp £000 | | Gross Exp £000 | Gross Inc £000 | Net Exp £000 |
| 7,464 | (5,726) | 1,738 | Central Services to the Public | 2,548 | (446) | 2,102 |
| 3,521 | (654) | 2,867 | Cultural & Related Services | 3,867 | (657) | 3,210 |
| | | | Environmental & Regulatory | | | |
| 6,935 | (1,533) | 5,402 | Services | 6,203 | (1,586) | 4,617 |
| 4,980 | (2,614) | 2,366 | Planning Services | 3,377 | (1,819) | 1,558 |
| 391 | (545) | (154) | Highways & Transport Services | 357 | (554) | (197) |
| 19,722 | (18,727) | 995 | Housing Services | 20,129 | (18,876) | 1,253 |
| 1,740 | (43) | 1,697 | Corporate and Democratic Core | 1,528 | (346) | 1,182 |
| 190 | 0 | 190 | Non Distributed Costs | 550 | 0 | 550 |
| 44,943 | (29,842) | 15,101 | Cost of Services | 38,559 | (24,284) | 14,275 |
| 2,014 | (195) | 1,819 | Other Operating Exp. (Note 9) | 1,911 | (126) | 1,785 |
| 3,883 | (4,168) | (285) | Financing & Investment Inc. & Exp. (Note 10) | 1,926 | (972) | 954 |
| 0 | (14,982) | (14,982) | Taxation & Non-Specific Grant Income (Note 11) | 0 | (13,066) | (13,066) |
| 50,840 | (49,187) | 1,653 | (Surplus)/Deficit on Provision of Services | 42,396 | (38,448) | 3,948 |
| | | (2,279) | Surplus or deficit on revaluation of non-current assets | | | (524) |
| | | 921 | Actuarial gains/losses on pension assets/liabilities | | | 3,961 |
| | | (1,358) | Other Comprehensive Income & Expenditure | | | 3,437 |
| | | 295 | Total Comprehensive Income & Expenditure | | | 7,385 |

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 2013 £000 | | Note Ref | 31 March 2014 £000 |
|-----------------------|------------------------------------|-------------|-----------------------|
| 25,937 | Property, Plant and Equipment | 12 | 26,203 |
| 165 | Heritage Assets | | 169 |
| 10,525 | Investment Property | 13 | 10,323 |
| 305 | Intangible Assets | 14 | 117 |
| 1,244 | Long Term Debtors | 16 | 1,156 |
| 38,176 | Long Term Assets | | 37,968 |
| 5,011 | Short Term Investments | 16 | 17,540 |
| 45 | Inventories | | 18 |
| 1,826 | Short Term Debtors | 17 | 1,550 |
| 28,759 | Cash and Cash Equivalents | 16,18 | 16,095 |
| 35,641 | Current Assets | | 35,203 |
| (54) | Short Term Borrowing | 16 | (54) |
| 0 | Short Term Provisions | 20 | (180) |
| (5,079) | Short Term Creditors | 19 | (6,205) |
| (5,133) | Current Liabilities | | (6,439) |
| (56) | Long Term Provisions | 20 | (572) |
| (5,691) | Capital Grants Receipts in Advance | 16,31 | (4,542) |
| (34,306) | Pension Liability | 36 | (40,372) |
| (40,053) | Long Term Liabilities | | (45,486) |
| 28,631 | NET ASSETS | | 21,246 |
| 12,663 | Usable Capital Receipts Reserve | | 10,949 |
| 2,604 | General Fund Balance | | 2,604 |
| 8,378 | Earmarked Reserves | 8 | 10,222 |
| 487 | Capital Grants Unapplied | | 412 |
| 24,132 | Usable Reserves | | 24,187 |
| 4,499 | Unusable Reserves | 22 | (2,941) |
| 28,631 | TOTAL RESERVES | | 21,246 |

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.

| 2012/2013 £000 | | 2013/2014 £000 |
|-------------------|---|-------------------|
| 1,653 | Net (surplus) or deficit on the provision of services | 3,948 |
| (6,111) | Adjustments to net surplus or deficit on the provision of services for non-cash movements | (7,609) |
| 4,330 | Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 23) | 1,692 |
| (128) | Net cash flows from Operating Activities | (1,969) |
| (1,018) | Investing Activities (Note 24) | 13,692 |
| (2,750) | Financing Activities (Note 25) | 941 |
| (3,896) | Net increase or decrease in cash and cash equivalents | 12,664 |
| (24,863) | Cash and cash equivalents at the beginning of the reporting period | (28,759) |
| (28,759) | Cash and cash equivalents at the end of the reporting | (16,095) |

E. NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2013/14 financial year and its position at the year-end of 31 March 2014. 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 2013/14 and the Service Reporting Code of Practice 2013/14, 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 five 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.
- **Net interest on the net defined benefit liability (asset)** ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments
- **Re-measurements comprising**
 - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure;
 - 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– charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- **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 currently has no long term debt but any future long term debt would be within the Councils Treasury Management Strategy, Minimum Revenue Provision Policy and future Accounting Policies.

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 which are 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 rate 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 section 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 establishment 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 2013/14 (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 in 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.

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.

xxiii. Collection Fund

Billing authorities have to maintain a separate fund for the collection and distribution of amounts due in respect of council tax and non-domestic rates. The Council acts as an agent, collecting and distributing council tax and business rates income on behalf of itself and the major precepting authorities and central government.

From 1 April 2009 for both Billing and Precepting authorities and central government, the NNDR income included in their Comprehensive Income and Expenditure Statement (CIES) shall be the accrued income for the year. Any difference between the income included in the CIES and their

demand or precept is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement. As the collection of Council Tax is an agency agreement there is a debtor/creditor position between the billing Council and the major preceptors. As the billing Council, this Council's Cash Flow Statement includes in 'revenue activities' only its own share of the Council Tax collected.

From 1 April 2013 for billing and precepting authorities and central government, the NNDR income included in their CIES shall be the accrued income for the year. Any difference between the income included in the CIES and their estimate of share of income is taken to the Collection Fund Adjustment Account and included as an adjusting item in the Movement in Reserves Statement. As the collection of NNDR is an agency agreement there is a debtor/creditor position between the billing council and the major preceptor (governed by the Nottinghamshire Pool) and central government. As the billing Council, this Council's Cash Flow Statement includes in 'revenue activities' only its own share of the Council Tax collected.

xxiv. Removal of Notes

The Council generally considers £1m to be a reasonable level in terms of what is material. There are 3 notes which have been excluded on the grounds of the items not being material both in value or political consideration. The items removed are:

- (a) Trading operations with regards to Bingham Market and Building Control (Gross expenditure for 2013/14 of £344,000);
- (b) Agency Services in relation to the Nottinghamshire Parking Partnership with Penalty Charge Notice income amounting to c£97,000 (2013/14); and
- (c) Pooled budgets concerning 'choice based lettings' with regards to Social Housing (gross expenditure in 2013/14 of c£107,000); and South Nottinghamshire Community Safety Partnership to address crime and disorder (gross expenditure in 2013/14 of c£33,000).

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 2014/15 (the Code) has introduced several changes in accounting policies which will be required from 1 April 2014. If these had been adopted for the financial year 2013/14 there would be no material changes as detailed below.

A number of new and revised standards have been issued addressing the accounting for consolidation, involvement in joint arrangements and disclosure of involvement in other entities. These include:

- **IFRS 10 Consolidated Financial Statements** – this standard introduces a new definition of control, which is used to determine which entities are consolidated for the purpose of group accounts. The Council is due to set-up a new Company for its grounds maintenance and street cleansing operations (Streetwise Environmental Ltd), wholly owned by the Council and is likely to have to Group its accounts. This is aiming to be operational from September 2014 (for staff and asset transfer), with the company being incorporated on the 15 May 2014. On consolidation the impact should not be material. Further information is provided below in line with the new disclosure requirements of IFRS12.

- **IFRS 11 Joint Arrangements** – this standard addresses the accounting for a ‘joint arrangement’, which is defined as a contractual arrangement over which two or more parties have joint control. These are classified as either a joint venture or joint operation. The Council has no material joint venture arrangements;
- **IFRS 12 Disclosures of Involvement with other entities** – this is a consolidated disclosure standard requiring a range of disclosures about an entity’s interests in subsidiaries, joint arrangements, associates and unconsolidated ‘structured entities’. The Council will have 100% ownership of Streetwise Environmental Ltd (Ltd by guarantee).
- **IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures** – these standards have been amended to conform with the changes in IFRS 10, IFRS 11, and IFRS 12. Given that there would be no changes in the financial statements, except for disclosure, due to the changes to IFRS 10, IFRS 11 and IFRS 12, there is also no impact as a result of changes in IAS 27 and IAS 28.
- **IAS 32 Financial Instruments Presentation** – the Code references to amended application guidance when offsetting a financial asset and a financial liability. The gains and losses would be separately identified on the Comprehensive Income and Expenditure Statement but currently there are no gains or losses and therefore no further disclosure is required.
- **IAS 1 Presentation of the Financial Statements** – the changes clarify the disclosure requirements in respect of comparative information of the preceding period. The Statement of Accounts fully discloses comparative information for the preceding period therefore these changes will not have a material impact on the Statement of Accounts.

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 a 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 transformation plans will have an effect on the assets of the authority for example the Council’s office accommodation and leisure facilities, these are seen as positive opportunities to improve the Council’s asset base and provide efficiencies;
- 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 on service costs.
- 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 assurance is placed on the use of suitably qualified professionals to provide this estimate. Note 3(b) 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 2014 the Authority had sundry debtor balances of £749,000 and Housing Benefit (HB) debtors of £844,000. If recoverability of these balances falls the amount set aside for these balances would increase. Provisions for bad debt are made according to the age of the debt. The provisions amount to £119,000 and £265,000, respectively for HB and sundry debtors. If recoverability of the debt falls by 10% across all ages of debt an estimated further £96,000 would have to be set aside;

c. Provisions – generally most provisions are relatively low in value. Business Rate appeals (which the Valuation Office is responsible for) have been estimated in line with the new accounting requirements of the national Business Rates Retention Scheme. In total Rushcliffe's estimated liability amounts to £516,000, with a further £744,000 in relation to other precepting authorities and the Government. This has been calculated in accordance with a methodology developed across Nottinghamshire (agreed by Chief Finance Officers) focusing on key determinants such as type of property, reasons for appeal and age of the appeal; and

d. 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.

5. MATERIAL ITEMS OF INCOME AND EXPENSE

In 2013/14 the Council released £1.036m of Section 106 Planning Agreement Developer Contributions to third parties for investment in Health facilities and Social Housing units. These schemes were not commissioned by Rushcliffe but the responsibility for ensuring that the criteria for the S106 are met, lay with the Borough Council. Both the income and expenditure sits within Planning Services (£575,000) and Housing Services (£461,000) in the Comprehensive Income and Expenditure Statement (CIES).

The equivalent amount in 2012/13 was £1.6m of grant funding in connection with Section 106 expenditure, primarily on Education and Transport/Road Safety related capital schemes, this was charged to the CIES within Planning services.

6. EVENTS AFTER THE BALANCE SHEET DATE

There is an expected post Balance sheet event as described at note 2 with the formation of Streetwise Environmental Ltd from May 2014.

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

| 2013/2014 | 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 | (1,852) | 0 | 0 | (1,852) | 1,852 |
| Revaluation gain on Property Plant and Equipment | 524 | 0 | 0 | 524 | (524) |
| Movement in the market value of investment properties | (352) | 0 | 0 | (352) | 352 |
| Capital grants and contributions applied | 48 | 0 | 0 | 48 | (48) |
| Revenue expenditure funded from capital under statute | (562) | 0 | 75 | (487) | 487 |
| Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES | (36) | 0 | 0 | (36) | 36 |
| Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement | | | | | |
| Capital expenditure charged against the General Fund Balance | 25 | 0 | 0 | 25 | (25) |
| Adjustments primarily involving the Capital Grants Unapplied Account | | | | | |
| Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement | 0 | 0 | 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 | 143 | (261) | 0 | (118) | 118 |
| Use of the Capital Receipts Reserve to finance new capital expenditure | 0 | 2,008 | 0 | 2,008 | (2,008) |

7. ADJUSTMENT BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

| 2013/2014 | 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 | 0 | (33) | 0 | (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 | 17 | 0 | 0 | 17 | (17) |
| Adjustments primarily involving the Pensions Reserve | | | | | |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement | (7,662) | 0 | 0 | (7,662) | 7,662 |
| Employers' pensions contributions and direct payments to pensions payable in the year | 1,596 | 0 | 0 | 1,596 | (1,596) |
| 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 | (1,118) | 0 | 0 | (1,118) | 1,118 |
| 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 | 0 | 0 | 0 | 0 | 0 |
| Total Adjustments | (9,229) | 1,714 | 75 | (7,440) | 7,440 |

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) | 0 | 0 | (2,661) | 2,661 |
| Revaluation gain on Property Plant and Equipment | 2,279 | 0 | 0 | 2,279 | (2,279) |
| Movement in the market value of investment properties | 410 | 0 | 0 | 410 | (410) |
| Capital grants and contributions applied | 1,635 | 0 | 0 | 1,635 | (1,635) |
| Revenue expenditure funded from capital under statute | (773) | 0 | 0 | (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) | 0 | 0 | (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 | 0 | 0 | 65 | (65) |
| Adjustments primarily involving the Capital Grants Unapplied Account | | | | | |
| Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement | 249 | 0 | (249) | 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 | 259 | (676) | 0 | (417) | 417 |
| Use of the Capital Receipts Reserve to finance new capital expenditure | 0 | 3,672 | 0 | 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 | 0 | (33) | 0 | (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) | 0 | 0 | (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) | 0 | 0 | (3,613) | 3,613 |
| Employers' pensions contributions and direct payments to pensions payable in the year | 1,406 | 0 | 0 | 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) | 0 | 0 | (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 | 0 | 0 | 5 | (5) |
| Total Adjustments | (905) | 2,963 | (249) | 1,809 | (1,809) |

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.

2013/14 Reserves

| | Balance at 1 st April 2013 £000 | Transfers In £000 | Transfers Out £000 | Balance at 31 st March 2014 £000 |
|--------------------------------------|---|-------------------------|--------------------------|--|
| Investment Reserves | | | | |
| Regeneration and Community Projects | 2,136 | 0 | (25) | 2,111 |
| Cotgrave Regeneration Project | 100 | 72 | 0 | 172 |
| Council Assets and Service Delivery | 684 | 0 | 0 | 684 |
| Local Area Agreement | 294 | 0 | 0 | 294 |
| New Homes Bonus | 785 | 974 | (422) | 1,337 |
| Invest to Save | 661 | 0 | 0 | 661 |
| Corporate Reserves | | | | |
| Organisational Stabilisation Reserve | 2,531 | 2,158 | (880) | 3,809 |
| 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 |
| Leisure Centre Maintenance | 180 | 22 | (55) | 147 |
| Lottery | 55 | 0 | 0 | 55 |
| Planned Maintenance | 100 | 0 | 0 | 100 |
| Total | 8,378 | 3,226 | (1,382) | 10,222 |

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.

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.

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

9. OTHER OPERATING EXPENDITURE

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

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Parish Council Precepts | 1,794 | 1,691 |
| Internal Drainage Board Levies | 220 | 220 |
| Payments to the Government Housing Capital Receipts Pool | 0 | 0 |
| (Gains)/losses on the disposal of non-current assets | (195) | (126) |
| Total | 1,819 | 1,785 |

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:

| | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| Pensions interest cost and expected return on pension assets | 988 | 0 |
| Net interest on the net defined benefit liability (asset)* | 0 | 1,486 |
| Interest receivable and similar income | (313) | (240) |
| Income and Expenditure in relation to Investment Properties and changes in their fair value | (960) | (292) |
| Total | (285) | 954 |

* Accounting policy vii – Employee Benefits provides details relating to the changes to IAS19

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:

| | 2012/2013 £000 | 2013/2014 £000 |
|------------------------------|-------------------|-------------------|
| Council Tax Income | (7,319) | (7,068) |
| Non Domestic Rates | (4,912) | (1,357)* |
| Revenue Support Grant | (95) | (3,131) |
| Capital Grants (Notes 31) | (1,885) | (48) |
| Other Non Ring-fenced Grants | (771) | (1,462) |
| Total | (14,982) | (13,066) |

*This is a net figure and is reduced by RBC's NDR deficit of £863,000 (see the Collection Fund Notes)

12. PROPERTY, PLANT AND EQUIPMENT

Movements on Balances 2013/2014

| | 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 2013 | 20,685 | 9,630 | 3,038 | 329 | 305 | 6 | 33,993 |
| Additions | 239 | 1,078 | 79 | 0 | 0 | 0 | 1,396 |
| Transfers | 305 | 0 | 0 | 0 | (305) | 0 | 0 |
| Revaluation (+/-) recognised in the Revaluation Reserve | (337) | 0 | 0 | 0 | 0 | 0 | (337) |
| Revaluation (+/-) recognised in the Surplus/Deficit on Provision of Services | (156) | 0 | 0 | 0 | 0 | 0 | (156) |
| De-recognition – Disposals | 0 | (548) | 0 | 0 | 0 | 0 | (548) |
| At 31 March 2014 | 20,736 | 10,160 | 3,117 | 329 | 0 | 6 | 34,348 |
| Accumulated Depreciation or Impairment | | | | | | | |
| At 1 April 2013 | (899) | (6,345) | (812) | 0 | 0 | 0 | (8,056) |
| Depreciation charge | (538) | (939) | (174) | 0 | 0 | 0 | (1,651) |
| Depreciation transfer | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation written out to the Revaluation Reserve | 857 | 0 | 0 | 0 | 0 | 0 | 857 |
| Depreciation written out to the Surplus/Deficit on Provision of Service | 193 | 0 | 0 | 0 | 0 | 0 | 193 |
| De-recognition - Disposals | 0 | 512 | 0 | 0 | 0 | 0 | 512 |
| At 31 March 2014 | (387) | (6,772) | (986) | 0 | 0 | 0 | (8,145) |
| Net Book Value at 31 March 2014 | 20,349 | 3,388 | 2,131 | 329 | 0 | 6 | 26,203 |
| Net Book Value at 31 March 2013 | 19,786 | 3,285 | 2,226 | 329 | 305 | 6 | 25,937 |

12. PROPERTY, PLANT AND EQUIPMENT

Movements on Balances 2012/2013

| | Other Land and Buildings | Vehicles, Plant, Furniture and | Infrastructure Assets | Community Assets | Surplus Assets | Assets Under Construction | Total Property, Plant and |
|--|--------------------------|--------------------------------|-----------------------|------------------|----------------|---------------------------|---------------------------|
| 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) |
| De-recognition – 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 |
| De-recognition - 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 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 2014 the Council was committed to works totalling £89,000 for the construction of Property, Plant and Equipment in 2014/15. The majority of this (£86,000) relates to the installation of new play equipment at Rushcliffe Country Park.

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 |
|--------------------------------|--------------------------|--|-----------------------|------------------|----------------|---------------------------|-------------------------------------|
| Carried at Historical Cost | £000 810 | £000 10,160 | £000 3,117 | £000 329 | £000 0 | £000 6 | £000 14,422 |
| Valued at fair value as at: | | | | | | | |
| 31 March 2014 | 11,801 | | | | | | 11,801 |
| 31 March 2013 | 5,600 | | | | | | 5,600 |
| 31 March 2012 | 2,525 | | | | | | 2,525 |
| Total Cost or Valuation | 20,736 | 10,160 | 3,117 | 329 | 0 | 6 | 34,348 |

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.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Rental income from investment property | 860 | 996 |
| Direct operating expenses arising from investment property | (160) | (224) |
| Net gain/(loss) | 700 | 772 |

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 2013/14 and 2012/13.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Balance at start of the year | 8,018 | 10,525 |
| Additions/Enhancements | 2,127 | 150 |
| Disposals | (60) | 0 |
| Net gains/losses from fair value adjustments | 410 | (352) |
| Transfers | 30 | 0 |
| Total | 10,525 | 10,323 |

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 £238,000 charged to revenue in 2013/14 (£274,000 2012/13) 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

| | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| Balances at start of the year | | |
| Gross Carrying Amounts | 1,383 | 1,363 |
| Accumulated Amortisation | (809) | (1,058) |
| Net carrying amount at the start of the year | 574 | 305 |
| Additions | | |
| Purchases | 5 | 48 |
| Transfers into the group | 112 | 0 |
| | 117 | 48 |
| Disposal | (137) | (222) |
| Amortisation | | |
| Amortisations of the period | (274) | (238) |
| Amortisations on disposals | 137 | 224 |
| Amortisations on transfers into the group | (112) | 0 |
| | (249) | (14) |
| Net carrying amount at the end of the year | 305 | 117 |
| Comprising | | |
| Gross Carrying Amounts | 1,363 | 1,189 |
| Accumulated Amortisation | (1,058) | (1,072) |
| Net Book Value | 305 | 117 |

15. ASSETS HELD FOR SALE

The Authority had no Property, Plant and Equipment assets held for sale at the Balance Sheet date. It should be noted, however, that one Investment Property asset (part of the Gresham site) was declared surplus in 2012/13 and was actively marketed with disposal due to take place early in 2014/15. The Code of Practice specifies that this asset must continue to be accounted for as an Investment Property until disposal. Any loss or gain arising from the disposal will be posted to the Finance and Investments Income line in the Comprehensive Income & Expenditure Statement.

In addition, a Cabinet report taken in May 2014 (after the Balance Sheet date) declared two Investment Properties surplus: a bungalow at Boundary Road and Park Lodge. In accordance with the Code, these will continue to be accounted for as Investment Property until disposal. A further operational asset: Rushcliffe Lodge, was also declared surplus in May 2014 and this will be assessed to determine when it fulfils the criteria of being an Asset Held for Sale.

16. FINANCIAL INSTRUMENTS

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

| | Long-term | | Current | |
|---|----------------|----------------|----------------|----------------|
| | 2012/2013 | 2013/2014 | 2012/2013 | 2013/2014 |
| | £000 | £000 | £000 | £000 |
| Investments | | | | |
| Loans and Receivables | 0 | 0 | 33,770 | 33,635 |
| Total Investments | 0 | 0 | 33,770 | 33,635 |
| Debtors | | | | |
| Loans and Receivables | 1,244 | 1,156 | 1,775 | 1,518 |
| Total Debtors | 1,244 | 1,156 | 1,775 | 1,518 |
| Borrowings | | | | |
| Financial Liabilities at Amortised Cost | 0 | 0 | (54) | (54) |
| Total Borrowing | 0 | 0 | (54) | (54) |
| Creditors | | | | |
| Financial Liabilities at Amortised Cost | (5,691) | (4,542) | (2,277) | (3,220) |
| Total Creditors | (5,691) | (4,542) | (2,277) | (3,220) |

Valuation Assumptions

Investments held at 31 March 2014 amounted to £33.38m, consisting of £17.54m of fixed term investments where the instrument carries the same interest rate for the whole term and £15.84m 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.

16. FINANCIAL INSTRUMENTS CONTINUED

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.

17. DEBTORS

| | 2012/2013 £000 | 2013/2014 £000 |
|---------------------------|-------------------|-------------------|
| Central Government Bodies | 421 | 409 |
| Other Local Authorities | 128 | 60 |
| Council taxpayers | 51 | 260 |
| Pre-payments | 18 | 8 |
| Sundry debtors | 1,208 | 813 |
| | 1,826 | 1,550 |

18. CASH AND CASH EQUIVALENTS

| | 2012/2013 £000 | 2013/2014 £000 |
|--------------------------|-------------------|-------------------|
| Cash held by the Council | 1 | 1 |
| Bank Current Accounts | 245 | 204 |
| Short-term Deposits | 28,513 | 15,890 |
| | 28,759 | 16,095 |

19. CREDITORS

| | 2012/2013 £000 | 2013/2014 £000 |
|----------------------------------|-------------------|-------------------|
| Central Government Bodies | 2,106 | 2,077 |
| Other Local Authorities | 783 | 1,072 |
| Nottinghamshire Police Authority | 86 | 137 |
| Nottinghamshire Fire Authority | 36 | 56 |
| Council taxpayers | 79 | 238 |
| Sundry creditors | 1,989 | 2,625 |
| | 5,079 | 6,205 |

20. PROVISIONS

| | Short Term | | |
|---|--------------|------------------|------------|
| | Land Charges | Building Control | Total |
| | £000 | £000 | £000 |
| Balance at 1st April 2013 | 0 | 0 | 0 |
| Additional Provisions made in 2013/14 | 100 | 80 | 180 |
| Amount used in 2013/14 | 0 | 0 | 0 |
| Balance at 31 March 2014 | 100 | 80 | 180 |

| | Long Term | | |
|---|-------------|------------|------------|
| | Leaseholder | NNDR | Total |
| | Deposits | Appeals | |
| | £000 | £000 | £000 |
| Balance at 1st April 2013 | 56 | 0 | 56 |
| Additional Provisions made in 2013/14 | 0 | 1,290 | 1,290 |
| Amount used in 2013/14 | 0 | 0 | 0 |
| Amount transferred in 2013/14 to major preceptors (Gov't, Notts CC and Fire) | 0 | (774) | (774) |
| Balance at 31 March 2014 | 56 | 516 | 572 |

21. USEABLE RESERVES

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

22. UNUSABLE RESERVES

| | 2012/2013 | 2013/2014 |
|--|--------------|----------------|
| | £000 | £000 |
| Revaluation Reserve | 7,447 | 7,873 |
| Capital Adjustment Account | 31,201 | 30,535 |
| Financial Instruments Adjustment Account | (87) | (70) |
| Pension Reserve | (34,306) | (40,372) |
| Deferred Capital Receipts | 229 | 196 |
| Collection Fund Adjustment Account | 75 | (1,043) |
| Accumulated Absences Adjustment Account | (60) | (60) |
| | 4,499 | (2,941) |

22. 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.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Balance at 1 April | 5,266 | 7,447 |
| Upward Revaluation of Assets | 2,279 | 585 |
| Downward Revaluation of Assets and Impairment losses not charged to the surplus/deficit on Provision of Services | 0 | (61) |
| Surplus/deficit on revaluation of non-current assets not posted to the surplus/deficit on Provision of Services | 2,279 | 524 |
| Difference between fair value depreciation and historical cost depreciation | (98) | (98) |
| Accumulated gains on assets sold or scrapped | 0 | 0 |
| Amounts written off to the Capital Adjustment Account | (98) | (98) |
| Balance at 31 March | 7,447 | 7,873 |

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.

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.

22. UNUSABLE RESERVES CONTINUED

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

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Balance at 1 April | 29,316 | 31,201 |
| 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 | (2,387) | (1,614) |
| Amortisation of Intangible Assets | (274) | (238) |
| Revenue Expenditure Funded from Capital Under Statute | (2,959) | (2,415) |
| 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. | (97) | (36) |
| | (5,717) | (4,303) |
| Adjusting amounts written out of the Revaluation Reserve | 98 | 98 |
| Write down long-term debtors | (464) | (118) |
| Net amount written out of the cost of non-current assets consumed in the year | (6,083) | (4,323) |
| Capital Financing Applied in the year | | |
| Use of the Capital Receipts Reserve to finance new capital expenditure | 3,672 | 2,008 |
| Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | 3,821 | 1,520 |
| Application of grants to capital financing from the Capital Grants Unapplied Account | 0 | 103 |
| Capital Expenditure charged against the General Fund Balance | 65 | 378 |
| | 7,558 | 4,009 |
| Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement | 410 | (352) |
| Balance at 31 March | 31,201 | 30,535 |

22. 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.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Balance at 1 April | (34) | (87) |
| 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 | (53) | 17 |
| Balance at 31 March | (87) | (70) |

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.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Balance at 1 April | (32,099) | (34,306) |
| Actuarial gains or losses on pensions assets and liabilities | (921) | (3,961) |
| 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 | (2,692) | (3,701) |
| Employer's pensions contributions and direct payments to the pensioners payable in the year | 1,406 | 1,596 |
| Balance at 31 March | (34,306) | (40,372) |

22. 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.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Balance at 1 April | 215 | 229 |
| Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | 47 | 0 |
| Transfer to the Capital Receipts Reserve on receipt of cash | (33) | (33) |
| Balance at 31 March | 229 | 196 |

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.

| | 2012/2013 £000 | 2013/2014 £000 |
|----------------------------|-------------------|-------------------|
| Balance at 1 April | 91 | 75 |
| Council Tax | (16) | 49 |
| Non Domestic Rates | 0 | (1,167) |
| Balance at 31 March | 75 | (1,043) |

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.

22. UNUSABLE RESERVES CONTINUED

| | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| Balance at 1 April | (65) | (60) |
| Settlement or cancellation of accrual made at the end of the preceding year | 65 | 60 |
| Amounts accrued at the end of the current year | (60) | (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 | 5 | 0 |
| Balance at 31 March | (60) | (60) |

23. CASHFLOW STATEMENT – OPERATING ACTIVITIES

| | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| Net (Surplus) or Deficit on the Provision of Services | 1,653 | 3,948 |
| Adjust net surplus or deficit on the provision of services for non-cash movements | | |
| Depreciation | (1,568) | (1,651) |
| Impairment or downward valuations | (819) | 37 |
| Amortisation | (274) | (238) |
| Increase/Decrease in Creditors | 96 | (831) |
| Increase/Decrease in Debtors | (1,710) | (557) |
| Increase/Decrease in Inventories | (8) | (27) |
| Pension Liability | (1,289) | (2,105) |
| Movement in Provisions | 0 | (696) |
| Carrying amount of non-current assets sold | (97) | (36) |
| Collection Fund Adjustment Account | (16) | (1,118) |
| Other non-cash items charged to the net surplus or deficit on the provision of services | (426) | (387) |
| | (6,111) | (7,609) |
| 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 | 4,071 | 1,549 |
| Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets | 259 | 143 |
| | 4,330 | 1,692 |
| Net Cash Flows from Operating Activities | (128) | (1,969) |

23. CASHFLOW STATEMENT – OPERATING ACTIVITIES CONTINUED

The cash flows for operating activities include the following items:

| | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| Interest received | (366) | (223) |
| Soft Loans – Interest adjustment credited to the Income and Expenditure Statement | 53 | (17) |
| Interest paid | 0 | 0 |
| Total | (313) | (240) |

24. CASHFLOW STATEMENT – INVESTING ACTIVITIES

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Purchase of property, plant and equipment, investment property and intangible assets | 4,931 | 1,731 |
| Purchase of Short-term and Long-term Investments | 136,607 | 143,096 |
| Proceeds from the sale of property, plant and equipment, investment property and intangible assets | (235) | (143) |
| Proceeds from Short-term and Long-term Investments | (141,604) | (130,592) |
| Other receipts from investing activities | (717) | (400) |
| Total Cash Flows from Investing Activities | (1,018) | 13,692 |

25. CASHFLOW STATEMENT – FINANCING ACTIVITIES

| | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| Cash receipts of short and long term borrowing | 0 | 0 |
| Other receipts from financing activities | 0 | 0 |
| Repayment of short and long term borrowing | 0 | 0 |
| Other payments for financing activities | (2,750) | 941 |
| Total Cash Flows from Financing Activities | (2,750) | 941 |

26. 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:

- 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.

26. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

| Service Areas Income and Expenditure 2013/2014 | Communities | Corporate Governance | Finance and Commercial | Neighbourhoods | Transformation | Total |
|--|----------------|----------------------|------------------------|----------------|----------------|-----------------|
| Income | £000 | £000 | £000 | £000 | £000 | £000 |
| Fees, charges and other service income | (1,564) | (46) | (1,538) | (1,909) | (1,405) | (6,462) |
| Government Grants | (7) | 0 | (17,928) | (8) | 0 | (17,943) |
| Total Income | (1,571) | (46) | (19,466) | (1,917) | (1,405) | (24,405) |
| Operating Expenses | | | | | | |
| Employee expenses | 1,743 | 1,967 | 2,571 | 3,431 | 1,001 | 10,713 |
| Other operating expenses | 749 | 1,149 | 19,619 | 1,505 | 882 | 23,904 |
| Total Operating Expenses | 2,492 | 3,116 | 22,190 | 4,936 | 1,883 | 34,617 |
| Net Cost of Services | 921 | 3,070 | 2,724 | 3,019 | 478 | 10,212 |

| 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 |

26. 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.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Net expenditure in the Service Area Analysis | 10,899 | 10,097 |
| 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 | 9,183 | 10,003 |
| Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement | (4,981) | (5,825) |
| Cost of Services in the Comprehensive Income and Expenditure Statement | 15,101 | 14,275 |

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.

26. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS CONTINUED

| Reconciliation to Subjective Analysis 2013/2014 | 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 | (6,462) | (1,518) | 1,639 | (6,341) | 0 | (6,341) |
| Financing and Investment Income | 0 | 0 | 0 | 0 | (972) | (972) |
| Income from council tax | 0 | 0 | 0 | 0 | (7,068) | (7,068) |
| Business Rates Income | 0 | 0 | 0 | 0 | (1,357) | (1,357) |
| Government grants and contributions | (17,943) | 0 | 0 | (17,943) | (4,641) | (22,584) |
| Total Income | (24,405) | (1,518) | 1,639 | (24,284) | (14,038) | (38,322) |
| Operating Expenses | | | | | | |
| Employee Expenses | 10,713 | 1,131 | (4,908) | 6,936 | 0 | 6,936 |
| Other service expenses | 23,568 | 5,329 | (2,335) | 26,562 | 0 | 26,562 |
| Support Service recharges | 0 | 3,851 | 0 | 3,851 | 0 | 3,851 |
| Depreciation, amortisation and impairment | 0 | 1,210 | 0 | 1,210 | 0 | 1,210 |
| Interest payments | 0 | 0 | 0 | 0 | 1,926 | 1,926 |
| Precepts and Levies | 221 | 0 | (221) | 0 | 1,911 | 1,911 |
| Gain or Loss on Disposals of Fixed Assets | 0 | 0 | 0 | 0 | (126) | (126) |
| Total Operating Expenses | 34,502 | 11,521 | (7,464) | 38,559 | 3,711 | 42,270 |
| Surplus or deficit on the provision of services | 10,097 | 10,003 | (5,825) | 14,275 | (10,327) | 3,948 |

26. 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 |

27. MEMBERS ALLOWANCES

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

| | 2012/2013 £000 | 2013/2014 £000 |
|--------------------------|-------------------|-------------------|
| Expenditure | | |
| Allowances | 304 | 304 |
| Other Expenses | 13 | 14 |
| Total Expenditure | 317 | 318 |

28. 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 | 2013/14 | 112,522 | 6,500 | 0 | 14,448 | 133,470 |
| | 2012/13 | 112,000 | 7,101 | 0 | 14,448 | 133,549 |
| Deputy Chief Executive – 1 (to 31 December 2012) | 2013/14 | 0 | 0 | 0 | 0 | 0 |
| | 2012/13 | 61,762 | 4,886 | 62,695 | 77,278 | 206,621 |
| Deputy Chief Executive – 2 | 2013/14 | 61,173 | 1,096 | 61,912 | 7,886 | 132,065 |
| | 2012/13 | 81,504 | 5,729 | 0 | 10,514 | 97,747 |
| Executive Manager – Corporate Governance (Head of Corporate Services to 31 January 2013) | 2013/14 | 84,081 | 0 | 0 | 10,843 | 94,924 |
| | 2012/13 | 71,629 | 3,708 | 0 | 9,316 | 84,653 |
| Executive Manager – Finance & Commercial | 2013/14 | 80,893 | 0 | 0 | 10,350 | 91,243 |
| | 2012/13 | 72,149 | 147 | 0 | 9,293 | 81,589 |
| Executive Manager – Neighbourhoods (Head of Environment & Waste Management to 31 January 2013) | 2013/14 | 78,007 | 0 | 0 | 10,022 | 88,029 |
| | 2012/13 | 70,758 | 3,136 | 0 | 9,128 | 83,022 |
| Executive Manager – Communities (Head of Partnerships & Performance to 31 January 2013) | 2013/14 | 78,254 | 0 | 0 | 10,022 | 88,276 |
| | 2012/13 | 64,398 | 3,166 | 0 | 8,307 | 75,871 |
| Executive Manager – Transformation (Head of Transformation to 31 January 2013) | 2013/14 | 77,688 | 0 | 0 | 10,022 | 87,710 |
| | 2012/13 | 64,398 | 2,510 | 0 | 8,307 | 75,215 |

28. OFFICERS REMUNERATION CONTINUED

| Post Title | Year | Salary, Fees & Allowances £ | Lease Car, Car Compensation & Car Allowances £ | Compensation for Loss of Office £ | Pension Contribution £ | Total £ |
|---|---------|--------------------------------|---|--------------------------------------|---------------------------|------------|
| Head of Planning & Place Shaping | 2013/14 | 6,187 | 309 | 32,057 | 664 | 39,217 |
| | 2012/13 | 61,740 | 3,970 | 0 | 7,965 | 73,675 |
| Head of Revenue & ICT | 2013/14 | 5,494 | 284 | 63,273 | 664 | 69,715 |
| | 2012/13 | 61,829 | 3,932 | 0 | 7,965 | 73,726 |
| Head of Community Shaping (to 28 February 2013) | 2013/14 | 0 | 0 | 0 | 0 | 0 |
| | 2012/13 | 48,712 | 2,547 | 36,482 | 5,920 | 93,661 |

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

| Remuneration Band | Number of Employees 2012/13 | Number of Employees 2013/14 |
|-------------------|-----------------------------|-----------------------------|
| £50,000 - £59,999 | 1 | 6 |

29. EXIT PACKAGES & TERMINATION BENEFITS

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.

| 2013/2014 | | | | |
|------------------------|-----------------------------------|-----------------------------------|---------------------|----------------|
| Exit Package Cost Band | Number of Compulsory Redundancies | Number of other departures agreed | Total Exit Packages | |
| | | | Number | £ |
| 0 – 20,000 | 3 | 3 | 6 | 42,981 |
| 20,001 – 40,000 | 1 | 1 | 2 | 52,881 |
| 40,001 – 60,000 | 0 | 1 | 1 | 55,884 |
| 60,001 – 80,000 | 1 | 0 | 1 | 63,273 |
| 80,001 – 100,000 | 0 | 0 | 0 | 0 |
| 100,001 – 150,000 | 1 | 0 | 1 | 144,678 |
| 150,001 – 200,000 | 0 | 1 | 1 | 197,503 |
| Total | 6 | 6 | 12 | 557,200 |

29. EXIT PACKAGES & TERMINATION BENEFITS CONTINUED

| 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 |

The Council terminated the contracts of a number of people in 2013/14, incurring liabilities of £557,200 (£260,427 in 2012/13). Of this total, £405,454 related to Deputy Chief Executive (£197,503), Head of Planning and Place Shaping (£144,678) and Head of Revenues and ICT (£63,273). The remaining £151,746 relates to three officers who were made compulsory redundant, five officers whose contracts were terminated under other agreed terms and one officer who took early retirement.

30. 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.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Fees payable with regard to external audit services carried out by the appointed auditor | 54 | 54 |
| Rebate of Charges | (6) | (7) |
| Fees payable for the certification of grant claims and returns | 31 | 12 |
| Fees payable in respect of other services provided during the year | 1 | 1 |
| Total | 80 | 60 |

31. GRANT INCOME

The Council credited the following capital grants and contributions to the Comprehensive Income and Expenditure Statement in 2013/14 and 2012/13.

| Grant | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| NCC - Leisure | 267 | 0 |
| Metropolitan Housing Trust (MHT) contribution | 0 | 48 |
| Decent Homes Funding | 18 | 0 |
| Homes and Communities Agency Cotgrave Precinct | 1,600 | 0 |
| Total | 1,885 | 48 |

31. GRANT INCOME CONTINUED

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

| Grant | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| DCLG – NNDR Cost of Collection | 111 | 111 |
| NCC – Leisure Centres | 229 | 213 |
| DWP – Housing Benefit Subsidy and Council Tax Rebates | 22,853 | 17,365 |
| DWP – Housing Benefit Administration | 462 | 434 |
| DCLG – Disabled Facilities Grant (REFCUS) | 287 | 225 |
| HCA – Support for RSL's (REFCUS) | 133 | 123 |
| DECC – Energy Efficiency (REFCUS) | 0 | 53 |
| S106 – Support for RSL's (REFCUS) | 78 | 461 |
| S106 – Planning Projects (REFCUS) | 1,634 | 575 |
| Total | 25,787 | 19,560 |

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 | 2012/2013 £000 | 2013/2014 £000 |
|------------------------------------|-------------------|-------------------|
| S106 Planning Agreements | | |
| Health Contributions | 1,245 | 679 |
| Transport Contributions | 841 | 846 |
| Education Contributions | 904 | 909 |
| Open Space Contributions | 46 | 45 |
| Leisure | 61 | 61 |
| Affordable Housing | 886 | 431 |
| Nature Conservation | 80 | 81 |
| Community Facilities | 1,368 | 1376 |
| Other | 27 | 27 |
| LAA Grant – LSP Initiatives | 32 | 8 |
| HCA Cotgrave Masterplan | 201 | 79 |
| Total | 5,691 | 4,542 |

32. 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.

32. RELATED PARTIES CONTINUED

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 26 on reporting for resource allocation decisions. Grant receipts at 31 March 2014 are shown in Note 31.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total members allowances paid in 2013/14 are shown in Note 27. The members of the Council could potentially have a material related party transaction with the Authority. During 2013/14 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.

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 2013/14 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 £1.691 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 36).

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

33. 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.

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Opening Capital Financing Requirement | (505) | (505) |
| Capital Investment | | |
| Property, Plant and Equipment | 2,467 | 1,396 |
| Heritage Assets | 0 | 0 |
| Investment Properties | 2,127 | 150 |
| Intangible Assets | 5 | 48 |
| Assets Held for Sale | 0 | 0 |
| Revenue Expenditure Funded from Capital Under Statute | 2,959 | 2,415 |
| Sources of Finance | | |
| Capital Receipts | (3,672) | (2,008) |
| Government grants and other contributions | (3,821) | (1,623) |
| Direct Revenue Contributions | (65) | (378) |
| 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 |

34. 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.

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

34. LEASES CONTINUED

| | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| Not later than one year | 380 | 961 |
| Later than one year and not later than five years | 689 | 1,736 |
| Later than five years | 3,901 | 3,617 |
| Total | 4,970 | 6,314 |

The increase in lease payments received from 2012/13 to 2013/14 is because the 2012/13 figures excluded the income stream in relation to The Point.

35. 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 Revaluation and impairment exercise gave rise to revaluation losses of £111,000 (arising from 3 assets) chargeable to the surplus or deficit on the Provision of Services as there was no or insufficient balances in the associated Revaluation Reserves. In addition, the Revaluation exercise gave rise to the reversal of previously recognised revaluation losses totalling £148,000 (arising from 2 assets). Both of these movements are from the revaluation of operational land and buildings and give rise to a net reversal of a previously recognised revaluation loss of £37,000.

The impairment review undertaken during 2012/13 identified one impairment loss of £819,000 in relation to the Cotgrave Regeneration project, which was charged to the Comprehensive Income & Expenditure statement.

36. 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 locally by Nottinghamshire County Council is a funded defined benefit scheme and until 31 March 2014 was a final salary scheme. Changes came into effect on 1 April 2014 and any benefits accrued from this date is based on career average revalued salary, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions 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.

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

36. DEFINED BENEFIT PENSION SCHEMES CONTINUED

The principal risks to the authority of the scheme are:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.
- Statutory changes to the scheme.
- Structural changes to the scheme (ie large-scale withdrawals from the scheme)
- In addition, as many unrelated employers participate in the Nottinghamshire County Council Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

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.

Please note some of the 2012/13 comparatives in the following tables have changed in presentation due to the introduction of IAS19 (as defined by Accounting Policy vii). There is no material impact.

36. DEFINED BENEFIT PENSION SCHEMES CONTINUED

| Local Government Pension Scheme | 2012/2013 £000 | 2013/2014 £000 |
|---|-------------------|-------------------|
| Comprehensive Income and Expenditure Statement | | |
| Cost of Services | | |
| Current Service Cost | 1,604 | 1,762 |
| Administration Expenses | 0 | 4 |
| Past Service Gain | 0 | 0 |
| Settlements and Curtailments | 100 | 449 |
| Financing and Investment Income and Expenditure | | |
| Net Interest Expense | 988 | 1,486 |
| Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services | 2,692 | 3,701 |
| Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement | | |
| Remeasurement of the net defined benefit liability comprising: | | |
| Return on plan assets (excluding the amount included in the net interest expense) | (4,317) | (831) |
| Actuarial Gains and Losses arising on changes in demographic assumptions | 0 | 4,694 |
| Actuarial Gains and Losses arising on changes in financial assumptions | 5,203 | 193 |
| Other | 35 | (95) |
| Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement | 3,613 | 7,662 |
| Movement in Reserves Statement | | |
| Reversal of net charges made to the Surplus or Deficit | (3,613) | (7,662) |
| Actual amount charged against the General Fund for Pensions in the year | 0 | 0 |
| Employers contributions payable to scheme | 1,305 | 1,500 |
| | | |
| Discretionary Benefits | 2012/2013 £000 | 2013/2014 £000 |
| Retirement benefits payable to pensioners | 101 | 96 |

36. DEFINED BENEFIT PENSION SCHEMES CONTINUED

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plan is as follows:

| Local Government Pension Scheme | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Present value of the defined benefit obligation | 84,757 | 88,756 |
| Fair Value Plan Assets | (50,451) | (48,384) |
| Sub total | 34,306 | 40,372 |
| Other movements in the liability (asset) | 0 | 0 |
| Net liability arising from defined benefit obligation | 34,306 | 40,372 |

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

| Local Government Pension Scheme | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Opening Fair Value of Scheme Assets | 44,801 | 50,451 |
| Expected Return on Scheme Assets | 2,528 | 0 |
| Interest Income | 0 | 2,193 |
| Total Actuarial gains/(losses) | 4,317 | 0 |
| Re -measurement gains/(loss): | | |
| The return on plan assets, excluding the amount included in the net interest expense | 0 | 831 |
| Other | 0 | (3,842) |
| Contributions from employer | 1,406 | 1,596 |
| Contributions from employees into the scheme | 410 | 392 |
| Benefits Paid | (3,011) | (3,233) |
| Other | 0 | (4) |
| Closing Fair Value of Scheme Assets | 50,451 | 48,384 |

36. DEFINED BENEFIT PENSION SCHEMES CONTINUED

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

| Local Government Pension Scheme | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Opening Balance 1 April | 76,900 | 84,757 |
| Current Service Costs | 1,604 | 1,762 |
| Interest Cost | 3,516 | 3,679 |
| Contributions by scheme participants | 410 | 392 |
| Re – measurement gains/(loss) | | |
| Actuarial (Gains) and Losses arising from changes in demographic assumptions | 0 | 4,694 |
| Actuarial (Gains) and Losses arising changes in financial assumptions | 5,238 | 193 |
| Other experience | 0 | (3,937) |
| (Gains) and Losses on Settlements / Curtailments | 100 | 449 |
| Benefits Paid | (2,910) | (3,137) |
| Unfunded Pension Payments | (101) | (96) |
| Closing Balance 31 March | 84,757 | 88,756 |

The Local Government Pension Scheme's assets consist of the following categories, by proportion on the total assets held:

| | 2012/13 £000 | 2013/14 £000 |
|---------------------|-----------------|-----------------|
| Equities | 36,829 | 35,320 |
| Gilts | 3,532 | 3,871 |
| Other Bonds | 3,027 | 2,419 |
| Property | 6,054 | 5,322 |
| Cash | 1,009 | 1,452 |
| Total Assets | 50,451 | 48,384 |

From the information we have received from the administering authority, we understand that of the Equities allocation above, 49% are UK investments, 48% are overseas investments and 3% are private equity investments of unspecified origin. Of the above, 93% are listed in a market and the remainder are not.

Of the Gilts allocation above, 60% are UK fixed interest Gilts, 25% are overseas fixed interest government bonds, and 15% are UK inflation – linked Gilts. Of the Other Bonds allocation above, 59% are UK corporates, 9% are overseas corporates and 32% are inflation –linked.

36. DEFINED BENEFIT PENSION SCHEMES CONTINUED

Basis for Estimating Assets & Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years that is dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2013.

The principal assumptions used by the actuary have been:

| LGPS & Disc. Benefits | 2012/13 £000 | 2013/14 £000 |
|---|-----------------|-----------------|
| Mortality Assumptions | | |
| Longevity at 65 for current pensioners | | |
| Men | 18.7 | 22.0 |
| Women | 22.8 | 25.1 |
| Longevity at 65 for future pensioners | | |
| Men | 20.7 | 24.1 |
| Women | 24.6 | 27.4 |
| Rates of Inflation | | |
| RPI (Per Annum) | 3.4% | 3.5% |
| CPI (Per Annum) | 2.6% | 2.7% |
| CPI (Real) | -0.8% | -0.8% |
| Rates of Increase in Salaries | | |
| (Per Annum) | 4.8% | 4.5% |
| (Real) | 1.4% | 1.0% |
| Rates of Increase in Pensions | | |
| (Per Annum) | 2.6% | 2.7% |
| (Real) | -0.8% | -0.8% |
| Rates for Discounting Scheme Liabilities | | |
| (Per Annum) | 4.4% | 4.4% |
| (Real) | 1.0% | 0.9% |

Additional Assumptions

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- 10% of active members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits, which will come into effect during the 2014/15 financial year

36. DEFINED BENEFIT PENSION SCHEMES CONTINUED

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the Defined Benefit Obligation in the Scheme

| | Increase in Assumption £000 | Decrease in Assumption £000 |
|--|--------------------------------|--------------------------------|
| Longevity (increase or decrease in 1 year) | 3,212 | (3,181) |
| Rate of increase in salaries (increase or decrease by 0.1%) | 202 | (201) |
| Rate of increase in pensions (increase or decrease by 0.1%) | 1,348 | (1,324) |
| Rate for discounting scheme liabilities (increase or decrease by 0.1%) | (1,499) | 1,526 |

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. The employer contribution rate for 2014/15 is 13% (2013/14 12.9%) and the authority anticipates paying £1,273,000 in expected contributions to the scheme. The deficit recovery contribution is now expressed as monetary amounts and the contribution anticipated by the authority for 2014/15 is £478,000 (£406,085 in 2013/14). Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2016. The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. The estimated duration of the defined benefit obligation for scheme members is 18 years.

36. DEFINED BENEFIT PENSION SCHEMES CONTINUED

Projected Pension Expense for the Year to 31 March 2015

| Projected Pension Expense | 2014/15 £'000 |
|---|------------------|
| Service cost | 1,433 |
| Net Interest on the defined liability (asset) | 1,749 |
| Administration Expenses | 3 |
| Total | 3,185 |
| Employer contributions | 1,273 |

Note: These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2014.

These projections are based on the assumptions as at 31 March 2014, as described in the Barnett Waddington actuary report.

37. CONTINGENT LIABILITIES

At the 31st March 2014 the Council had one contingent liability requiring disclosure. 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 14 years until 2018 and the latter for 31 years to 2035. The value of the liability is unknown and to date there have not been any issues identified.

Last year there was a second Contingent Liability in respect of Land Charges. A provision has been created for £100,000 to address the likely payment with regard to this liability (see Note 20).

38. CONTINGENT ASSETS

At the 31 March 2014 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 £129,000 in respect of 2013/14 disposals (2012/13 £107,000). 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.

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 potentially giving rise to a significant capital receipt.

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

39. 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 A-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.

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 2014 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:

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

| | 2012/2013 £000 | 2013/2014 £000 |
|------------------------|-------------------|-------------------|
| Less than three months | 443 | 748 |
| Three to six months | 79 | 112 |
| Six months to one year | 87 | 175 |
| More than one year | 518 | 558 |

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.

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.

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

According to this assessment strategy, at 31 March 2014, if interest rates had been 1% higher or lower with all variables held constant, the effect would be:

| | 2012/2013 £000 | 2013/2014 £000 |
|--|-------------------|-------------------|
| Increase in Interest Receivable on Variable Rate Investments | 352 | 176 |
| Impact on Surplus or Deficit on the Provision of Services | 352 | 176 |
| 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

| 2012/ 2013 £000 | | Note Ref | 2013/2014 Council Tax £000 | 2013/2014 NNDR £000 | 2013/2014 Total £000 |
|--------------------|--|-------------|-------------------------------------|---------------------------|----------------------------|
| | INCOME | | | | |
| 61,972 | Council Tax | 2 | 63,571 | 0 | 63,571 |
| | Transfers from General Fund | | | | |
| 5,310 | • Council Tax Benefits | | 0 | 0 | 0 |
| 22,561 | Income from business ratepayers | | 0 | 26,090 | 26,090 |
| 89,843 | | | 63,571 | 26,090 | 89,661 |
| | EXPENDITURE | | | | |
| | Precepts and Demands | | | | |
| 49,468 | • Nottinghamshire County Council | | 46,472 | 0 | 46,472 |
| 6,899 | • Nottinghamshire Police Authority | | 6,608 | 0 | 6,608 |
| 2,889 | • Nottinghamshire Fire Authority | | 2,714 | 0 | 2,714 |
| 7,241 | • Rushcliffe Borough Council | | 6,994 | 0 | 6,994 |
| | Business Rate | | | | |
| 22,450 | • Payments to the National Pool | | 0 | 0 | 0 |
| 0 | • Payments to Government | | 0 | 13,429 | 13,429 |
| 0 | • Payments to Nottinghamshire County Council* | | 0 | 10,940 | 10,940 |
| 0 | • Payments to Nottinghamshire Fire Authority | | 0 | 269 | 269 |
| 0 | • Payments to Rushcliffe Borough Council | | 0 | 2,220 | 2,220 |
| 111 | • Costs of Collection | | 0 | 111 | 111 |
| | Impairment of Debts/Appeals | | | | |
| (123) | • Write offs and uncollectable amounts | | 92 | 121 | 213 |
| 205 | • Allowance for Impairment | | 24 | (132) | (108) |
| 0 | • Provision for appeals | | 0 | 1,290 | 1,290 |
| | Contributions | | | | |
| 861 | • Distribution of previous year's Collection Fund surplus | 3 | 231 | 0 | 231 |
| 90,001 | | | 63,135 | 28,248 | 91,383 |
| (158) | Movement on Fund Balance | 3,5 | 436 | (2,158) | (1,722) |
| 839 | Opening Fund Balance | 3 | 681 | 0 | 681 |
| 681 | Closing Fund Balance | | 1,117 | (2,158) | (1,041) |

*This includes £8,523,000 payable to the Nottinghamshire Business Rates Pool.

F. NOTES TO THE COLLECTION FUND

1. GENERAL

The Collection Fund is an agent's statement that reflects the statutory obligation of the billing authority to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non-Domestic Rates (NDR) and its distribution to local government bodies and the Government.

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 2012/13 | Band | Chargeable properties after discounts | Ratio | Band D Equivalents 2013/14 |
|----------------------------|--|---------------------------------------|-------|----------------------------|
| 3,224 | A | 3,700 | 6/9 | 2,465 |
| 6,320 | B | 6,841 | 7/9 | 5,321 |
| 8,323 | C | 8,752 | 8/9 | 7,779 |
| 8,111 | D | 7,897 | 9/9 | 7,897 |
| 7,035 | E | 5,723 | 11/9 | 6,995 |
| 5,158 | F | 3,565 | 13/9 | 5,149 |
| 3,511 | G | 2,119 | 15/9 | 3,532 |
| 195 | H | 102 | 18/9 | 204 |
| 41,877 | | | | 39,342 |
| (418) | Non-Collection Impairment was 1% for 2013/14 (2012/13 1.00%) | | | (394) |
| 41,459 | Council Tax Base | | | 38,948 |

The reduction in the Council tax base between 2013/14 and 2014/15 is as a result of the Government's Council Tax Localisation changes which revised the way Central Government pay Council Tax benefit compensation to the council.

3. COLLECTION FUND COUNCIL TAX 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 Council Tax 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.

For 2013/14 a Collection Fund Council Tax surplus of £231,000 was redistributed between the major precepting authorities. Of this £253k reflected the estimated outturn on the 15 January 2013 and £22,000 deficit arose from the difference between the estimated and actual outturn positions for 2011/12.

F. NOTES TO THE COLLECTION FUND CONTINUED

At the 15 January 2014 the Collection Fund Council Tax surplus for 2013/14 was estimated at £912,000 comprising an in-year surplus of £461,000 and £451,000 surplus arising from the difference between the actual and estimated outturns for 2012/13. These funds will be redistributed to the major precepting authorities in 2014/15.

| 2012/13 £000 | | 2013/14 £000 | 2014/15 £000 |
|-----------------|----------------------------------|-----------------|-----------------|
| 643 | Nottinghamshire County Council | 172 | 677 |
| 86 | Nottinghamshire Police Authority | 24 | 95 |
| 38 | Nottinghamshire Fire Authority | 10 | 40 |
| 94 | Rushcliffe Borough Council | 25 | 100 |
| 861 | | 231 | 912 |

At the 31 March 2014 the actual outturn for the Collection Fund Council Tax was £1.117million, an increase of £205,000 for the estimated outturn. This will be adjusted for as part of the calculations for the redistribution of Collection Fund balances in 2015/16.

4. 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. In previous financial years the total amount due, less certain allowances, was paid to a central pool (the NNDR pool) which was managed by Central Government, which in turn paid a standard amount back to Councils on a per capita basis.

In 2013/14, the administration of NNDR changed following the introduction of the business rates retention scheme which aims to give Councils a greater incentive to grow businesses but also increases the financial risk due to volatility and non-collection of rates. Instead of paying NNDR to a central pool, local authorities retain a proportion of the collectable rates due. For Rushcliffe Borough Council the local share is 40%, the remainder is distributed to preceptors in the following proportions: Central Government (50%), Nottinghamshire County Council (9%) and Nottinghamshire Fire Authority (1%).

As a result of the changes and to help manage risks surrounding business rates volatility, the Nottinghamshire Business Rates Pool was formed. This is administered by Nottinghamshire County Council and includes the seven Nottinghamshire Districts and Nottinghamshire County Council.

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by the Valuation Office so authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares. Note 20 provides further details on the provision made in 2013/14.

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.

F. NOTES TO THE COLLECTION FUND CONTINUED

| 2012/2013 | | 2013/2014 |
|-----------|---------------------------------------|-----------|
| £71.276m | Local Rateable Values | £68.680m |
| £22.450m | Amount due to the National Pool | 0 |
| 45.8p | National non-domestic rate multiplier | 47.1p |

5. NON-DOMESTIC RATES DEFICIT

At 31 March 2014 the actual outturn for the Collection Fund NNDR was a deficit of £2.158m which is then contributed towards by the preceptors as detailed in the following table.

| | 2013/14 £000 |
|-------------------------------------|-----------------|
| Central Government (50%) | (1,079) |
| Rushcliffe Borough Council (40%) | (863) |
| Nottinghamshire County Council (9%) | (194) |
| Nottinghamshire Fire Authority (1%) | (22) |
| | (2,158) |

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. New arrangements from 1 April 2013,

the business rate retention scheme were introduced. These arrangements provide a direct link between business rates growth and the amount of money local authorities have to spend on services. Local authorities can keep a proportion of their business rates collected in their area after certain contributions to and from the Government have been made.

NON OPERATIONAL ASSET

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

NOTTINGHAMSHIRE BUSINESS RATES POOL

As a result of the new business rates arrangements the Nottinghamshire Business Rates Pool was formed. This is administered by Nottinghamshire County Council and includes the seven Nottinghamshire Districts and Nottinghamshire County Council.

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.

Draft Management Representation Letter

*KPMG LLP
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ*

[Date]

[Salutation]

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 2014, 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 2014 and of the Authority’s expenditure and income for the year then ended; and
- 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 2013/14.

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, the Collection Fund 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:
 - i. give a true and fair view of the financial position of the Authority as at 31 March 2014 and of the Authority's expenditure and income for the year then ended;
 - ii. have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14

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 [ISA (UK&I) 540.22]
3. All events subsequent to the date of the financial statements and for which IAS 10 Events after the reporting period requires adjustment or disclosure have been adjusted or disclosed. [ISA (UK&I) 560.9]
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.[ISA (UK&I) 450.14]

Information provided

5. 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.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Authority confirms the following:
 - i) 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.
 - ii) 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 Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, 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.

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 IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, 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. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.
11. The Authority confirms that:

The financial statements disclose all of the uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view.

Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Authority to continue as a going concern.

12. 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 defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 (revised) *Employee Benefits*.

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;
 - funded or unfunded; and
 - approved or unapproved,
 - have been identified and properly accounted for; and
- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Corporate Governance Group on 4 September 2014 and approved by Rushcliffe Borough Council on 25 September 2014.

Yours faithfully

Mayor of Rushcliffe Borough Council

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.



Council

25 September 2014

Independent Review of Members' Allowances

8

Report of the Chief Executive

1. Summary

- 1.1. The report sets out proposals for an Independent Review of Members' allowances. The last full review was undertaken in 2007. The report asks Council to consider and endorse the proposals for the review and the draft terms of reference. It is intended that the review's recommendations will be reported to a future Council meeting, prior to the end of the municipal year.

2. Recommendation

It is RECOMMENDED that Council considers and endorses the proposals for an Independent Review of Members' allowances and:

- a) endorses the terms of reference for the review as set out at **Appendix 1**; and
- b) authorises the Chief Executive, in consultation with the Group Leaders to finalise the three appointments to the Independent Remuneration Panel and the arrangements for any allowances payable to panel members.

3. Reasons for Recommendation

- 3.1. As the last full review was undertaken in 2007 the proposal in the report will enable a review to be undertaken prior to the end of the municipal year. This will ensure that, if necessary, a revised Member's Allowance Scheme is agreed and in place in time for the 2015 Borough Council elections.

4. Supporting Information

- 4.1. The last full review of Members' allowances was undertaken in 2007 by an Independent Remuneration Panel (IRP) comprising Professor Steve Leach of Leicester De Montfort University, Richard Dix, a former Chief Executive of Newark and Sherwood District Council and Jean Hudson, a former senior Borough Council officer. The findings of this review were agreed by Council in June 2007. A partial review was undertaken in 2008 which focused on special responsibility allowances with the recommendations from this partial review being considered by Council in June 2008.

- 4.2. Given the period of time that has elapsed since the last full review of allowances and the impending Borough Council election next year, it is considered to be an opportune time to carry out another full review of the allowances scheme.

- 4.3. Proposed draft terms of reference for the IRP, which is a statutory requirement, are set out in Appendix 1.
- 4.4. To enable the recommendations of the IRP to be fully considered before the end of the current municipal year, it is recommended that the work should be undertaken during the autumn so that a report can be brought back to Council. If accepted by Council this would enable any recommendations from the review to be considered and agreed and in place for the 2015 municipal year.
- 4.5. In view of the time that has elapsed since the previous full review of allowances it may be necessary to refresh the IRP's membership, but retain its composition of three people, in line with the minimum number prescribed by the regulations. Therefore if Council is minded to approve the undertaking of a review in this municipal year it is necessary to delegate authority to the Chief Executive to make necessary arrangements in respect of the composition of the panel, fees payable to panel members and the provision of administrative support. This process will help to ensure the proposed timescale for the review can be met by enabling appointments to the IRP to be finalised.

5. Risk and Uncertainties

- 5.1. Failure to appoint panel members to the IRP could delay the review process. Therefore the report recommends authority be given to the Chief Executive to finalise the necessary arrangements, in consultation with the Group Leaders, in order that the process is not delayed.
- 5.2. As the last full review was undertaken in 2007 failure to review the allowance scheme now would restrict the Council's ability to ensure its Councillors receive an allowance reflective of their community leadership role and also an amount representative of their responsibilities, taking into account the reduced size of the Council.
- 5.3. In order to retain public confidence in the review process, the composition and appointment of the IRP should be independent from the Council and this is reflected in the report's recommendations.

6. Finance

- 6.1 The costs of carrying out the review will consist of fees and expenses payable to Independent Remuneration Panel members and officer time. However, it is not anticipated that the cost would be significant and will be met from within existing budgets.
- 6.2 The overall budget allocation for Member's allowances forms part of the Council's overall revenue expenditure and sits within the Corporate Governance and Operations budget area. Presently the amount budgeted reflects the allowance scheme for a council of 50 members and comprises of £230,000 for basic allowances, £73,600 for special responsibility allowances, and £12,600 for travel and subsistence claims.
- 6.3 Until the IRP has undertaken its review it is not possible to quantify the financial impact of any changes on these budgets, whilst also taking into

account the reduction in May 2015 to 44 Councillors. Such issues will be a matter for Council to consider and determine at that time.

7. Legal

- 7.1 The Council must under the relevant regulations have regard to the recommendations of the IRP before approving or amending its Members' Allowance Scheme. This is in order to ensure the scheme has been independently reviewed and retain public confidence in the allowance setting process.

8. Corporate Priorities and equality and diversity

- 8.1 Delivery of an independent review of Members' allowances supports delivery of the Council's priority of 'Maintaining and enhancing our residents' quality of life' by ensuring allowance payments to Councillors are reflective of their roles and responsibilities as community leaders. It will also help to ensure the allowances are set at a level that doesn't restrict people's ability to engage in community leadership and become a Councillor, reflecting the aims within the Council's equality scheme.

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| For more information contact: | Allen Graham Chief Executive 0115 914 8349 email agraham@rushcliffe.gov.uk |
| Background papers Available for Inspection: | None |
| List of appendices (if any): | Terms of Reference of IRP |

TERMS OF REFERENCE – Independent Remuneration Panel 2014/15

The Independent Remuneration Panel is set up under the Members' Allowances (England) Regulations 2003 and has 3 members. The Terms of Reference are as follows:

1. To review the Borough Council's Members' Allowance scheme taking into account the roles and responsibilities of Members and having particular regard to the review of Ward boundaries and potential changes to decision-making and scrutiny structure, and external representative roles.
2. To make recommendations as to:
 - the level of Basic Allowance for all Members;
 - the categories of special responsibility for which a Special Responsibility Allowance should be paid and the levels of those allowances;
 - travelling and subsistence allowances;
 - any annual uplift; and
 - the level of any amount relating to ICT provision for Councillors
3. To conduct interviews with relevant persons consistent with the Terms of Reference of the Panel.
4. To produce a report on the Panel's conclusions for consideration by the Borough Council
5. The Panel will particularly have regard to comparative data on the allowances paid by other similar local authorities.

Any proposed system of remuneration must be simple and cost effective to operate.

Report of the Chief Executive

1. Summary

- 1.1. This report sets out proposals for revised polling districts and polling places following a periodic review required by the Electoral Registration and Administration Act 2013 and as a consequence of a review of the Borough Council's electoral arrangements undertaken by the Local Government Boundary Commission for England.

2. Recommendation

It is RECOMMENDED that

- a) Council approve the:
- (i) proposals setting out changes to polling districts, polling places and polling stations, and
 - (ii) revised schedule of polling districts and polling places as set out in **Appendix 2**.
- b) Council requests the Chief Executive to formally publish the notice of the conclusion of the review and its findings.
- c) Should a polling place be unavailable in the run up to an election, the (Acting) Returning Officer in line with his powers under electoral law be given the authority to select an appropriate alternative and formal retrospective approval be sought by Council following the election should this be a permanent proposed change.

3. Reasons for Recommendation

- 3.1. To comply with the legislation requiring the Council to undertake periodic reviews of polling districts and polling places and to implement the new electoral arrangements determined by the Local Government Boundary Commission for England.
- 3.2. To ensure that all electors have such reasonable facilities for voting as are practicable in the circumstances and that, as far as is reasonable and practicable, polling places are accessible to disabled electors.

4. Supporting Evidence

Reason for review

- 4.1. In accordance with the Representation of the People Act 1983, the Council has a duty to divide the Borough into polling districts and to designate a polling place for each of these districts. The legislation also requires every local authority to start and complete a review of its polling districts and polling places between 1 October 2013 and 31 January 2015 (inclusive). Subsequent reviews must be undertaken at least once every five years.
- 4.2. In addition, a review was required to take into account changes made to the Borough Council's electoral arrangements following a review undertaken by the Local Government Boundary Commission for England. The effect of that review was to abolish the existing electoral wards of the Borough of Rushcliffe, (effective for the next ordinary elections in 2015) and replace them with 25 new electoral wards.

Review Process

- 4.3. As required by the legislation, a public consultation period was held from Monday 14 July 2014 to Friday 15 August 2014 seeking the views and comments of electors, interested persons and any persons or bodies with expertise in access to premises or facilities for persons with any type of disability. The consultation also included all Borough Councillors, all Parish/Town Councils, and the Acting Returning Officer for the Newark Parliamentary Constituency which includes some electoral areas within the Rushcliffe Borough
- 4.4. During this period the Acting Returning Officer's proposals and maps of the proposed polling districts were published on the Council's website.

Requirements of the Review

- 4.5. When undertaking a review the Council is required to give due regard to the following considerations:
 - It must seek to ensure that all electors have such reasonable facilities for voting as are practicable in the circumstances.
 - It must seek to ensure that so far as is reasonable and practicable every polling place is accessible to electors who are disabled.
 - Where possible, the polling place should be in its own polling district.
 - Where possible, each parish should be a separate polling district
 - No polling place should be shared by two wards.
 - Where possible, "natural" boundaries should be used, e.g. railways, major roads, etc.

- All properties in a minor road or estate should, ideally, be in the same polling district.
- Polling places should be “logical”; that is, electors should not have to pass another polling place to get to their own.

Consultation Responses

- 4.6. A summary of the consultation comments requesting changes to the polling places and polling districts is attached at **Appendix 1**.
- 4.7. A total of 11 responses were received during the consultation period 10 of which related to polling places in 8 of the 25 new wards and 1 which requested an additional polling district.
- 4.8. 4 of the 10 responses relating to polling places either supported the proposals or requested the retention of an existing polling place which is already included in the revised schedule of polling stations (See **Appendix 2**) and no further comment is made in respect of these responses.
- 4.9. The remaining 7 responses requested changes to polling places or a polling district in 6 electoral wards. Each of these responses has been evaluated to determine if changes are necessary as part of the review process by the Chief Executive taking into account his duties as a Returning Officer and proposals added in the **Appendix 3**.
- 4.10. In respect of responses 1 and 4 regarding the two wards that involve the use of existing primary schools, the Chief Executive has held meetings with the headteachers of these schools to establish how disruption to the academic year could be minimised, either through a managed approach to the site or utilisation of administrative arrangements available to the schools (non-teaching days). In both cases the headteachers were agreeable to the schools being utilised with a preference being expressed to completely close the schools.

Schedule of Polling Stations

- 4.11. If the proposed changes as set out in the report are agreed then it is necessary to revise the schedule of polling stations. As such a revised schedule of polling districts and polling stations is attached at **Appendix 2** for approval.

5. Risk and Uncertainties

- 5.1. The Council is required by legislation to undertake periodic reviews of polling districts and polling places and to implement the outcome of the review of electoral arrangements by the Local Government Boundary Commission for England. Failure to undertake the review risks a legal challenge to future elections.
- 5.2. The completion of the review enables effective planning and organisation of the 2015 elections and to incorporate the alterations to the polling districts in the new register of electors to be published on 1 December 2014.

6. Implications

6.1. Finance

6.1.1. If changes are made to the polling districts and polling places then there could be a resource implication depending on the nature of the change. It is anticipated that these costs would be met from existing budgets.

6.2. Legal

6.2.1. There are no direct legal implications.

6.3. Corporate Priorities

6.3.1. Undertaking the review of polling districts and polling places contributes to the Council's Corporate Priority "Maintaining and enhancing our residents' quality of life" by enabling them to effectively engage in the democratic processes.

6.4. Other Implications

6.4.1. None

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| For more information contact: | Daniel Swaine Executive Manager – Operations and Corporate Governance 0115 914 8343 email dswaine@rushcliffe.gov.uk |
| Background papers Available for Inspection: | Notice of Review of Polling Districts and Polling Places Review of Polling Districts and Polling Places guidance Acting Returning Officers Proposals Submissions to consultation received |
| List of appendices (if any): | <ol style="list-style-type: none">1. Summary of Consultation Comments2. Proposed Revised Schedule of Polling Districts and Polling Places3. Proposals in Respect of Responses Received |

Polling District Review 2014

Summary of Consultation Comments

| Submission No. and Electoral Ward | From | Submission |
|---------------------------------------|-------------|---|
| 1. Bingham East and West Wards | Ward Member | <ul style="list-style-type: none"> • Requesting the use of Bingham WI Hut as an alternative to the Robert Miles Junior School because it would be less disruptive than closing the school on polling day. • Also highlighted accessibility issues at the Bingham Town Pavilion which need addressing because it is the only suitable polling place in Bingham West Ward. |
| 2. Edwalton Ward | Ward Member | <ul style="list-style-type: none"> • Suggested a third polling district would be required for the Edwalton development sometime after 2015 together with an additional new polling station. |
| 3. Musters Ward | Ward Member | <ul style="list-style-type: none"> • Submission raised concerns that electors in polling district MUB2 would find it inconvenient to vote at St Paul's Church Hall Boundary Road and, to overcome the lack of community buildings in the area, suggested possible alternatives such as the shops on Melton Road or possibly the Musters Road Baptist Church. |
| 4. Keyworth and Wolds Ward | Ward Member | <ul style="list-style-type: none"> • Highlighted concerns about the use of the Crossdale Drive Primary School as a polling station and the consequent disruption to education and inconvenience to parents with the closure of the school on polling day. Also suggested that, given the large number of postal voters in North Keyworth, few electors voted at the polling station and further that it was inconveniently located. • The Fairways Public House was suggested as an alternative polling place along with the Playgroup annexe at the School which would obviate the need to close the school. |

| | | |
|----------------------------------|----------------|---|
| 5. Bingham West Ward | Town Council | <ul style="list-style-type: none"> The Town Council requested the use of the Robert Miles Junior School as an alternative to the Town Pavilion given the accessibility issues at the Town Pavilion and the low turnout. It was suggested that one polling place for Bingham would suffice, without problems, in view of the high level of postal voters. |
| 6. Leake Ward | Parish Meeting | <ul style="list-style-type: none"> Request from the Parish meeting to retain the existing polling station at the West Leake Village Hall. Raised concerns about the distance to the alternative polling place in East Leake and the lack of public transport. |
| 7. Bunny Ward | Parish Council | <ul style="list-style-type: none"> Letter received from Parish Council requesting that Bradmore Methodist Community Hall be retained. |
| 8. Nevile and Langar Ward | Parish Council | <ul style="list-style-type: none"> Letter received from Parish Council requesting that Colston Bassett Village Hall be retained. |
| 9. Leake Ward | Resident | <ul style="list-style-type: none"> Concerns raised by a resident about the closure of the polling station at Stanford-on-Soar. |
| 10. Cranmer Ward | Parish Council | <ul style="list-style-type: none"> Letter received stating that they are happy with arrangements as they stand. |
| 11. Gotham Ward | Parish Council | <ul style="list-style-type: none"> Letter received stating that they did not wish any changes to be made and were happy with arrangements. |

Rushcliffe Borough Council

Proposed Revised Schedule of Polling Districts and Polling Places

| Ward | Polling District | Polling Place | Polling District Area |
|---|------------------|---|---|
| ABBEY | ABB1 | Abbey Park Community Centre Buckfast Way West Bridgford | Map 1 Abbey Ward http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%201%20Abbey%20Ward.pdf |
| | ABB2 | West Bridgford Sports Club Stamford Road West Bridgford | |
| BINGHAM EAST These two Polling districts comprise the East Ward of Bingham Parish | BIE1 | Robert Miles Junior School Market Place Bingham | Map 2 Bingham East Ward http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%202%20Bingham%20East%20Ward.pdf |
| | BIE2 | Robert Miles Junior School Market Place Bingham | |
| BINGHAM WEST These two Polling districts comprise the West Ward of Bingham Parish | BIW1 | Town Pavilion Brendon Grove Bingham | Map 3 Bingham West Ward http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%203%20Bingham%20West%20Ward.pdf |
| | BIW2 | Town Pavilion Brendon Grove Bingham | |
| Saxondale Parish | BISA | Town Pavilion Brendon Grove Bingham | |
| BUNNY | | | Map 4 Bunny Ward |
| Bradmore Parish | BUBR | Bradmore Methodist Community Hall, Bradmore | http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%204%20Bunny%20Ward.pdf |
| Bunny Parish | BUBU | Bunny Village Hall Bunny | |
| Costock Parish | BUCO | Costock Village Hall Costock | |
| Rempstone Parish | BURE | Rempstone Village Hall Main Street, Rempstone | |
| Wysall Parish | BUWY | Wysall Village Hall Wysall | |

| Ward | Polling District | Polling Place | Polling District Area | |
|--|---|--|--|---|
| Thorpe in the Glebe | BUTH | Wysall Village Hall Wysall | | |
| COMPTON ACRES | CAB1 | Gresham Sports Park Gresham Park Road, Off Wilford Lane, West Bridgford | <p>Map 5 Compton Acres Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%205%20Compton%20Acres%20Ward.pdf</p> | |
| | CAB2 | Rushcliffe Arena Rugby Road, West Bridgford | | |
| | CAB3 | Mobile Station Compton Acre Shopping Centre, Compton Acres, West Bridgford | | |
| COTGRAVE This Polling district comprises the Manor Ward of Cotgrave Parish | COMA | Cotgrave Methodist Church, Bingham Road, Cotgrave | <p>Map 6 Cotgrave Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%206%20Cotgrave%20Ward.pdf</p> | |
| | | This Polling district comprises the Ash Lea Ward of Cotgrave Parish | | COAS |
| CRANMER Car Colston Parish | CRCA | Car Colston & Screveton Village Hall, Car Colston | <p>Map 7 Cranmer Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%207%20Cranmer%20Ward.pdf</p> | |
| | Scarrington Parish | CRSCA | | Thomas Cranmer Centre, Main Street, Aslockton |
| | Screveton Parish | CRSCR | | Car Colston & Screveton Village Hall, Car Colston |
| | Aslockton Parish | CRAS | | Thomas Cranmer Centre Main Street, Aslockton |
| | Whatton-in-the-Vale Parish | CRWHA | | Jubilee Hall, Whatton in the vale |
| | CROPWELL Cropwell Butler Parish | CRCBU | | Cropwell Butler Village Hall, Main Street, Cropwell Butler |
| Cropwell Bishop Parish | CRCBI | Cropwell Bishop Community Building, Fern Road, Cropwell Bishop | <p>Map 8 Cropwell Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%208%20Cropwell%20Ward.pdf</p> | |
| Tithby Parish | CRTI | Cropwell Butler Village Hall, Main Street, Cropwell Butler | | |

| Ward | Polling District | Polling Place | Polling District Area |
|--|------------------|---|---|
| Wiverton Hall Parish | CRWH | Cropwell Butler Village Hall, Main Street, Cropwell Butler | |
| EAST BRIDGFORD | | | |
| Shelford Parish | EBSH | Shelford Village Hall, Church Street, Shelford | <p>Map 9 East Bridgford Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%209%20East%20Bridgford%20Ward.pdf</p> |
| Newton Parish | EBNE | Mobile Station, Newton House Farm, Main Street, Newton | |
| East Bridgford Parish | EBEB | East Bridgford Methodist Chapel, Main Street, East Bridgford | |
| Kneeton Parish | EBKN | East Bridgford Methodist Chapel, Main Street, East Bridgford | |
| EDWALTON | | | |
| | EDB1 | St Lukes Church Hall, Leahurst Road, West Bridgford | <p>Map 10 Edwalton Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2010%20Edwalton%20Ward.pdf</p> |
| | EDB2 | Edwalton Church Hall, Vicarage Green, Edwalton | |
| GAMSTON NORTH | | | |
| Holme Pierrepont Ward of Holme Pierrepont Parish | GNHP | Gedling & Sherwood Cricket Club | <p>Map 11 Gamston North Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2011%20Gamston%20North%20Ward.pdf</p> |
| Gamston Parish | GNGA | Gamston Village Hall, also known as The Institute, Main Rd, Gamston | |
| (Unparished area) | GNB | n/a | |
| GAMSTON SOUTH | | | |
| | GSB1 | Gamston Community Hall, Ambleside, West Bridgford | <p>Map 12 Gamston South Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2012%20Gamston%20South%20Ward.pdf</p> |
| | GSB2 | Gamston Community Hall, Ambleside, West Bridgford | |
| GOTHAM | | | |
| Barton in Fabis Parish | GOBA | Barton in Fabis Village Hall, Barton in Fabis | <p>Map 13 Gotham Ward</p> |

| Ward | Polling District | Polling Place | Polling District Area |
|--|------------------|--|---|
| Thrumpton Parish | GOTH | Thrumpton Village Hall, Church Lane, Thrumpton | http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2013%20Gotham%20Ward.pdf |
| Gotham Parish | GOGO | Gotham Village Memorial Hall Nottingham Road, Gotham | |
| Ratcliffe on Soar Parish | GORA | Kingston on Soar Village Hall, Kingston on Soar | |
| Kingston on Soar Parish | GOKI | Kingston on Soar Village Hall, Kingston on Soar | |
| KEYWORTH AND WOLDS | | | <p>Map 14 Keyworth and Wolds Ward</p> http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2014%20Keyworth%20&%20Wolds%20Ward.pdf |
| Keyworth North ward, Keyworth Parish | KWKN | Crossdale Drive Primary School, Crossdale Drive, Keyworth | |
| Keyworth South Ward, Keyworth Parish | KWKS1 | Keyworth Village Hall, Elm Avenue, Keyworth | |
| Keyworth South Ward, Keyworth Parish | KWKS2 | Keyworth Village Hall, Elm Avenue, Keyworth | |
| Stanton on the Wolds Parish | KWST | Willow Brook School, Off Stanton Lane Stanton | |
| Widmerpool Parish | KWWI | Widmerpool Rugby Club Pavilion, Willoughby Road, Widmerpool | |
| Willoughby on the Wolds Parish | KWWW | Willoughby on the Wolds Village Hall, London Lane, Willoughby on the Wolds | |
| LADY BAY | | | |
| | LBB1 | Lady Bay Primary School , Trent Boulevard, West Bridgford | |
| | LBB2 | Lady Bay Primary School, Trent Boulevard, West Bridgford | |
| Adbolton Ward, Holme Pierrepont Parish | LBAD | Lady Bay Primary School, Trent Boulevard, West Bridgford | |
| LEAKE | | | <p>Map 16 Leake Ward</p> http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2016%20Leake%20Ward.pdf |
| West Leake Parish | LEWL | East Leake Village Hall, Main Street, East Leake | |
| Stonebridge ward, East Leake Parish | LEELS | East Leake Leisure Centre, Lantern Lane, East Leake | |
| Woodgate ward, East Leake Parish | LEELW | East Leake Village Hall, Main Street, East Leake | |
| Castle ward, East Leake Parish | LEELC | East Leake Village Hall, Main Street, East Leake | |
| Stanford on Soar Parish | LESS | The Hall, Main Street, Normanton on Soar | |

| Ward | Polling District | Polling Place | Polling District Area |
|--|------------------|--|---|
| Normanton on Soar Parish | LENS | The Hall, Main Street, Normanton on Soar | |
| LUTTERELL | LUB1 | Social Centre, Holy Spirit Catholic Church, Victoria Road, West Bridgford | <p>Map 17 Lutterell Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2017%20Lutterell%20Ward.pdf</p> |
| | LUB2 | Social Centre, Holy Spirit Catholic Church, Victoria Road, West Bridgford | |
| | LUB3 | Walcote Drive Community Centre Walcote Drive, West Bridgford | |
| | LUB4 | Mobile Station, Car Park, Church of Jesus Christ of Latter Day Saints, Stanhome Square, West Bridgford | |
| MUSTERS | MUB1 | West Bridgford Junior School, Exchange Road. | <p>Map 18 Musters Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2018%20Musters%20Ward.pdf</p> |
| | MUB2 | West Bridgford Junior School, Exchange Road. | |
| | MUB3 | St Pauls Church Hall, Boundary Road | |
| NEVILE AND LANGAR | NLLA | Langar C of E Primary School, (Langar Room) Barnstone Road, Langar | <p>Map 19 Nevile and Langar Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2019%20Nevile%20&%20Langar%20Ward.pdf</p> |
| Langar ward, Langar cum Barnstone Parish | | | |
| Colston Bassett Parish | NLCB | Colston Bassett Village Hall, | |
| Owthorpe Parish | NLOW | Kinoulton Village Hall, Kinoulton | |
| Kinoulton Parish | NLKI | Kinoulton Village Hall, Kinoulton | |
| Hickling Parish | NLHI | Hickling Village Hall, Main Street, Hickling | |
| Upper Broughton Parish | NLUB | Upper Broughton Village Hall, Upper Broughton | |

| Ward | Polling District | Polling Place | Polling District Area |
|--|------------------|---|--|
| RADCLIFFE ON TRENT Manvers Ward, Radcliffe on Trent Parish | RTM1 | ROT Sports Association Pavilion, Bingham Road, Radcliffe on Trent | <p>Map 20 Radcliffe on Trent Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2020%20Radcliffe%20on%20Trent%20Ward.pdf</p> |
| Manvers Ward, Radcliffe on Trent Parish | RTM2 | British Legion Hall, Radcliffe Hall, 17 Main Road, Radcliffe on Trent | |
| Manvers Ward, Radcliffe on Trent Parish | RTM3 | Wellspring Church, Westminster Drive, Upper Saxondale, | |
| Trent Ward, Radcliffe on Trent Parish | RTT1 | Craig Moray Community Centre, 42 Shelford Road, Radcliffe on Trent | |
| Trent Ward, Radcliffe on Trent Parish | RTT2 | The Grange, Vicarage Lane, Radcliffe on Trent | |
| RUDDINGTON Camelot ward, Ruddington Parish | RUCA | Ruddington Village Hall, Wilford Road, Ruddington | <p>Map 21 Ruddington Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2021%20Ruddington%20Ward.pdf</p> |
| Easthorpe ward, Ruddington Parish | RUEA | Ruddington Village Hall, Wilford Road, Ruddington | |
| Manor ward, Ruddington Parish | RUMA | St. Peter's Rooms, Church Street, Ruddington | |
| Flawford ward, Ruddington Parish | RUFL | St. Peter's Rooms, Church Street, Ruddington | |
| SUTTON BONINGTON Sutton Bonington Parish | SB | Sutton Bonington Village Hall, St. Annes Lane, Sutton Bonington | <p>Map 22 Sutton Bonington Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2022%20Sutton%20Bonington%20Ward.pdf</p> |
| THOROTON Flintham Parish | THFLI | Flintham Village Hall, Inholms Road, Flintham | <p>Map 23 Thoroton Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2023%20Thoroton%20Ward.pdf</p> |
| Sibthorpe Parish | THSI | Hawksworth Church Hall, Hawksworth | |
| Shelton Parish | THSH | Hawksworth Church Hall, Hawksworth | |
| Hawksworth Parish | THHA | Hawksworth Church Hall, Hawksworth | |

| Ward | Polling District | Polling Place | Polling District Area |
|---|------------------|--|--|
| Thoroton Parish | THTH | Orston Village Hall, Orston | |
| Flawborough Parish | THFLA | Orston Village Hall, Orston | |
| Orston Parish | THOR | Orston Village Hall, Orston | |
| Elton on the Hill Parish | THEL | Orston Village Hall, Orston | |
| Granby Parish | THGR | Granby Village Hall, Granby | |
| Barnstone Ward, Langar cum Barnstone Parish | THBA | The Institute (Barnstone) Barnstone | |
| TOLLERTON | | | <p>Map 24 Tollerton Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2024%20Tollerton%20Ward.pdf</p> |
| Tollerton Parish | TOTO | Tollerton Methodist Church Hall, Burnside Grove, Tollerton | |
| Clipston Parish | TOCL | Tollerton Methodist Church Hall, Burnside Grove, Tollerton | |
| Normanton on the Wolds | TONO | Burnside Memorial Hall, Church Hill, Plumtree | |
| Plumtree Parish | TOPL | Burnside Memorial Hall, Church Hill, Plumtree | |
| TRENT BRIDGE | | | <p>Map 25 Trent Bridge Ward</p> <p>http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/elections/proposedpollingdistrictmaps/Map%2025%20Trent%20Bridge%20Ward.pdf</p> |
| | TBB1 | West Bridgford Methodist Church Hall, Musters Road, West Bridgford | |
| | TBB2 | West Bridgford Junior School Annex, Tudor Road | |

Proposals in respect of responses received

a) ***Response 1 – Bingham East Ward***

This response highlighted issues regarding the disruption caused by closing the Robert Miles Junior School on polling day and was of the opinion that there would be less disruption if the Bingham WI premises was used instead. The Bingham WI premise was used at a recent by-election.

The respondent also highlighted the need for works to be carried out to improve the accessibility to the Town Pavilion which is currently the polling place for electors in the Bingham West Ward. This issue is dealt with further in relating to response no. 5 below.

Following a site visit and meeting with the Chief Executive the Head agreed to the use of the school for next year's elections and requested the dates of elections in future years, to enable him to attempt to minimise the impact on the school by the use of inset days or other activities where possible. The Head has since been informed of the dates of future elections and also that the Acting Returning Officer would continue to keep under review the provision of polling stations in this area and, where possible, seek to identify suitable alternative arrangements for electors.

Proposal

To retain the use of the Robert Miles School as the polling place and request the Acting Returning Officer to keep the position under review with a view to identifying other suitable alternative arrangements for electors in this area.

b) ***Response 2 – Edwalton Ward***

This response suggests that a third polling district will be required for the proposed new developments in the Edwalton Ward sometime after 2015 and with the requirement for an additional polling station.

Proposal

It is recommended that no action be taken at present but that the situation be kept under review pending the completion of the housing development.

c) ***Response 3 - Musters Ward***

This response initially highlighted concerns about the proposed polling place for electors in polling district MUB2. However, the respondent now agrees that in the absence of suitable premises in the polling district, the proposed use of the West Bridgford Junior School provides the most reasonable and convenient facility for electors in this polling district.

Proposal

No further action at present

d) ***Response 4 – Keyworth North – Keyworth and Wolds Ward***

This response highlighted concerns about the closure of the Crossdale Drive Primary School on polling day and the inconvenience of the polling station to some electors. The respondent suggested The Fairways Public House on Nottingham Road as an alternative or using only the playgroup Annexe at the Crossdale Primary School which would minimise the disruption.

A similar response was submitted and considered at the last review in 2011 when it was agreed to continue using the Crossdale Drive Primary School as the only suitable polling place in the polling district.

The Fairways Public House has been inspected previously and deemed not to be suitable for use as a polling place. Currently, the public house is open but available to let which also gives rise to uncertainty about its availability for the next elections.

The Chief Executive has carried out a site visit at the Crossdale Drive Primary School and held a meeting with the Head Teacher. The Head agreed to the use of the School as a polling station and has not received any complaints from parents or governors regarding its use. The Head was firmly of the opinion that the School must close if it was used as polling station because of concerns regarding access and egress of traffic to and from the site and generally ensuring the safety of the children. In order to assist in planning for future elections and enable the Head to consider any measures which may minimise the impact of polling day on the school, he has been supplied with the dates of the elections scheduled to be held in the next 3 years.

Proposal

In view of the comments to retain the use of the Crossdale Primary School as the polling place.

e) ***Response 5 – Bingham West Ward***

The responses in respect of this Ward highlighted the unsuitable location and accessibility of the current polling place, namely the Town Pavilion and the effect that this was having on turnout. Bingham West Ward is currently made up of three polling districts (BIW1 BIW2 and BISA). The first two are located in Bingham whilst the third is the parish of Saxondale. The Town Pavilion is the only building in the ward suitable to be used as a polling station and is currently used for all three polling districts.

The respondents have suggested that a more suitable alternative would be to have only one polling place for Bingham East and West Wards, namely, the Robert Miles Junior School and, that due to the

high number of postal voters, this would not lead to excessive crowding.

Proposal

To retain the use of the Town Pavilion as the polling place for the Bingham West Ward. We have investigated and identified temporary and permanent solutions to resolving the access issues and we are in active dialogue with the site to implement cost effective measures before the next election that will address the issue.

f) **Response 6 – West Leake – Leake Ward**

This response opposes the proposal not to retain the use of the Village Hall as the polling place for the electors in West Leake Parish on the grounds that the alternative polling place is inconvenient for electors in that it would be unreasonable for the parish electors to travel to the new polling place.

The West Leake Parish currently comprises only 108 electors, 23 of these electors vote by post leaving 85 eligible to vote at the polling station. At the most recent European Parliamentary elections held in 2014, only 32 electors voted at the polling station.

That, for future elections, the polling place for electors in the West Leake Parish should be the East Leake Village Hall.

g) **Response 7 - Lady Bay Ward**

Whilst no responses were received during the consultation period in respect of the Lady Bay Ward, two options were set out in the ARO proposals. Option “A” proposed the retention of the existing polling place and polling districts and Option “B” proposed new polling districts and new polling places. However, it now transpires that one of the proposed new polling places, namely the New Apostolic Church will not be available for use as a polling place and consequently Option B now falls.

Proposal

To retain the use of the Lady Bay Primary School as the polling place. We have investigated and identified temporary and permanent solutions to resolving the access issues and we are in active dialogue with the site to implement cost effective measures before the next election that will address the issue.

Report of the Executive Manager - Operations and Corporate Governance

1. Summary

- 1.1. The Scrutiny annual report provides a review of the work undertaken by the Council's four scrutiny groups during 2013/14.

2. Recommendation

It is RECOMMENDED that Council endorses the work undertaken by the four scrutiny groups.

3. Reasons for Recommendation

- 3.1. During the year, the following subjects have been scrutinised and monitored.

Community Development Group

- Service Level Agreements with RCVS and RCAN
- Rural broadband in Rushcliffe
- HS2 consultation
- Assets of community value review
- Community right to challenge
- YouNG Network Group
- Relationship with town and parish councils
- Scrutiny of New Energy Initiative

Corporate Governance Group

- Health and Safety
- Annual Governance
- Member Champions
- Fraud and Irregularities
- Statement of Accounts
- Potential Relocation of the Civic Centre
- Treasury Management
- Risk Management
- Internal and External Audits
- Capital and Revenue Budget Monitoring

Partnership Delivery Group

- Service Level Agreement with Rushcliffe Community & Voluntary Service and Rural Community Action Nottinghamshire
- Annual Review of Metropolitan Housing Trust
- Annual Review of Waterloo Housing Group
- Review of the Partnership with Rushcliffe Advice Network
- Review of the South Nottinghamshire Community Safety Partnership
- Review of Safeguarding Children and Vulnerable Adults

Performance Management Board

- Performance Monitoring
- Civil Parking Enforcement Contract Update 2013
- East Leake Leisure Centre Annual Report 2012
- Review of Customer Feedback 2012/13
- Ombudsman's Annual Letter 2012/13
- Edwalton Golf Courses Annual Report
- Leisure Centres Annual report
- Climate Change Strategy Action Plan
- Equality and Diversity report 2012/13

4. Implications

4.1. Finance

None

4.2. Legal

None

4.3. Corporate Priorities

The work of the four scrutiny groups supports

| | |
|--|---|
| For more information contact: | Name Member Services 0115 914 8481 email memberservices@rushcliffe.gov.uk |
| Background papers Available for Inspection: | Annual Reports to each scrutiny group |
| List of appendices (if any): | Annual Scrutiny Report 2013/14 |

Annual Scrutiny Report 2013/14



Scrutiny Annual Report 2013/14

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

Community Development Group



Councillor
R L Butler
Chairman

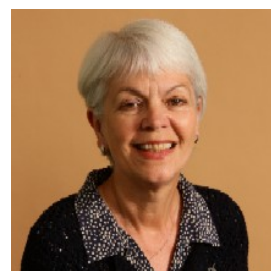


Councillor
T Combella
Vice Chairman

Corporate Governance Group

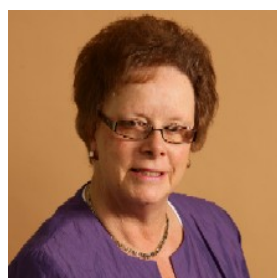


Councillor
G S Moore
Chairman



Councillor
E A Plant
Vice Chairman

Partnership Delivery Group

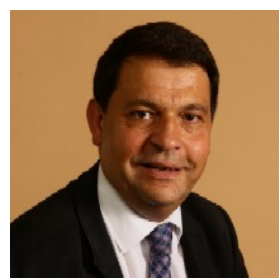


Councillor
Mrs J Smith
Chairman



Councillor
F A Purdue-Horan
Vice Chairman

Performance Management Board



Councillor
D G Wheeler
Chairman



Councillor
R M Jones
Vice Chairman

Community Development Group

Annual Report 2013/14

Chairman's foreword

I am pleased to write this foreword to this year's annual report of the Community Development Group. This year our work has been interesting, challenging and rewarding. We have covered many significant topics, linked to the theme of ensuring communities within Rushcliffe remain vibrant and active, despite the tough economic times.

Thanks to the many staff who gave us presentations throughout the year, with particular thanks to those staff who have supported this Scrutiny Group.

We have scrutinised many interesting topics ranging from improving our relationship with parishes and town councils even further through to rural broadband.

I would like to thank all Members for their involvement, support and professionalism during our meetings. I give special thanks to my Vice Chairmen Councillor Tina Combella for her support in managing the process.

Councillor Richard Butler
Chairman

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:

- Service Level Agreements with RCVS and RCAN
- Rural broadband in Rushcliffe
- HS2 consultation
- Assets of community value review
- Community right to challenge
- YouNG Network Group
- Relationship with town and parish councils
- Scrutiny of New Energy Initiative

Service Level Agreements with RCVS and RCAN

Members received an update on the first year of the delivery of the Service Level Agreement with Rushcliffe Community and Voluntary Service (RCVS) and Rural Community Action Nottinghamshire (RCAN). Presentations were received from both organisations about their work and the groups they supported and the projects they worked on. Both groups showed how they marketed their service and recruited volunteers. Members asked searching questions about many topics including parish plans, funding, safeguarding of volunteers, work at the prison and improving marketing. Members agreed that outcomes for the first year of the agreement had largely been met and, in some cases, exceeded.

Rural broadband in Rushcliffe

At the October 2013 meeting members were updated on Notts County Council's broadband plans, with around 13000 homes in the Borough not able to access superfast broadband. BT had been awarded the contract to provide the infrastructure with a reported 95% of properties and businesses being able to access it after project completion. Members asked some challenging questions such as what would be done for these properties still not able to access superfast broadband, about ongoing upgrades and maintenance, business access and broadband speeds achievable. It was also agreed that a further update on this issue should be included in the Group's work programme.

HS2 consultation

The Group considered the Government's consultation on the HS2 railway. The Group considered the station locations and endorsed the Council's motion for a station to be located at East Midlands Parkway, in preference to the proposed option at Toton.

Assets of Community Value Review

Members received a report on the Council's process for recording assets of community value contained in the Localism Act. The Council has promoted the scheme via the annual parish conference and parish forums. There had been three applications made to the Council which was reflective of the small number of applications made across Nottinghamshire. Two applications had been accepted and the third failed the criteria as it had not been in community use. The Group endorsed the current process and its continuation.

Community Right to Challenge

Members were informed that there had been no applications. The Group agreed that the current process should continue and then it should be reviewed following the first application.

YouNG Network Group

At the January 2014 meeting, Members were updated on this ground-breaking project and the work that the young people had carried out during the year to date. Members were appraised of how people were recruited on to the group, the type of work they were doing at weekly sessions, the success of the YouNG market and their work on the 'choose well' campaign about health services. The Group believed that this was a very worthwhile project and should be supported. Members noted the good work of the project and asked officers to explore further funding opportunities and the scope to expand the project out of Rushcliffe.

Relationship with Town and Parish Councils

Members received a presentation outlining work to increase engagement with the parish/town councils. The top three subjects parishes contacted the Council about were planning, finance and environmental matters. Members were also updated on the 6 recommendations which were created to improve relationships. These were:

- Produce a short summary document of the 'Partnership with the Parishes'
- Member Services to act as key point of contact to Executive Managers
- Where possible executive summaries of large Council documents to be supplied
- Engagement of town and parish councils in forward planning the forums / conference and involvement of other parties in programme delivery
- Include key county link officers in communications and explore collaboration
- Arrange a meeting with interested parishes to review recommendations

The Group felt that a lot of work had been undertaken and that there was a very good relationship between the Borough and the parishes.

Scrutiny of New Energy Initiatives

After a full discussion on various new energy initiatives (such as solar power and wind turbines etc), the Group agreed that new energy initiatives should be included in their work programme with fracking as a priority.

Request for Scrutiny of Public Conveniences

This subject was raised but it was concluded that it did not merit further scrutiny. It was viewed that the issue could be better explored by Parish Councils.

The Year Ahead

The Group will continue to help review and shape policy, ensuring improvements are implemented. This will be done by developing a challenging work programme linked to the Council's transformation strategy and four-year plan.

Corporate Governance Group

Annual Report 2013/14

Chairman's Foreword

This brief foreword looks back on the productive year of the Corporate Governance Group in 2013/14. It has been an interesting and challenging role. Particularly in these tough economic times.

The scrutiny process is vital to challenge and influence how the Council makes decisions to ensure a high service quality. The report demonstrates the variety of areas which the Corporate Governance Group has scrutinised over the past year and the actions taken to ensure the probity and soundness of the Council's decisions.

On a personal note, I would like to thank all members of the Group, particularly my Vice Chairman, Councillor Plant, and the Council's staff for their help and support for the scrutiny process over the past year.

Councillor Gordon Moore
Chairman

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 work of the Group helps with implementing Council plans and policies;
- Review and question the agreed policy and services and make recommendations to 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

Health and Safety

In June 2013 Members considered the annual health and safety report for 2012/13 with a further update in November 2013. All health and safety training needs had either been delivered or would be delivered in the first quarter of the new financial year. In January 2012, the Depot started a new initiative by developing a health and safety calendar with a different safety topic for each month. Topics covered ranged from, slips, trips and falls, hand hygiene, wearing of personal protective equipment, safe reversing, mobile phone use.

The Group were informed that

- the Council reviewed its policies regularly to ensure that they remained effective
- the number of reported accidents remained low
- a scheduled inspection of the recycling2go service by the Health and Safety Executive (HSE) had been very positive
- following an inspection of Hound Road Hostel a number of minor recommendations had been suggested; all of which have been actioned.

Annual Governance Statement

The draft Annual Governance Statement was agreed by the Group in June 2013.

Fraud and Irregularities 2012/13

In the June 2013 meeting the Group discussed the annual report on fraud and irregularities for 2012/13. There had been no special fraud investigations during 2012/13 by Internal Audit. There had been 72 cases of housing and council tax benefit fraud investigated and around £40,000 cases of overpayments identified. The Council Tax Single Person Discounts were reviewed, resulting in removal of 135 discounts with an estimated value of £48,060.

Statement of Accounts and External Auditor's Report

Members considered the Council's Statement of Accounts for 2012/13 at their meeting in September 2013. The Council's external auditors, KPMG, reported on the outcomes of their work on the Council's accounts; the Authority's overall economy, efficiency and effectiveness; and the successful actions taken by the Council to address the key risks which had been identified prior to the commencement of the Audit. This work resulted in the Council again obtained an unqualified opinion on the accounts and, as a result, the Group recommended its acceptance by full Council.

Internal Audit

The Council's internal auditors, Baker Tilly, attend and provide progress reports at all meetings alongside an annual report for 2012/13 which was considered in September 2013. During 2012/13 there were a number of delays in the audit programme due to resource issues with the internal audit providers. Corporate Governance Group provided an on-going oversight of these issues to ensure that the agreed programme of work was finalised within the revised timescales agreed by the Executive Manager (Finance and Commercial).

Member Champions

The Group debated the introduction of Member champions to complement and support the responsibilities of Cabinet Portfolio Holders and agreed to refer the matter to Council.

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

At the request of Cabinet in November 2013 Members considered aspects of the potential relocation of the Civic Centre and the funding of Arena redevelopment project. Corporate Governance Group supported the proposals and provided guidance to Cabinet primarily on the potential funding of the redevelopment project.

Treasury Management

The treasury management aspect of the Group's work addresses the investment practice and policies applied by the Council. The mid-year report in September 2013 reflected how the Council had invested its money, the rate of return achieved and the counterparties that had been used. At this 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 and endorsed changes to the counterparty limits (i.e. the level of investment that can be made with an external organisation) and the inclusion of Funding Circle and the Local Authorities Property Fund as potential vehicles for future investments.

Members considered the Treasury Management Strategy 2014/15 to 2018/18 and recommended its approval to Council. To assist Members with their understanding of what can be a very a technical business area in January 2014 the Council's Treasury advisors, Arlingclose, provided a workshop for all Members.

Risk Management

A report to the February 2014 meeting highlighted that the Council's risk management arrangements had been reviewed to address issues identified by the annual internal audit of risk management arrangements, which had been allocated an amber/red opinion. The Risk Register had been updated to reflect current risks including protecting residents from flooding.

Capital and Revenue Budget Monitoring

The Group received regular updates on the Council's capital and revenue budgets for 2013/14 and the financial outturn for 2013/14.

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 2013/14

Chairman's Foreword

This annual report highlights the work of the Partnership Delivery Group over the past year. Through probing scrutiny, the Council is able to review and, if appropriate challenge, the outcome of our investment in our partnerships with outside bodies. At the very least, as a result of the process, we should be better informed about the work done in our joint names. The challenge faced by the Partnership Delivery Group is to ensure that our many partnerships are worthwhile, mutually beneficial, and meet their objectives.

Through effective scrutiny, carried out with objectivity and impartiality, we aim to improve performance, policies, future plans and service delivery. We hope that by building good working relationships with our many partners, we can produce better outcomes for our residents and provide even better value for money.

I feel sure that our work during the course of this last year will enhance the way that we all work together, and that as a result, Rushcliffe will continue to have an excellent reputation that attracts other partners to want to work with us, for the benefit of all our residents.

I should like to thank all my colleagues for their keen participation in our discussions. We have had some extremely interesting sessions, which have generated extremely lively and probing debate.

I should also like to thank our partners, and council staff for attending the meetings, and for ensuring that the scrutiny process is effective and efficient.

Councillor Jean Smith
Chairman

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 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:

- Service Level Agreements with RCVS and RCAN
- Annual review of partnership with Metropolitan Housing
- Annual review of partnership with Waterloo Housing
- Review of partnership with Rushcliffe Advice Network (RAN)
- An updated list of partnerships
- Review of South Notts Community Safety Partnership
- Review of safeguarding children and vulnerable adults

Service Level Agreements with RCVS and RCAN

Members received an update on the first year of the delivery of the Service Level Agreement with Rushcliffe Community and Voluntary Service (RCVS) and Rural Community Action Nottinghamshire (RCAN). Presentations were received from both organisations about their work and the groups they supported and the projects they worked on. Both groups showed how they marketed their service and recruited volunteers. Members asked searching questions about many topics including parish plans, funding, safeguarding of volunteers, work at the prison and improving marketing. Members agreed that outcomes for the first year of the agreement had largely been met and, in some cases, exceeded.

Annual review of partnership with Metropolitan Housing (MH)

Members were appraised of the work of Metropolitan Housing at the October 2013 meeting. The partnership was considered a success for many reasons including good working relationships and regular meetings between the two organisations, joint work to tackle anti-social behaviour and work to regenerate Cotgrave. Also members learnt that 30 extra affordable homes would be delivered via MH over the next two years. Members asked many questions on a wide range of topics such as anti-social behaviour, resolving complaints and how tenants were affected by the welfare reforms introduced by the Government. MH explained about various initiatives introduced to help tenants manage their finances and their scheme designed to help people get back into work, known as metropolymet. The work of the Nottingham Credit Union was also explained as a way of helping with financial management. MH informed Members about many community projects they were involved in, including the Council's Make Cotgrave Smile project and Ready4Work. Members agreed the work of the partnership with Metropolitan Housing should be endorsed.

Updated list of partnerships

The Group considered the many partnerships the Council are involved in and then made decisions about which partnership should be scrutinised in future work programmes.

Annual review of partnership with Waterloo Housing

Members acknowledged Waterloo Housing Group's long and successful history of developing and maintaining properties and rural housing in Rushcliffe. Forty-one homes had been completed with further ones in the pipeline and it was acknowledge that this was a challenge given the economic climate. Members were appraised of the fact that all Waterloo homes in Rushcliffe passed the Decent Homes Standard and that satisfaction with repairs and maintenance was very high. Members asked challenging questions about complaints, behaviour scheme, how welfare reform had impacted and how Waterloo were helping tenants. The Group agreed that the Waterloo Housing Group performed well and took action when any poor performance was identified. The Partnership Delivery Group endorsed the work of the Partnership.

Review of partnership with Rushcliffe Advice Network (RAN)

Members reviewed the work of the Rushcliffe Advice Network (RAN) at the January 2014 meeting. Performance indicators had been established and Members received a presentations outlining the trends, demands and key changes and future plans. RAN had helped at 114 tribunals during the year and had won many of them. Demand on their services was growing and they were considering opening centres in Keyworth and Bingham. This year, due to Universal Credit, RAN had been working even more closely with the Borough Council. Members agreed that RAN was working well and supported the work of the partnership.

Review of the South Nottinghamshire Community Safety Partnership

At the March 2014 meeting, the Group was informed of the Partnership's achievements during 2013/14, which included a reduction in crime overall of 4.2%,

despite a rise in shed and garage burglaries. The partnership had carried out a number of successful campaigns to target crime spikes, such as to reduce car crime and cycle theft, as well as crime prevention advice for students. Youth crime had decreased dramatically and there had been many targeted campaigns to help keep young people on the right path including advice on personal safety and cyber-bullying.

The Group had requested that the Partnership's work in relation to health should be considered and the Clinical Commissioning Group and Nottinghamshire County Council's Public Health Manager attended. Discussions and questioning covered topics including alcohol and drug-related problems, changes to licensing and the night-time economy. The Group supported the effective delivery of the community safety agenda in Rushcliffe and the Partnership's arrangements to involve the health services.

Review of Safeguarding Children and Vulnerable Adults

Members received a presentation at the March 2014 meeting on the Council's arrangements to safeguard vulnerable adults and children and links to the Notts-wide boards covering these topics. Following a number of high profile cases in the media, Members heard about the protection in place and learnt how the agencies worked together to protect those most vulnerable individuals. The group supported the work carried out to safeguard adults and children in Rushcliffe.

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 2013/14

Chairman's Foreword

This annual report summaries the main work which the scrutiny group has undertaken this year. Scrutiny ensures the Borough Council makes its decision properly and underpins policy-making based on rigour, challenge, analysis and evaluation.

We have explored the Council's performance against its strategic tasks and key performance indicators. There have been many areas of strength, balanced against areas where improvement is required. We celebrated the good performance and reviewed and investigated areas where we need to make improvements. Our work has been rewarding and fulfilling. The role of an 'overseer' and 'surveillance' helps Council to maintain high standards and value for money in these difficult financial times.

Councillor Gordon Wheeler
Chairman

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 2013
- East Leake Leisure Centre Annual Report 2012
- Review of Customer Feedback 2012/13
- Ombudsman's Annual Letter 2012/13
- Edwalton Golf Courses Annual Report
- Leisure Centres Annual report
- Climate Change Strategy Action Plan
- Equality and Diversity report 2012/13

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 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:

- Leisure strategy, leisure contract and leisure centres in West Bridgford
- Progress with adopting the local plan
- Implementing welfare reform and Universal Credit
- Delivery of Affordable Homes
- Rateable value of commercial property in the Borough
- Cotgrave masterplan
- Crime statistics

Civil Parking Enforcement contract update

In April 2013, Members discussed the financial performance of the contract including the costs associated with the contract and deficits. Members discussed the appeals process for Penalty Charge Notices, partnership arrangements with the County Council and details of the future Enforcement Contract coming into effect in November 2013.

East Leake Leisure Centre Annual Reports

Members received a report in respect of the agreement with Carillion plc for the management of East Leake Leisure Centre during 2012.

Members were informed about the activities on offer at the Leisure Centre, how these were used and who used them. 2012 had been an excellent year for the Centre with the highest ever usage being recorded. Staff had worked very hard at increasing the usage and this was evidenced by the high number of visits achieved and the increase in income. Many of the marketing initiatives had been based on the Olympics and the European Football Championships.

The Manager was pleased to say that there had been very little turnover in staff and there had been a good team spirit developed. All staff were defibrillator trained and all lifeguards attended compulsory training.

In April 2014 Members received a report regarding the management of the Centre during 2013. It was recognised that income during 2013 would not achieve the same level as 2012 as there had been one less swimming enrolment. Members considered the lifecycle costs and how this enabled the equipment to be replaced/updated.

Members debated the lack of GP referrals from the East Leake Health Centre. Members felt that officers and the Cabinet Portfolio holder should emphasise the benefits of the GP referral scheme to the Clinical Commissioning Group.

Members were pleased with progress at the Centre over the two years and applauded the focus on young people.

Review of Customer Feedback 2012/13

The Board received a report detailing the 61 complaints, 24 comments and 146 compliments received by the Council during 2012/13. The new two-stage complaints procedure was also explained.

Ombudsman's Annual Letter 2011/12

The number of cases investigated remained very low. There were eight cases decided upon – four had insufficient evidence and were not investigated, two were outside Council jurisdiction, one was found to have been handled correctly and in one case the Ombudsman agreed with the action Rushcliffe had taken.

Edwalton Golf Courses Annual Contract Report

The dreadful weather in 2013 had caused the number of people playing golf to decline. The trend in Europe was that golf was a declining sport with some well

established clubs having to close. But a very positive picture emerged from the annual survey, which showed 98% of respondents were either satisfied or very satisfied with facilities. Members received an update on the development of junior golf including its work with primary schools and competition. Workplace taster sessions had been run and also marketing activity undertaken to increase the number of lady golfers. The social side of the club was buoyant with the clubhouse being used for many functions and quizzes.

Leisure Centre Contract – Annual Report by Parkwood Leisure

Members received a report outlining the contract for the management of five of the Council's leisure centres at the November 2013 meeting. Total usage was below target, however, there was an increase in swimming and aerobics and gym membership at most sites, while usage for young people was similar to the previous year.

Payments can now be made online and during the year the membership database was improved. Significant savings have resulted from energy-saving initiatives. Customer satisfaction levels increased to 87%. All centres had achieved highly commended within the Quest accreditation and Parkwood had achieved the Investors in People award.

Work to upgrade the reception, dance studio and cafe at Rushcliffe Leisure Centre had been completed by Nottinghamshire County Council. At Bingham Leisure Centre the pool, reception area, dry side changing rooms and the 1st floor had also been refurbished.

Other highlights included the continuation of the modern apprenticeship schemes with Central College and the Amateur Swimming Association. Parkwood were also working with Lifetime and ICON to provide NVQs for staff and management. Successful holiday programmes had been run across all five centres with various partners. The website and Facebook pages had also been improved.

Members agreed that the leisure centre contract was performing within acceptable parameters.

Parkwood Leisure Contract – Review of Strategic Objectives

At the meeting in April 2014 Members discussed the Strategic Objectives within the Council's contract with Parkwood Leisure. This item had been added to the Board's work programme as a result of a request for scrutiny at the Board's February meeting. Some Members felt that the Objectives were outdated and that other information that was already collected would enhance the Annual report to the Performance Management Board. It was agreed that the Chairman, Vice Chairman and officers should have informal discussions with representatives from Parkwood Leisure to progress the way forward.

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. The Council had already reduced its carbon emission by 21%. Highlights thus far included the Warmstreet Scheme, fuel poverty advice, boiler replacements scheme, purchase of new refuse vehicles and a 40% saving due to new lighting improvements in the Civic Centre.

Equality and Diversity Report - 2012/13

Members considered the Council's performance during 2012/13 against the objectives set out in the Single Equality Scheme, which had been adopted by the Council in April 2012. The Council had employed more people under 25, the number with a disability had slightly increased from the previous year and positive action was being taken to encourage people from minorities to apply for jobs. Staff turnover was also stable.

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 next financial year.