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Our reference:
Your reference:
Date: Wednesday, 31 January 2018



To all Members of the Corporate Governance Group

Dear Councillor

A Meeting of the Corporate Governance Group will be held on Thursday, 8 February 2018 at 6.00 pm in the Council Chamber Area B - Rushcliffe Arena to consider the following items of business.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Glen O'Connell'.

Glen O'Connell
Monitoring Officer

AGENDA

1. Apologies for absence
2. Declarations of interest
3. Minutes of the Meeting held on Tuesday 5 December 2017 (Pages 1 - 8)
4. Certification of Grants and Returns – Annual Report (Pages 9 - 14)

The report of the Executive Manager – Finance and Corporate Services is attached.
5. Internal Audit Progress Report (Pages 15 - 40)

The report of the Executive Manager – Finance and Corporate Services is attached.
6. Pensions Progress Report from Nottinghamshire County Council
 - Keith Palframan from Nottinghamshire County Council
 - Graeme Muir from Barnett-Waddingham will attend to provide a presentation to the committee.
7. Risk Management Update (Pages 41 - 48)

The report of the Executive Manager – Finance and Corporate Services

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is attached.

8. Capital and Investment Strategy 2018/19 (Pages 49 - 52)

The report of the Executive Manager – Finance and Corporate Services is attached.

9. Revenue & Capital Budget Monitoring (Pages 53 - 64)

The report of the Executive Manager – Finance and Corporate Services is attached.

10. Revisions to the Council's Constitution (Pages 65 - 76)

The report of the Monitoring Officer is attached.

11. Work Programme (Pages 77 - 78)

The report of the Executive Manager – Finance and Corporate Services is attached.

Membership

Chairman: Councillor K Beardsall

Vice-Chairman: Councillor G Davidson

Councillors: A Brown, M Buckle, N Lawrence, A MacInnes, S Matthews, F Purdue-Horan, Mrs J Smith and R Hetherington

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 at the far side of the plaza outside the main entrance to the building.

Toilets: are located to the rear of the building near the lift and stairs to the first floor.

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

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



**MINUTES
OF THE MEETING OF THE
CORPORATE GOVERNANCE GROUP
THURSDAY 8 FEBRUARY 2018**

Held at 6.00 pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West
Bridgford

PRESENT:

Councillors K P Beardsall (Chairman), G Davidson (Vice-Chairman), R Hetherington (Substitute for N A Brown) N C Lawrence, A MacInnes, S C Matthews, F A Purdue-Horan, Mrs J A Smith

OFFICERS PRESENT:

N Carter Service Manager - Finance and Corporate Services
T Coop Constitutional Services Officer
M Elliott Constitutional Services Team Leader
P Linfield Executive Manager - Finance and Corporate Services
Glen O'Connell Monitoring Officer
Sarah Whittaker Financial Services Manager

OTHER ATTENDEES:

Graeme Muir Barnett-Waddingham
Keith Palframan Nottinghamshire County Council

APOLOGIES FOR ABSENCE:

Councillors N A Brown, M Buckle

26. Declarations of Interest

There were no declarations of interest.

27. Minutes of the Previous Meeting

The notes of the meeting held on Tuesday 5 December 2017 were accepted as a true record.

28. Pensions Progress Report

Keith Palframan from Nottinghamshire County Council and Graeme Muir from Barnett Waddingham attended to provide a presentation to update members of the committee on the latest situation regarding the Local Government Pension Scheme (LGPS) and the Nottinghamshire Pension Fund.

The presentation provided information on:

- The role of Nottinghamshire County Council
- Governance arrangements
- Fund management and pooling arrangements
- LGPS Regulations

- Benefits Structure and changes
- Valuation methodology
- Funding strategy
- Deficit levels, revaluation and future risks

The Chairman noted that the Nottinghamshire Pension Fund was being discussed at the meeting to provide further information regarding the processes that had led to Rushcliffe Borough Council becoming liable for £20 million of the fund's deficit, and there being concerns that a similar situation could happen again in the future which would impact negatively on the Borough Council's finances.

The Executive Manager – Finance and Corporate Services reassured the committee that in the previous year's budget Rushcliffe Borough Council's pension contributions deficit payment had been paid up front. That going forward capacity had been built into the Council's budgets for the next five years for the Council to meet its obligations with regard to paying towards its share of the fund's deficit, based on information known currently. Members of the committee noted that the deficit could still rise due to revaluations of the fund in the future and expressed concern that this unpredictability could create further financial pressures in future years for the Council. Members asked how the rate of LGPS members starting to draw down their benefits would impact on the deficit and were advised by Graeme Muir that this scenario had been considered and incorporated when the calculation regarding the deficit amount had been made.

Members of the committee asked how the amount of time allocated of 20 years to pay off the deficit had been arrived at and whether it was possible to extend the period of time in which Rushcliffe Borough Council had to pay off its share of the fund deficit. Graeme Muir advised that it was beneficial to all parties that deficits were paid back promptly and that extending payment periods could create further difficulties and uncertainties for the fund as well as for Rushcliffe Borough Council.

The Chairman noted that it was frustrating that the issues that had led to the deficit, as well as how the problem of the deficit had been handled were out of the control of Rushcliffe Borough Council and noted that the information flow to Councillors could be improved. Keith Palframan noted that the most recent revaluation of the fund had been out of the ordinary in the results it had given, and that the next revaluation in 2019 would expect to have a much smaller impact on the funds value and the subsequent deficit amount. Councillor Purdue-Horan advised that in his experience of sitting on the Pensions Committee at Nottinghamshire County Council that Keith Palframan and his team provided an excellent and well run service but agreed that communication between Nottinghamshire County Council and Rushcliffe Borough Council on pensions matters could be improved. Members of the committee asked several further specific questions on the presentation and received verbal responses.

The Chairman and members of the committee thanked Keith Palframan and Graeme Muir for attending the meeting and answering their questions.

It was **RESOLVED** that:

- a) the presentation be noted.
- b) the Executive Manager – Finance and Corporate Services looks at potential methods and procedures to facilitate increased communication and information sharing between Nottinghamshire County Council and Rushcliffe Borough Council with regard to Pensions matters, and that these proposals be submitted to the Corporate Governance Group for consideration.

29. **Revision of the Council's Constitution**

The Monitoring Officer provided a report summarising the work of the Task and Finish Group and noted that the review of the Constitution that the Task and Finish Group were had carried out had referred to the following Terms of Reference:

- a) To review the accessibility, utility and usability of the current Constitution and improve it;
- b) To review the structure of the Constitution, to improve its content, layout and flow as a practical working document;
- c) To identify and prioritise specific areas of content and procedures for detailed review, noting that, in time, all sections will be reviewed.

The Task and Finish Group established a programme of work and meetings throughout 2017 and early 2018. During this time the Task and Finish Group had considered all parts of the current Constitution with the view to making changes which would change the Constitution from being a large static document to one which would bring relevant material to the immediate attention of Councillors, Officers and members of the public.

It was noted that workshops had been convened and had been made available to all Councillors to attend where the proposed changes to the Constitution had been highlighted and discussed. The Monitoring Officer provided the committee with an addendum report which included the feedback received from the discussions generated at the workshops. The workshops had highlighted several changes to the proposed revisions to the Constitution and showed broad support for the model for Public Questions at Council and Cabinet. There was also broad support shown for Opposition Groups' Questions at Cabinet which had led to a model being prepared for consideration. The proposed model for this was included in the addendum report.

The overall approach to the revisions, were strongly supported by members of the committee and the Chairman thanked members of the Task and Finish Group for their work on reviewing the Constitution.

It was **RESOLVED** that it be recommended to Cabinet and Council that:

- a) the revised Constitution and proposed revisions from the workshops be approved.
- b) the model scheme for public questions at council and Cabinet be adopted for use by the Borough council initially for a 12-month trial period.
- c) the model scheme for Opposition Groups' questions at Cabinet, be adopted for use by the Cabinet, initially for a 12-month trial period.
- d) a definition of the Leader of the main opposition group be inserted into the proposed revisions, and the other references to that role in the proposed revisions be adopted, with the exception of the rights to ask questions contained within the proposed standing orders for overview and scrutiny and, if recommended and adopted by Cabinet and Council, the right to ask questions at Cabinet meetings contained within the Cabinet Standing Orders.

30. **Certification of Grants and Returns**

The Executive Manager for Finance and Corporate Services presented the report of the Council's external auditors, KPMG to provide information on the work undertaken during 2017/18 in relation to grant claims and returns for the financial year 2016/17.

The report from KPMG summarised the results of the audit of the Housing Benefit Subsidy Claim 2016/17 and the resultant costs of the audit. It was noted that the audit had identified only two minor errors (which were summarised in KPMG's attached report), and which had both been amended within the claim. The Executive Manager advised that overall, the claim was unqualified and KPMG had not made any recommendations for improvements for the claims completion process. It was also noted that the actual audit fee was the same as the indicative fee of £6,495 for 2016/17.

It was **RESOLVED** that the report be noted.

31. **Internal Audit Progress Report 2017/18**

The Executive Manager for Finance and Corporate Services submitted a report to provide a progress update on the current position on the Council's internal audit programme, and to provide information on any significant recommendations with regards to the audits completed so far during the period.

It was noted that Internal Audit Plan for 2017/18 included 14 planned reviews and of these reviews 43% had been completed. The report of RSM, the Council's Internal Auditors, was attached as an appendix to the officer's report and highlighted the completion and issuing of three reports on Rushcliffe Country Park; Payroll; and Housing Benefits. The Executive Manager noted that in terms of findings all three audits have been awarded substantial assurance.

The Chairman noted that it was good that the audits had so far highlighted no areas for concern. The vice-Chairman asked whether a date had been set for the commencement of the IT audit and was advised by the Executive Manager that a start date for the audit had been set.

It was **RESOLVED** that the report be noted.

32. **Risk Management Update**

Pursuant to Minute No.21 (2017/18) the Executive Manager - Finance and Corporate Services presented the report of the Executive Manager - Operations and Transformation provided a progress report on activities associated with updating the Council's Risk Register and work relating to the council's emergency planning and business continuity functions.

The Executive Manager advised the risks that were rated as "red" were:

- CRR_CO04 – Inability to demonstrate a five year supply of deliverable housing sites against the housing target leading to further development on unallocated sites.
- CRR_FCS05 Revaluation of major business rate payer.
- CRR_FCS07 Central Government policy changes.

It was however noted that these risks had been rated as red for a considerable amount of time due the nature of the variables involved and inability of the Council to exert control over the variables involved in these risks, and as a consequence they should not be a cause for undue concern.

Councillor Mrs Smith asked about the impact, with regard to risk management, of the collapse of Carillion and their contract to manage East Leake Leisure Centre. The Executive Manager advised that the contract for East Leake Leisure Centre was between Carillion and Nottinghamshire County Council, but that Rushcliffe Borough Council were being kept updated on the latest situation and that alternative suppliers were being investigated. Councillor MacInnes asked for further information about OR_NS28 Delivery of social rented affordable housing, the Executive Manager advised that further information on this would be circulated to committee members.

It was **RESOLVED** that:

- a) the report be noted.
- b) the actions taken to review the risk management arrangements and implement internal audit recommendations be noted.
- c) the work of the Emergency Planning Officer be noted.
- d) the work of the Local Resilience Forum be supported.
- e) further information about OR_NS28 Delivery of social rented affordable housing, be circulated to committee members.

33. **Capital and Investment Strategy 2018/19**

The Service Manager – Finance and Commercial presented a report detailing the Capital and Investment Strategy for 2018/19 to 2022/23 which replaced the Treasury Management and Capital Strategies approved by Full council in previous years.

A report detailing the Capital Prudential Indicators, Minimum Revenue Provision (MRP), Treasury Management Strategy and Commercial Investments were attached in and Appended to the officer's report and highlighted the future position of the Council's Capital, Commercial Investments and Treasury plans. The report identified the risks relating to interest rates, use of counterparties for investments and the returns from commercial investments.

The Chairman noted that the Investment Strategy provided a robust spread of risk across the Council's investments and complimented officers.

It was **RESOLVED** that the Corporate Governance Group support the following for approval by full council:

- a) The Capital Strategy and Prudential Indicators and Limits for 2018/19 to 2022/23.
- b) The Minimum Revenue Provision (MRP) statement which sets out the Council's policy on MRP.
- c) The Treasury Management Strategy 2208/19 to 2022/23 and the Treasury Indicators.
- d) The Commercial Investments Indicators and Limits for 2018/19 to 2022/23.

34. **Revenue and Capital Budget Monitoring**

The Financial Services Manager presented a report highlighting the Council's budget position for revenue and capital as at 31 December 2017.

The revenue monitoring statement by service area and detailed variance analysis as at 31 December 2017 were attached as appendices to the report and highlighted projected efficiency savings of £193,000 and additional funding of £197,000. It was noted that these could improve throughout the remainder of the year as managers continued to drive cost savings, and raise income against existing budgets. The Financial Services Manager advised that the Council's financial position to date reflected a number of positive variances including employee cost savings, savings from contracts, additional green waste income, investment income and recovery in housing benefit overpayments. The Financial Services Manager also advised that there were several adverse variances, including an increase in the cost of insurance, variations in the cost of contracts and an increase in the cost of NNDR (Business rates) at East Leake Leisure Centre and the Arena.

The Financial Services Manager also provided an update to the committee on the Capital Programme Monitoring Statement as at 31 December 2017. The

report provided details and progress updates of the schemes and also on the potential savings of £10,587,000. The Financial Services Manager noted that the original Capital Programme of £15.1 million had been supplemented by a net amount brought forward and in-year adjustment of £13.2 million giving a revised total of £28.3 million.

Members of the committee noted the overall efficiencies and savings for both revenue and capital, but also noted that opportunities and challenges could arise as a result of external financial pressures, such as business rates, welfare reform and continued financial pressures on individuals, businesses and partners.

It was **RESOLVED** that:

- a) the report be noted.
- b) the projected revenue and capital budget positions for the year of £370,000 revenue efficiencies, and £10,587,000 from capital scheme re-phasing and potential savings be noted.

35. **Work Programme**

The committee considered its Work Programme.

The Chairman requested that the committee consider work programme items for the year ahead for the Corporate Governance Group, in addition to the items that they were required to include in their Work Programme. The Constitutional Services Team Leader advised that there was a Scrutiny Matrix which could be found on the extranet for Councillors to use to suggest potential work programme items.

It was **RESOLVED** that:

- a) the work programme, as in the table below be approved.


Date of Meeting	Item
10 May 2018	<ul style="list-style-type: none"> • External Audit Plan 2018/19 • Internal Audit Progress Report 2017/18 • Internal Audit Strategy 2018/19 • Risk Management Update • IT Update • Information Governance

- b) the Scrutiny Matrix be circulated to members of the committee.

The meeting closed at 8.43 pm.

Action Sheet**CORPORATE GOVERNANCE GROUP - THURSDAY 8 FEBRUARY 2018**

Minute Number	Actions	Officer Responsible
29.	That the Executive Manager – Finance and Corporate Services looks at potential methods and procedures to facilitate increased communication and information sharing between Nottinghamshire County Council and Rushcliffe Borough Council with regard to Pensions matters, and that these proposals be submitted to the Corporate Governance Group for consideration.	Executive Manager – Finance and Corporate Services
32.	Further information about OR_NS28 Delivery of social rented affordable housing, be circulated to committee members	Executive Manager – Finance and Corporate Services
35.	Scrutiny Matrix – email a copy to member of the committee.	Constitutional Services

 <p>Rushcliffe Borough Council</p>	<p>Corporate Governance Group</p> <p>8 February 2018</p> <p>Certification of Grants and Returns 2016/17</p>	<h1>4</h1>
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Report of the Executive Manager - Finance and Corporate Services

1. Summary

- 1.1 The report from KPMG summarises the work undertaken during 2017/18 in relation to grant claims and returns for the financial year 2016/17.

2. Recommendation

It is RECOMMENDED that the Corporate Governance Group accept the report.

3. Reasons for Recommendation

- 3.1 To conform with best audit practice, good governance and the requirements of the Council's external auditors.

4. Supporting Information

- 4.1 The attached report summarises the results of the audit of the Housing Benefit Subsidy Claim 2016/17 and the resultant costs of the audit. The audit identified two errors (summarised in KPMG's attached report) which were all amended within the claim. Overall, the claim was unqualified and KPMG made no recommendations to improve the claims completion process. The actual fee was the same as the indicative fee of £6,495 for 2016/17.

5. Other Options Considered

- 5.1 Not Applicable

6. Risk and Uncertainties

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

7. Implications

7.1 Finance

Financial implications are covered in paragraph 4.1.

7.2 Legal

None

7.3 Corporate Priorities

Not applicable

7.4 Other Implications

None

For more information contact:	Nigel Carter Service Manager – Finance and Commercial 0115 914 8340 ncarter@rushcliffe.gov.uk
Background papers Available for Inspection:	None
List of appendices (if any):	Appendix A - KPMG's annual report

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Private & confidential

Peter Linfield – Executive Manager
Finance and Commercial
Rushcliffe Borough Council
Rushcliffe Arena
Rugby Road
West Bridgford
Nottingham
NG2 7YG

Our ref AB/RBC/Grants

Contact Andrew Bush

22 January 2018

Dear Peter

Rushcliffe Borough Council - Certification of claims and returns - annual report 2016/17

Public Sector Audit Appointments requires its external auditors to prepare an annual report on the claims and returns certified for each audited body. This letter is our annual report for the certification work we have undertaken for 2016/17.

In 2016/17 we carried out certification work on only one claim/return, the Housing Benefit Subsidy claim. The certified value of the claim was £17.4 million, and we completed our work and certified the claim on 01 December 2017.

Matters arising

Our certification work on Housing Subsidy Benefit claim included:

- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of each rate for the year;
- sample testing of benefit claims to confirm that the entitlement had been correctly calculated and was supported by appropriate evidence;
- undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and
- completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.



Our work identified two errors:

In our initial sample of 20 cases relating to Rent Allowance benefits granted, we identified one error (total value £2) where benefit had been underpaid as a result of Working Tax Credit income being incorrectly entered. Testing of an additional sample of 40 cases identified no additional errors.

In our initial sample of 20 cases relating to Non HRA Rent Rebates expenditure, we identified 1 case where the expenditure had been incorrectly split between 2 cells (£8.25 error). We were able to undertake a 100% testing over the respective sub-population where no further errors were identified. The initial error was amended on the claim.

We have made no recommendations to the Council to improve its claims completion process. There were no recommendations made last year and there are no further matters to report to you regarding our certification work.

We have made no recommendations to the Council to improve its claims completion process for this year, and we did not raise any recommendations in the previous year.

Certification work fees

Public Sector Audit Appointments set an indicative fee for our certification work in 2016/17 of £6,495. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee for this claim of £6,898.

Yours sincerely

Andrew Bush
Engagement Lead




This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

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

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 <p>Rushcliffe Borough Council</p>	<p>Corporate Governance Group</p> <p>5 December 2017</p> <p>Internal Audit Progress Report 2017/18</p>	<p>4</p>
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Report of the Executive Manager - Finance and Corporate Services

1. Summary

- 1.1 The attached report has been prepared by the Council's internal auditors RSM. It is the first progress report for the financial year 2017/18 and shows the current position on the audit programme, along with any significant recommendations with regards to the audits completed during this period.

2. Recommendation

- 2.1 It is RECOMMENDED that the Corporate Governance Group notes Internal Audit's first Progress Report for 2017/18 (**Appendix A**).

3. Reasons for Recommendation

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

4. Supporting Information

- 4.1 The Internal Audit Plan for 2017/18 was approved by the Corporate Governance Group at its meeting on 11 May 2017 and includes 14 planned reviews. Of these reviews 36% have been completed. The attached report highlights the completion and issuing of three reports: Garden Waste, Review of the Arena Project and Procurement of IT. In terms of findings:
- Green Waste has been awarded reasonable assurance with 1 medium priority identified in relation to reconciliation of stickers. Mitigating action has been agreed by management and a weekly reconciliation is now being completed.
 - Review of the Arena Project was advisory with no opinion issued; and
 - Procurement of IT was awarded substantial assurance.
- 4.2 With regard to the remaining programme, 2 assignments are currently at draft report status with final versions due to be reported at the next meeting of this Group in February 2018. The remainder of the audit plan is due to be completed over the remaining four months of 2017/18.

5. Other Options Considered

- 5.1 Not Applicable.

6. Risk and Uncertainties

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

7 Implications

7.1 Finance

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

7.2 Legal

None.

7.3 Corporate Priorities

Not applicable.

7.4 Other Implications

None.

For more information contact:	Nigel Carter Service Manager – Finance and Commercial 0115 914 8340 ncarter@rushcliffe.gov.uk
Background papers Available for Inspection:	Internal Audit Reports 2017/18
List of appendices (if any):	Appendix A – Internal Audit Progress Report 2017/18



Rushcliffe Borough Council
Internal Audit Progress Report 2017/18
Corporate Governance Group
5 December 2017

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept
no responsibility or liability in respect of this report to any other party.



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

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

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

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

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

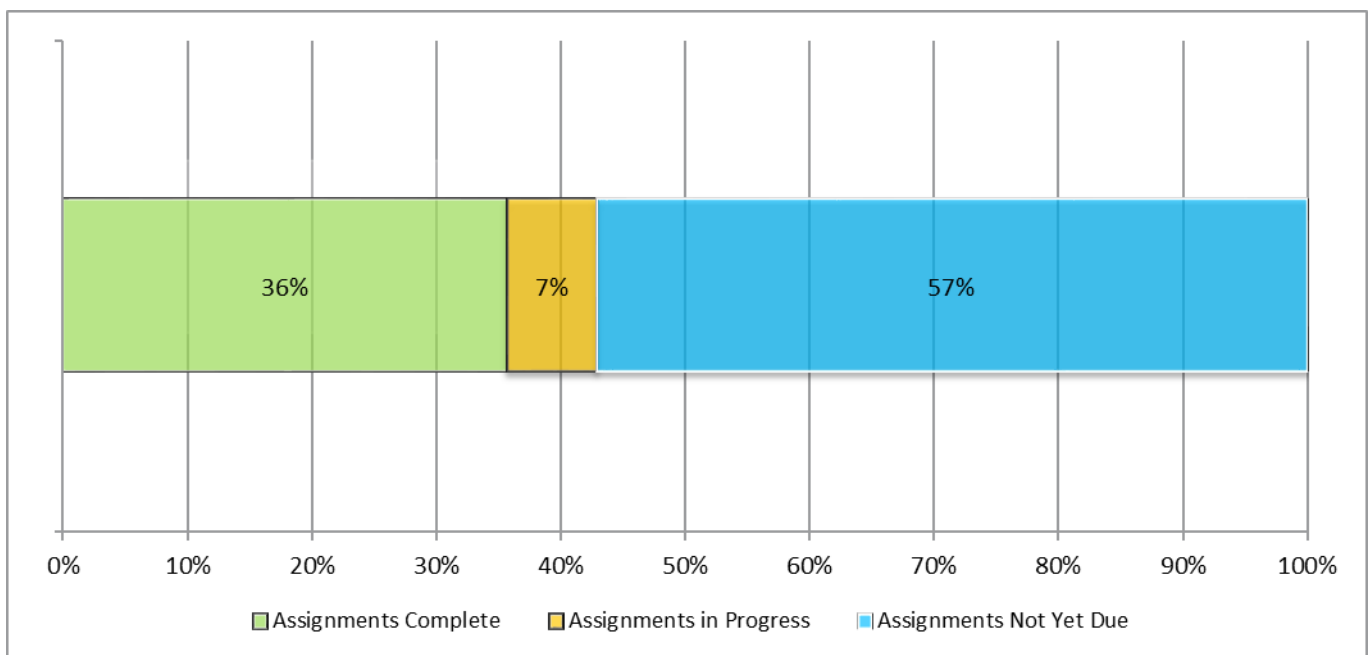
We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

1 INTRODUCTION



The Internal Audit Plan for 2017/18 was approved by the Corporate Governance Group on 11 May 2017 and includes a total of 14 planned reviews.

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



2 REPORTS CONSIDERED AT THIS CORPORATE GOVERNANCE GROUP

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

Assignment	Status	Opinion issued	Management Actions agreed		
			H	M	L
Garden Waste (01.17/18)	Final		0	1	5
Review of the Arena Project (02.17/18)	Final	Advisory	0	0	1
Procurement of IT Equipment (03.17/18)	Final		0	0	1

2.1 Impact of findings to date



Garden Waste (01.17/18)

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one medium and five low priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority finding relates to:

- Reconciliations are not performed to verify the number of stickers held in stock to the number of stickers issued or income received.
-



Review of the Arena Project (02.17/18)

Conclusion: Advisory Review

Impact on Annual Opinion: n/a

As a result of testing undertaken, one low priority finding was identified and a management action was agreed in respect this finding.



Procurement of IT Equipment (03.17/18)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one low priority finding was identified and a management action was agreed in respect this finding.

3 LOOKING AHEAD

Assignment area	Planned Commencement Date	Status
Payroll	30 October 2017	Draft Report Issued
Country Park	6 November 2017	Draft Report Issued
Data Protection	4 December 2017	In Progress
Housing Benefits	11 December 2017	Planning Stage
Corporate Governance	8 January 2018	Planning Stage
Creditors and E Procurement	29 January 2018	Planning Stage
Contract Management	12 February 2018	Planning Stage
Main Accounting	19 February 2018	Planning Stage
Follow Up	19 February 2018	Planning Stage
Allowances	TBC	Planning Stage
IT	TBC	Planning Stage

4 OTHER MATTERS

4.1 Changes to the audit plan

There are no changes to the internal audit plan since the previous Corporate Governance Group.

APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

There have been no reports previously seen by the Corporate Governance Group against the 2017/18 Internal Audit Plan.

FOR FURTHER INFORMATION CONTACT

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Phone: 0115 964 4450

GARDEN WASTE - DETAILED FINDINGS

Categorisation of internal audit findings	
Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
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Risk: Green Waste charges are not effectively managed leading to a loss of income.

6	<u>Missing control</u> Reconciliations are performed between the number of stickers issued and the number of stickers held in stock and to income received.	No	-	We were informed by the Customer Services Supervisor and Recycling Officer that there are no reconciliations performed between the number of stickers issued and the number of stickers held in stock at either the Contact Centre or depot. We were not provided with evidence of any income reconciliations. We were informed by the Financial Services Manager that income reconciliations can take place against the invoices raised but as the debtors system records this information and the system will not roll forwards to the following	Medium	Stock and income reconciliations will be performed on a regular basis to confirm that the number of stickers held in stock and value of payments received is as expected.	31 October 2017	Customer Services Manager and Financial Services Manager
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Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>period if it does not balance that a better form of reconciliation could be produced comparing the number of stickers issued with the number of bins that have been paid for to avoid misappropriation of stickers issued</p> <p>There is a risk that discrepancies in stock levels of stickers or in value of payment received are not identified which could result in misappropriation of stickers and financial loss.</p>				

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Rushcliffe Borough Council
Internal Audit Progress Report 2017/18
Corporate Governance Group
5 December 2017

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept
no responsibility or liability in respect of this report to any other party.



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2 Reports considered at this Corporate Governance Group.....	3
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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

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

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

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

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

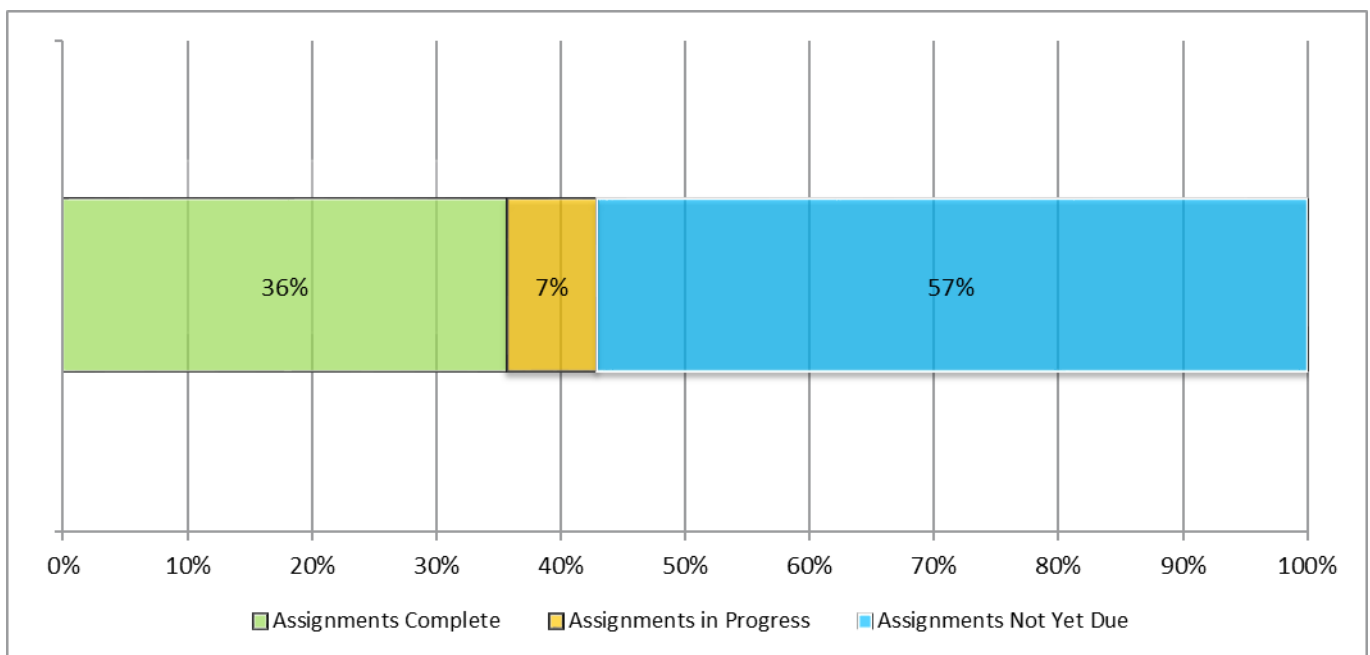
We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

1 INTRODUCTION



The Internal Audit Plan for 2017/18 was approved by the Corporate Governance Group on 11 May 2017 and includes a total of 14 planned reviews.

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



2 REPORTS CONSIDERED AT THIS CORPORATE GOVERNANCE GROUP

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

Assignment	Status	Opinion issued	Management Actions agreed		
			H	M	L
Garden Waste (01.17/18)	Final		0	1	5
Review of the Arena Project (02.17/18)	Final	Advisory	0	0	1
Procurement of IT Equipment (03.17/18)	Final		0	0	1

2.1 Impact of findings to date



Garden Waste (01.17/18)

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one medium and five low priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority finding relates to:

- Reconciliations are not performed to verify the number of stickers held in stock to the number of stickers issued or income received.
-



Review of the Arena Project (02.17/18)

Conclusion: Advisory Review

Impact on Annual Opinion: n/a

As a result of testing undertaken, one low priority finding was identified and a management action was agreed in respect this finding.



Procurement of IT Equipment (03.17/18)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one low priority finding was identified and a management action was agreed in respect this finding.

3 LOOKING AHEAD

Assignment area	Planned Commencement Date	Status
Payroll	30 October 2017	Draft Report Issued
Country Park	6 November 2017	Draft Report Issued
Data Protection	4 December 2017	In Progress
Housing Benefits	11 December 2017	Planning Stage
Corporate Governance	8 January 2018	Planning Stage
Creditors and E Procurement	29 January 2018	Planning Stage
Contract Management	12 February 2018	Planning Stage
Main Accounting	19 February 2018	Planning Stage
Follow Up	19 February 2018	Planning Stage
Allowances	TBC	Planning Stage
IT	TBC	Planning Stage

4 OTHER MATTERS

4.1 Changes to the audit plan

There are no changes to the internal audit plan since the previous Corporate Governance Group.

APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

There have been no reports previously seen by the Corporate Governance Group against the 2017/18 Internal Audit Plan.

FOR FURTHER INFORMATION CONTACT

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GARDEN WASTE - DETAILED FINDINGS

Categorisation of internal audit findings	
Priority	Definition
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 <p>Corporate Governance Group</p> <p>5 December 2017</p> <p>Risk Management Review Update</p>	<h1>7</h1>
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Report of the Executive Manager - Operations and Transformation

1 Summary

- 1.1 This report provides an update on the progress made since the meeting on 11 May 2017 and also provides a summary of any activities associated with updating the Council's risk register and work relating to the Council's emergency planning and business continuity functions. An update on work to the audit recommendations made by the Council's internal auditor, RSM (formerly Baker Tilly) following the annual audit of risk management in August 2016 is also included.

2 Recommendation

It is RECOMMENDED that the Corporate Governance Group:

- a) note the contents of the report
- b) consider the actions taken to review the risk management arrangements and implement internal audit recommendations
- c) consider the work of the Emergency Planning Officer and endorse the work of the Local Resilience Forum.

3 Risk Management Review and Activity

- 3.1 Two sessions of training have been provided in the last 6 months. A training session was delivered for the Leadership Forum on 18 May 2017 looking at mitigating controls and their effectiveness, and refresher training was provided on 13 November 2017 to risk managers by the Council's insurance company, Zurich.
- 3.2 Executive Management Team met as the Council's Risk Management Group (RMG), on 11 May 2017 and 7 November in order to oversee the management of risk across the organisation and review, where necessary, strategic and operational risks. These meetings ensure consideration is given to reviewing the risk registers, amending or updating existing risks and ratings, verifying control measures and, where necessary identifying new risks. This process continues to remove unnecessary risks that are low scoring; those with the lowest likelihood or impact and / or risks that have effective mitigation ensuring the risk factors are under control. Additionally new risks are identified and are added to the registers taking into account the changing nature of the Council's business and its priorities.
- 3.3 There are currently 34 corporate risks, 3 more than the last report. The number of operational risks has decreased by 3 from 32 to 29, and therefore the total number of risks is 61. The number of risks within the registers will fluctuate throughout the year as active risk management is undertaken. Changing pressures facing local government and the proactive work of managers to identify risks as they emerge will continue to influence new risks added to the register and demonstrates the

Council's aim to be proactive to mitigate risk as soon as possible after identification. The risk registers are attached at **Appendix A**.

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

Risks removed:

- OR_NS21 Lack of or inappropriate monitoring of the Streetwise prime contract resulting in reduced standards and increased levels of resident dissatisfaction
- OR_NS26 Lack of or inappropriate monitoring of Nottingham City Council vehicle maintenance contract resulting in reduced standards and increased costs
- OR_TR22 Potential delay over completion and handover of Bridgford Hall.

Risks added or proposed by Service Managers or Risk Management Group:

- CRR_TR23 Grenfell Tower post incident risk to commercial buildings in Rushcliffe. The risk assessment is 1 impact and 1 likelihood
- OR_CO06 Loss of income as a result of the refund of planning application fees (under the provisions of the Government's Planning Performance and Planning Guarantee). The risk assessment is 2 impact and 2 likelihood
- OR_NS29 Lack of or inappropriate monitoring of the Council's contracts in place (resulting in reduced standards or increased levels of resident dissatisfaction). The risk assessment is 3 impact and 1 likelihood. This risk replaces OR_NS21 and OR_NS26.

Risks amended:

Nine risks have been amended since the last meeting, these are:

- CRR_CO02 Failure of public sector partnerships / withdrawal of financial support – the likelihood has been increased
- CRR_FCS12 Risk and return from Asset Investment Strategy – the likelihood for this risk has reduced from 3 to 2 following advice from RMG
- CRR_FCS20 Failure to properly manage and deliver significant projects – the title of this risk has changed – 'Leisure and Office move' has been removed, and the impact has reduced from 3 to 2 on the advice of the RMG
- CRR_TR20 Failure to successfully complete the Rushcliffe Arena snagging list – impact of this risk has been reduced from 3 to 2 following guidance from RMG
- CRR_TR21 Failure to comply with the Data Protection Act – this risk has moved from operational to the Corporate risk register, and the likelihood has been decreased from 3 to 2 now an action plan is in place. It has also moved to the management of the Chief Information Officer
- CRR_TR22 Loss or compromise of confidential or restricted information or data – this risk has moved to the management of the Chief Information Officer
- OR_FCS10 Reputational risk to the Council following adverse media coverage – the impact has been reduced from 3 to 2 following training by The Media Group
- OR_NS28 Delivery of social rented affordable housing – the likelihood has been increased from 2 to 3 following guidance from RMG
- OR_TR23 Challenge to ensure sufficient car parking spaces at Rushcliffe Arena – the impact and likelihood have both been reduced from 3 to 2 after

a parking barrier was installed and a planned conversion of grasscrete areas to tarmac.

4 Emergency Planning Update

4.1 Plans

- A move to critical plan/checklist has been produced as part of a review of the corporate emergency plan.
- The Elected members plan was reviewed and re issued.
- Rushcliffe took part in the national capability survey that takes place every 2 years.
- The Rushcliffe Borough Council emergency planning officer is leading on the Local Resilience Forum spontaneous volunteer planning in her Nottinghamshire County Council role.

4.2 Community resilience

Gotham applied for and received funding from Rushcliffe's Flood resilience store grant for the purchase of community level flood protection items.

Assistance has been given to Gotham's new flood group.

Assistance has been given to Radcliffe on Trent Parish Council around emergency planning.

4.3 Training

Leisure centre staff from Bingham, Cotgrave, Keyworth and Rushcliffe Arena received training and refresher training on their facilities manager roles within the emergency accommodation plan.

Senior managers attended training on Strategic Coordinating groups and Tactical Coordinating groups for incident response.

Staff attended a "move to critical" workshop run by counter terrorism security advisors.

4.4 Exercising

Exercise Diamond 4

A multi-agency planning group is currently meeting to plan a 2 day flood exercise in February 2018. The exercise will be strategic and tactical level with the scenario involving the escalation to a regional response coordinating group. To allow for the testing of the Trent catchment plan. All members of EMT and the emergency planning officer will be taking part.

Exercise Silver Siren

A multi-agency planning group is currently meeting to plan a week long live air crash investigation exercise in May 2018. Led by the RAF, the exercise will involve RAF Syerston as a location and the testing of Military and Local Resilience Forum partners working together. The second part of the exercise planned for November 2018 will involve the activation of Military support to the civil community, and strategic and mass fatalities coordinating groups.

4.5 Grenfell tower post incident work

The Council has been responding to the Department for Communities and Local Government information requests and also taking a proactive approach with Rushcliffe communities.

Actions taken

Social housing

The Council has liaised with both Metropolitan and Waterloo housing regarding their housing stock and no issues have been reported.

Private landlords with houses of multi occupancy

Standard housing inspections already include the provision of a fire and rescue guidance leaflet. Fire risk assessment information has been provided for Greater Nottingham electronic landlord forum. A South Notts Private Landlord Forum and Empty Property Fayre were jointly hosted by Rushcliffe Borough Council and Gedling Borough Council on 5 October 2017.

Rushcliffe Borough Council property

A review of Rushcliffe property assets with a focus on the new Rushcliffe Arena building has taken place and no issues have been identified.

Liaison with Notts Fire and Rescue

We are working with Notts Fire and Rescue regarding countywide standardised advice for fire risk information. Additionally, an Executive Manager attended a Grenfell Tower Strategic briefing chaired by Notts Fire and Rescue.

University accommodation

Liaison is taking with place with Nottingham City Council emergency planning team regarding work with the University of Nottingham and their plans to be self-contained in accommodating and rehousing students in an evacuation.

Emergency plans

The current corporate emergency plan is in date and mid-way through its 3 year review cycle. The opportunity was taken for a mid-cycle review and the plan was reviewed in June 2017.

- Local Resilience Forum work is already in progress around the management of spontaneous volunteers and has benefitted from substantial lessons identified which are being fed into the planning work. The RBC emergency planning officer leads this work in her NCC role.
- Multi agency plans already in their planning review cycle and completed September 2017 include: site clearance, mass fatalities, critical infrastructure, and humanitarian assistance.

Emergency accommodation plans

Contract hub staff were able to re-confirm contract and availability of Parkwood leisure centres for emergency accommodation. Also, in conjunction with Nottinghamshire County Council emergency planning team, refresher training has taken place for Parkwood Leisure staff on their role in the emergency accommodation plan.

5 Implications

5.1 Finance

The Risk Management Group ensures that the financial risks of the Council are managed. The SLA with Nottinghamshire County Council to provide an Emergency Planning Service is £25,900.

5.2 Legal

The risk management group ensure that the section 17 implications are contained within the risk register.

5.3 Corporate Priorities





























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






5.4 Other implications

There are no other implications.


For more information contact:	Katherine Marriott Executive Manager – Operations and Transformation 0115 914 8291 kmariott@rushcliffe.gov.uk
Background papers Available for Inspection:	None.
List of appendices (if any):	Appendix A – Risk registers

Corporate Risks

Risk Code & Title	Status	Current Rating
CRR_CO02 Failure of public sector partnerships/ withdrawal of financial support		6
CRR_CO03 Failure to safeguard children and vulnerable adults		3
CRR_CO04 Inability to demonstrate a five year supply of deliverable housing sites against the housing target leading to further development on unallocated sites		12
CRR_FCS01 Failure to properly deal with community governance review legislation, Community Right to Challenge, and nominations for assets of community value		4
CRR_FCS02 Reduction in Government funding linked to New Homes Bonus		6
CRR_FCS03 Failure to prevent or detect fraud and corruption		6
CRR_FCS05 Revaluation of major business rate payer		12
CRR_FCS06 Lack of funding from partners		4
CRR_FCS07 Central Government policy changes		9
CRR_FCS08 Inadequate capital resources		3
CRR_FCS09 Fee income volatility		4
CRR_FCS10 Inflationary pressures, particularly utility costs		6
CRR_FCS11 Increased demand for services		6
CRR_FCS12 Risk and return from Asset Investment Strategy		6
CRR_FCS13 Failure to deliver the Transformation Strategy		6
CRR_FCS20 Failure to properly manage and deliver significant projects		4
CRR_FCS21 Potential inflationary pressures, with volatility over prediction for budget		4
CRR_NS08 Failure of internal health and safety compliance or enforcement of health and safety		2
CRR_TR04 Failure to properly manage our property assets		3
CRR_TR07 Equal pay claim		6
CRR_TR08 Failure of business continuity		6
CRR_TR09 ICT supplier goes out of business		3
CRR_TR10 Ineffective emergency planning arrangements		4
CRR_TR11 Insufficient staff capacity - skills, knowledge etc		6
CRR_TR12 Long term loss/failure of main ICT systems		4
CRR_TR13 Loss or compromise of sensitive data		6
CRR_TR14 Short term loss/failure of main ICT systems		4
CRR_TR15 Significant reduction in staff morale		3

CRR_TR16 Threat of major successful cyber-attack		8
CRR_TR17 Inability to draw down Growth Deal 2 funding within specified timescales		8
CRR_TR20 Failure to successfully complete the Rushcliffe Arena snagging list		6
CRR_TR21 Failure to comply with the Data Protection Act		4
CRR_TR22 Loss or compromise of confidential or restricted information or data		3
















Added to the register













Risk Code & Title	Status	Current Rating
CRR_TR23 Grenfell Tower post incident risk to commercial buildings in Rushcliffe. The risk assessment is 1 impact and 1 likelihood		2

New risks in development



Risk Code & Title	Status	Current Rating
None		

Operational Risks

Risk Code & Title	Status	Current Rating
OR_CO04 Cost of defending appeals for large scale residential developments and potential award of costs		4
OR_CO05 Failure to determine major planning applications within 13 weeks or agreed period		3
OR_FCS01 Failure to meet major statutory duties or take on board new legislation		4
OR_FCS03 Inadvertent illegal activity, taking illegal decisions		2
OR_FCS04 Failure to implement Paperlite working practice for Members		2
OR_FCS06 Failure to manage and monitor budget		4
OR_FCS07 Lack of implementation of financial controls		4
OR_FCS08 Exposure to breach of VAT rules		6
OR_FCS09 Loss of capital/lower interest earned on investments, due to current economic climate		8
OR_FCS10 Reputational risk to the Council following adverse media coverage		6
OR_NS02 Disruption and lack of fuel preventing collection of domestic waste		2
OR_NS06 Lack of knowledge of contaminated land		2
OR_NS20 Significant malfunction of core services/security risk at Council's temporary accommodation premises		4
OR_NS25 Failure to deliver mandatory DFG grant due to insufficient funding		2
OR_NS28 Delivery of social rented affordable housing		6

OR_TR04 Failure to manage legionella issues		4
OR_TR05 Failure to manage asbestos in buildings under our control		4
OR_TR13 Failure to maintain council owned trees		4
OR_TR14 Partners closure of buildings where RBC has contact points, including RCCC		6
OR_TR16 Failure to secure vacant possession of Cotgrave precinct and associated risks to town centre regeneration		2
OR_TR17 Threat of violence to staff		6
OR_TR18 Failure to comply with Equality legislation		2
OR_TR19 Risk to staff health due to their work		2
OR_TR20 Threat of Industrial Action		2
OR_TR21 Unauthorised access to IT systems		8
OR_TR23 Challenge to ensure sufficient car parking spaces at Rushcliffe Arena		4
OR_TR24 Failure to successfully review the day to day operation of the Rushcliffe Arena		4

Added to the register

Risk Code & Title	Status	Current Rating
OR_CO06 Loss of income as a result of the refund of planning application fees (under the provisions of the Government's Planning Performance and Planning Guarantee). The risk assessment is 2 impact and 2 likelihood.		4
OR_NS29 Lack of or inappropriate monitoring of the Council's contracts in place (resulting in reduced standards or increased levels of resident dissatisfaction).The risk assessment is 3 impact and 1 likelihood.		3

New risks in development

Risk Code & Title	Status	Current Rating
None		

 <p>Rushcliffe Borough Council</p>	<p>Corporate Governance Group</p> <p>8 February 2018</p> <p>Capital and Investment Strategy 2018/19</p>	<h1>8</h1>
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Report of the Executive Manager – Finance and Corporate Services

1. Summary

- 1.1 The purpose of this report is to provide members with details of the Capital and Investment Strategy for 2018/19 to 2022/23 which replaces the separate Treasury Management and Capital Strategies approved by Full Council in previous years.
- 1.2 The Local Government Act 2003 requires the Council to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out capital and treasury management activities.
- 1.3 In November 2017 the Government consulted on revisions to its guidance on Local Authority Investments, which is due to be issued in early 2018. In addition, the CIPFA Prudential Code and CIPFA Treasury Code were updated in December 2017.
- 1.4 The objectives of the CIPFA Prudential Code are to ensure that capital investment plans are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with the treasury management strategy.
- 1.5 The Capital and Investment Strategy 2018/19 reflects the changes in Government Guidance and CIPFA Treasury and Prudential Codes. However, given the short timescales involved, the Strategy will need to be given the opportunity to evolve.

2. Recommendation

- 2.1. It is RECOMMENDED that the Corporate Governance Group scrutinise the following for approval by Full Council:
 - The Capital strategy and Prudential Indicators and Limits for 2018/19 to 2022/23 contained within Appendix A of the report.
 - The Minimum Revenue Provision (MRP) Statement contained within Appendix A (para 17) which sets out the Council's policy on MRP.

- The Treasury Management Strategy 2018/19 to 2022/23 and the Treasury Indicators contained within Appendix A (paragraph 19 to 62).
- The Commercial Investments Indicators and Limits for 2018/19 to 2022/23 contained within Appendix A (paragraphs 63 to 76).

3. Reasons for Recommendation

- 3.1 To comply with Council Financial Regulations, and the Local Government Act 2003 which requires the Council to adhere to the CIPFA Prudential Code for Capital Finance in Local Authorities.

4. Supporting Information

Capital Prudential Indicators

- 4.1 Appendix A of this report details the Capital Strategy and Capital prudential Indicators for 2018/19 to 2022/23.
- 4.2 The Capital prudential Indicators highlight the following:
- Projected capital expenditure plans and funding;
 - The Council's Borrowing Need (the Capital Financing Requirement CFR);
 - The on-going impact of the capital programme on the investment balance.

Minimum Revenue Provision Policy

- 4.3 Appendix A (paragraph 19) contains the Minimum Revenue Provision (MRP) Policy Statement, which details the methodology used to calculate the charge to the revenue account for the cost of borrowing to fund capital expenditure.
- 4.4 The new proposed Government Guidance includes limits to the period over which the cost of borrowing can be recovered from the revenue account. The revised MRP policy reflects this change in guidance.

Treasury Management Strategy

- 4.5 Appendix A (paragraph 20) details the Treasury Management Strategy which covers:
- The current economic climate and prospects for interest rates;
 - The Council's debt and investment projections;
 - The limits and prudence of future debt levels;
 - The affordability impact of the capital programme;
 - The Council's borrowing and investment strategies;
 - Specific limits on treasury activities; and
 - Any local treasury issues.

Commercial Investments

- 4.6 The revised definition of investments in the revised CIPFA Treasury Code includes assets which the organisation holds primarily for financial returns, such as investment property portfolios.
- 4.7 Appendix A (Paragraphs 65 to 78) details the appraisal techniques used to assess commercial investments, and provides a risk assessment of the level of commercial investments by identifying:
- The limit on the Council's dependency on commercial income.
 - How risk is spread across;
 - The size of individual investments.
 - The commercial sectors the Council's investments are spread across.

Conclusion

- 4.8 The Capital Prudential Indicators and Treasury Management Strategy give both a position statement and details of the future position of the Council's Capital, Commercial Investment and Treasury plans. The documents comply with best professional practice and as such are recommended for approval by Full Council.

5. Other Options Considered

6. Risks and Uncertainties

- 6.1 The report identifies the risks relating to interest rates, use of counterparties for investments and the returns from commercial investments, particularly in the light of prevailing uncertainty in the global financial markets.

7. Implications

7.1. Finance

Financial implications are covered in the body of the report.

7.2 Legal

None

7.3 Corporate Priorities

Efficient treasury management enables the Council to achieve its Corporate Priorities.

7.4 Other Implications

None.

For more information contact:	Name: Peter Linfield Executive Manager (Finance and Corporate Services) 0115 914 8439 Email plinfield@rushcliffe.gov.uk
Background papers available for inspection	Council Financial Regulations Treasury Management in the Public Services: Code of Practice (CIPFA) The Prudential Code for Capital Finance in Local Authorities (CIPFA) Draft Guidance on Local Government Investments (CLG) Draft Statutory Guidance on Minimum Revenue Provision (CLG)
List of Appendices (if any):	Appendix A – Capital and Investment Strategy 2018/19 – 2022/23

 <p>Rushcliffe Borough Council</p>	<p>Corporate Governance Group</p> <p>8 February 2018</p> <p>Revenue and Capital Budget Monitoring 2017/18 - Quarter 3 Update</p>	<h1>9</h1>
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Report of the Executive Manager – Finance and Corporate Services

1. Summary

- 1.1. This report presents the budget position for revenue and capital as at 31 December 2017 along with the appropriate recommendations for referral to Cabinet. Given the current financial climate it is imperative that the Council maintains due diligence with regards to its finances and ensures necessary action is taken to maintain a robust financial position.

2. Recommendation

It is RECOMMENDED that the Corporate Governance Group note:

- a) the projected revenue and capital budget positions for the year of £370,000 revenue efficiencies, and £10,587,000 from capital scheme re-phasing and potential savings.

3. Reasons for Recommendation

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

4. Supporting Evidence

Revenue Monitoring

- 4.1 The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis as at 31 December 2017 attached at **Appendix B**. This shows projected efficiency savings of £193,000 and additional funding of £197,000. This could improve throughout the remainder of the year as managers continue to drive cost savings, and raise income, against existing budgets and there will be likely requests for carry forwards.
- 4.2 **Appendix A** includes a Minimum Revenue Provision (MRP) of £1 million. This is a provision that the Council is required to make each year to cover the internal borrowing costs for the Arena which will be funded by New Homes Bonus.
- 4.3 As documented at **Appendix B** the financial position to date reflects a number of positive variances including employee cost savings, savings from contracts, additional green waste income, investment income and recovery in housing benefit overpayments. The Council has also received an additional S31 grant for Flexible Homelessness Support which will support additional staffing resources included in the 2018/19 budget.

- 4.4 There are several negative variances, including an increase in the cost of insurance, variations in the cost of contracts, and an increase in the cost of NNDR (Business Rates) at East Leake Leisure Centre and the Arena following the 2017 national rates revaluation exercise.
- 4.5 Following the close of a consultation exercise in January 2018 the Ministry of Housing, Communities and Local Government has indicated that the methodology for calculating the compensation for Small Business Rate Relief will be changing. The current projected year-end efficiency position does not include this alteration and the impact of additional reliefs announced by the Government in the Spring budget.
- 4.6 At October Cabinet the use of a maximum of £20k of the revenue efficiencies towards a business case feasibility assessment concerning Bingham Leisure Centre was approved. This will reduce the projected revenue efficiencies for the year to £370,000.

Capital Monitoring

- 4.7 The updated Capital Programme monitoring statement as at 31 December 2017 is attached at **Appendix C** which provides further details and the progress of the schemes and both re-phasing and potential savings of £10,587,000. A summary of the projected outturn and funding position is shown in the table below:-

CAPITAL PROGRAMME MONITORING - DECEMBER 2017			
EXPENDITURE SUMMARY	Current Budget £000	Projected Actual £000	Projected Variance £000
Transformation	17,027	8,151	(8,876)
Neighbourhoods	2,208	1,267	(941)
Communities	399	229	(170)
Finance & Corporate Services	8,381	7,781	(600)
Contingency	270	270	-
	28,285	17,698	(10,587)
FINANCING ANALYSIS			
Capital Receipts	(15,277)	(13,222)	2,055
Government Grants	(5,167)	(1,947)	3,220
Other Grants/Contributions	(1,969)	(1,340)	629
Use of Reserves	(3,189)	(289)	2,900
Internal Borrowing	(2,683)	(900)	1,783
	(28,285)	(17,698)	10,587
NET EXPENDITURE	-	-	-

- 4.8 The original Capital Programme of £15.1 million has been supplemented by a net brought forward and in-year adjustments of £13.2 million giving a revised total of £28.3 million. This is an ambitious capital programme which will see completion of two major redevelopment schemes: Cotgrave Multi-service

Centre and Cotgrave Employment Land. The variance of £10.5 million is largely down to five schemes:

- £2.7m re-phasing of Cotgrave Regeneration and the Multi Service Centre.
- £5m in relation to development of Land North of Bingham which is no longer going ahead this year and has been recommended to be removed from the 2017/18 programme with a view to reallocating the LEP element (£2.5 million) of the provision in the 2018/19 programme.
- £750,000 in relation to RAF Newton site which is no longer going ahead this year and has been recommended to be removed from the 2017/18 programme. It is intended to reallocate this provision and include in the 2018/19 programme.
- £770,000 slippage on Support for Registered Housing Providers. One scheme has been identified and it is estimated that the start on site grant will be released by the year end.
- £600,000 slippage on the release of the loan to Nottinghamshire County Cricket Club.

4.9 A request has been made to allocate £100,000 from Capital Contingency for the upgrade of facilities at Rushcliffe Community Contact Centre.

Summary

4.10 The report projects overall efficiency savings for both revenue and capital (along with budget re-phasing). It should be noted opportunities and challenges can arise during the year which may impact on the projected year-end position. There remain external financial pressures from developing issues such as the impact of the localisation of business rates, welfare reform, and continued financial pressures on individuals, businesses and partners; with heightened risks as a result of BREXIT. Against such a background it is imperative that the Council continues to keep a tight control over its expenditure, identifies any impact from income streams and maintains progress against its Transformation Strategy.

5 Risk and Uncertainties

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

5.2 Areas such as income can be volatile according to external pressures such as the general economic climate. For example, Planning income is variable according to the number and size of planning applications received and property assets are subject to risks such as void periods and property valuation volatility.

5.3 Changes to government funding in areas such as business rates relief will impact upon the final revenue outturn position.

6 Implications

6.1 Finance

Financial implications are covered in the body of the report.

6.2 Legal

None.

6.3 Corporate Priorities

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

6.4 Other Implications

None.

For more information contact:	Nigel Carter Service Manager - Finance and Commercial 0115 914 8430 ncarter@rushcliffe.gov.uk
Background papers Available for Inspection:	Council 2 March 2017 – 2017-18 Budget and Financial Strategy Cabinet 13 September 2017 – Revenue and Capital Budget Monitoring Update, Quarter 1 2017-18 Cabinet 5 December 2017 – Revenue and Capital Budget Monitoring Update, Quarter 2, 2017-18
List of appendices (if any):	Appendix A – Revenue Outturn Position 2017/18 – Quarter3 Appendix B – Revenue Variance Explanations Appendix C – Capital Programme 2017/18 – Quarter 3 Position

Revenue Outturn Position 2017/18 – Quarter 3

	Quarter 3			
	Original Budget £'000	Revised Budget £'000	Projected Outturn £'000	Variance £'000
	Excluding recharges			
Communities	1,219	1,194	1,168	-26
Finance & Corporate Services	3,403	3,351	3,242	-109
Neighbourhoods	3,936	4,010	4,012	2
Transformation	2,885	2,995	2,935	-60
Sub Total	11,443	11,550	11,357	-193
Capital Accounting Reversals	-1,587	-1,587	-1,587	0
Minimum Revenue Provision	1,000	1,000	1,000	0
Net Service Expenditure	10,856	10,963	10,770	-193
Revenue Contribution To Capital	158	158	158	0
Transfer to/(from) Reserves	-27	-134	256	0
Total Net Service Expenditure	10,987	10,987	11,184	-193
Grant Income (including New Homes Bonus)	-2,334	-2,334	-2,467	-133
Business Rates (including SBRR)	-2,561	-2,561	-2,625	-64
Council Tax	-6,074	-6,074	-6,074	0
Collection Fund Surplus	-18	-18	-18	0
Total Funding	-10,987	-10,987	-11,184	-197
Total Variance	0	0	0	-390

Revenue Variance Explanations (over £15k)

ADVERSE VARIANCES in excess of £15,000	Projected Outturn Variance £'000
Finance & Corporate Services	
Insurances - Increases in the Motor Insurance Premium and Insurance Premium Tax	20
Council Tax - Legal & Professional	20
Electoral Registration - External Printing	20
Transformation	
Economic Development - Feasibility Costs	20
Office Accommodation – Actual valuation of the Arena NNDR (Business Rates) by Valuation Office	70
Neighbourhoods	
Leisure Centres - East Leake NNDR (Business Rates) revaluation and increase in contract price	21
Leisure Centres - Repairs	19
Total Adverse Variances	190

FAVOURABLE VARIANCES in excess of £15,000	Projected
	Outturn Variance £'000
Communities	
Community Parks & Open Spaces - Renegotiated catering contracts at Rushcliffe Country Park	-15
Development Control - Staff Vacancies	-18
Building Control - Income	-20
Finance & Corporate Services	
Council Tax - Staff vacancies	-18
Housing Benefit - overpayments recovered	-150
Performance & Reputation - Staff Vacancies	-23
Contingency	-50
Interest Receipts	-47
Transformation	
IT rechargeables - savings from contracts	-50
Economic Development - Strategic Board Fund and Shop Fronts	-60
BSU - Staff vacancies	-19
Customer Services - Staff vacancies	-15
Neighbourhoods	
Waste Collection and Recycling - Green waste income above target	-88
HIMO income release of prepaid licences	-17
Total Favourable Variances	-590
Sum of Minor Variances	207
TOTAL VARIANCE	-193


FUNDING VARIANCES	Projected Outturn Variance £'000
Original Funding:	
Business Rates - this is the difference between the budgeted income and NNDR1	-64
Grant Income (including New Homes Bonus)	-8
Additional S31 Grants:	
Flexible Homelessness Support Grant	-74
New Burdens - DHP Administration Grant	-11
New burdens funding	-12
IER funding	-19
New Burdens - Benefit Cap	-5
Other	-4
TOTAL VARIANCE	-197

Capital Programme 2017/18 – Quarter 3 Position

CAPITAL PROGRAMME MONITORING - DECEMBER 2017							Explanation
	Original Budget	Current Budget	Budget YTD	Actual YTD	Projected Actual	Variance	
		£000	£000	£000	£000	£'000	
TRANSFORMATION							
Cotgrave Regeneration & MSC	2,920	4,616	3,462	425	1,927	(2,689)	Contracts completed and works started on site. £2.189m to be slipped into 2018-19, £0.5m to be slipped into 2019-20.
Cotgrave Employment Land	0	1,477	1,108	1,268	1,477	0	Units complete and nearly wholly let.
Land North of Bingham	2,800	5,387	0	0	0	(5,387)	Leisure and Wellbeing land acquired and due for disposal. Cabinet 9 January 2018 recommended the removal of the £2.5m LEP funding allocated to the Land North of Bingham (match funded with £2.5m New Homes Bonus) from the 2017/18 programme as it is no longer required for the original scheme. The LEP element of the scheme to be provisionally reallocated and included in the 2018/19 Capital Programme.
Bingham Land off Chapel Lane	0	1,800	1,580	1,593	1,800	0	Land acquisition complete. Remediation costs still to be incurred (potential to slip into 2018/19).
Highways England Footbridge A46	1,700	0	0	0	0	0	Cabinet 10.10.17 approved slippage of the provision to 2018/19.
Bridgford Hall	0	205	107	112	205	0	Final contract costs and retention to be processed.
RAF Newton	750	750	0	0	0	(750)	Cabinet 9 January 2018 recommended the removal of the LEP funding from the 2017/18 Capital Programme as it is no longer required for the original scheme. This sum is to be provisionally reallocated and included in the 2018/19 Capital Programme.
The Point	25	25	0	6	25	0	Works scheduled for the end of the year.

Arena Car Park Enhancements	500	500	0	3	500	0	Subject to separate Cabinet Report in February 2018.
Colliers Way Industrial Units	0	20	0	0	20	0	Interdependent with Barratt's housing development.
Bardon Investment Property	0	1,917	1,917	1,903	1,917	0	Asset Investment Committee approved acquisition.
Information Systems Strategy	165	330	159	126	280	(50)	
	8,860	17,027	8,333	5,437	8,151	(8,876)	
NEIGHBOURHOODS							
Wheeled Bins	70	90	45	61	90	0	Budget to be fully spent by year end.
Vehicle Replacement	20	240	190	187	188	(52)	Planned replacements complete in July, balance available.
Support for Registered Housing Providers	250	909	0	10	140	(769)	One scheme identified at £275,100 split 50/50 2017/18 and 2018/19. Some staff costs will also be capitalised.
Hound Lodge - Heating	40	0	0	0	0	0	Cabinet 10.10.17 approved slippage of the provision to 2018/19.
Assistive Technology	0	12	10	10	12	0	
Discretionary Top Ups	0	106	80	42	106	0	
Disabled Facilities Grants	375	412	309	441	467	55	£55k additional funding has been offered and a request for a further £120k has been made.
Arena Redevelopment	500	183	0	0	58	(125)	Final costs to be processed 1% overall saving projected.
Car Park Machines	0	50	48	42	50	0	Machines installed, final payment to be made to commit to full spend of 50k.
Car Park Improvements - Lighting	50	50	0	0	0	(50)	Works to be scoped with West Park lighting likely to be 2018/19.
BLC Artificial Turf Pitch		10	0	0	10	0	Works complete and in defects period.
BLC Improvements	130	130	0	3	130	0	The schedule of works is being drawn up.
EGC Upgrade Facilities	0	16	0	0	16	0	Improvements largely complete, electrics work still to do.
	1,435	2,208	682	796	1,267	(941)	
COMMUNITIES							
Capital Grant Funding	48	100	30	41	80	(20)	There are 6 applications in the pipeline totalling £39,270. £20,000 still available for allocation.
Play Areas - Special Expense	50	100	0	0	0	(100)	External funding being sourced. This provision will need to slip to 2018/19.

West Park Fencing and Drainage	0	34	21	21	34	0	Fencing element complete, drainage work to be commissioned.
West Park Lighting	25	25	0	0	0	(25)	Works to be scoped with general Car Park lighting scheme likely to be 2018/19.
RCP - Car Park	90	90	0	0	90	0	This scheme has been delayed until Feb but will still be completed this financial year.
Gamston Community Centre - Heating	30	0	0	0	0	0	Cabinet 10.10.17 approved slippage of the provision to 2018/19.
Warm Homes on Prescription	0	50	0	0	25	(25)	Better Care Funding secured. 1 grant approved, 3 pending.
	243	399	51	63	229	(170)	
FINANCE & CORPORATE SERVICES							
NCCC Loan	1,400	1,798	1,349	760	1,198	(600)	The loan is being released in tranches. Balance will need to be carried forward.
Asset Investment Strategy	3,000	6,583	0	0	6,583		Individual schemes dealt with via investment appraisal. There are 2 acquisitions in the pipeline.
	4,400	8,381	1,349	760	7,781	(600)	
CONTINGENCY							
Contingency	190	270	0	0	270	0	A request has been made for £100,000 to upgrade facilities at RCCC.
	190	270	0	0	270	0	
TOTAL	15,128	28,285	10,414	7,055	17,698	(10,587)	

 <p>Rushcliffe Borough Council</p>	<p>Corporate Governance Group</p> <p>8 February 2018</p> <p>Revisions to the Council's Constitution</p>	<h1>10</h1>
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Report of the Monitoring Officer

1. Purpose of report

- 1.1 This report summarises the work of the Task and Finish Group on the Constitution (“the TFG”) and makes recommendations for revising the Constitution.

2. Recommendations

- 2.1 It is RECOMMENDED that the revised Constitution, be considered and the proposed revisions be recommended by the Group for approval through Cabinet and Council.

3. Reasons for recommendations

- 3.1 The Borough has a duty to keep its Constitution up to date and the proposed revisions are the output of the TFG during 2017 and early 2018.

4. Supporting evidence

- 4.1 The Review: The TFG was established by the Corporate Governance Group to carry out a more in depth review of the Constitution than the “soft touch” review which was endorsed by the Council on 8 December 2016. The terms of reference of the TFG included the following:
- a) to review the accessibility, utility and usability of the current Constitution and improve it;
 - b) to review the structure of the current Constitution to improve its content, layout and flow as a practical working document;
 - c) to identify and prioritise specific areas of content and procedures for detailed review, noting that, in time, all sections will be reviewed;

and the TFG has followed these terms when prompting and considering the work of officers involved in the review. The TFG established a programme of work and meetings throughout 2017 and early 2018 and approached the task sequentially through considering and discussing an Issues paper on one Part of the current Constitution at one meeting and, then, at the next meeting, discussing the detailed drafting generated by that initial discussion, as well as

considering an Issues paper on the next Part. During the year, the TFG considered all parts of the current Constitution and has consistently applied terms of reference a) and b), with a view to making changes which change the Constitution from being a large static document which is mainly used as an occasional source of reference for officers, to one which is capable of bringing relevant material to the immediate attention of Councillors, officers and members of the public when it is most relevant to them. Workshops have been made available for all Councillors where the improved accessibility, utility and usability of key parts of the Constitution will be demonstrated. This expectation has also driven significant textual changes being prepared which are referred to in the following paragraphs which comment on the proposed changes to each Part of the Constitution. The revised Constitution has been circulated separately to members of the Corporate Governance Group and is publically available as a background paper.

4.2 Summary of proposed changes

Part 1 – Introduction:

The proposed removal of the Articles from the Constitution (see commentary on Part 2 below) requires, in turn, significant changes to the Introduction and the opportunity was taken to give it a more local focus and include more succinct summaries of what the other Parts covered.

Part 2 – Political Leadership and Management Structure (formerly the Articles):

At an early stage the TFG agreed to the removal of the Articles from the Constitution. When Constitutions were introduced into local government, through the Local Government Act 2000, they, generally, followed a national template prepared by central government, which included a part containing Articles which were intended to describe the overall principles of the governance model being used by any particular council (for Rushcliffe, the Leader and Cabinet model), with detailed operational provisions contained in the other Parts of the Constitution. A difficulty with this has been that the standard drafting did not restrict the Articles to matters of principle and it is necessary, on some issues, to draw detailed requirements out from both the Articles and the other Parts in order to establish the clear and complete position on an issue. A good example of this, for Rushcliffe, is that, in the current Constitution, the definition of a Key Decision is held within the Articles whilst the detailed procedural requirements that relate to them are located elsewhere. This adds unnecessary complication to actually using the Constitution and the proposed revisions delete the Articles and reallocate any essential elements within them to the most relevant Part of the Constitution, mainly by reallocation to Part 1 - the Introduction, Part 3 – Responsibility for Functions and Scheme of Delegation and Part 4 – Standing Orders, Rules and Financial Regulations.

Part 7 of the current Constitution describes the management structure and does not have cross-references elsewhere, so, to avoid cross-referencing

problems from the deletion of the Articles, it is proposed to re-number Part 7 as Part 2.

Part 3 – Responsibility for Functions and Scheme of Delegation (formerly Responsibility for Functions):

The reallocation of material from the Articles has expanded this Part, particularly through describing and clarifying some of the key components of the executive governance arrangements of Rushcliffe - as operated by the Council, the Leader and Cabinet, Overview and Scrutiny and, also, setting out the Scheme of Delegation and the terms of reference for Committees, Groups, Panels and Boards.

Part 4 – Standing orders, Rules and Financial regulations (formerly, Rules of Procedure):

Absorbing material from the Articles has expanded this Part. The proposed change of Heading reflects the reversion to the use of the wording “ Standing Orders “ for the arrangements which govern the conduct of formal meetings, The national template for Constitutions introduced the use of the wording “Procedure Rules” for what were formerly Standing Orders, notwithstanding the fact that one of only two actual statutory requirements for the content of Constitutions (section 37(1)(b) of the Local Government Act 2000) is to have “Standing Orders”, and other statutorily imposed and mandatory procedural requirements are also termed as “Standing Orders”. Most councillors have always used the traditional wording and it is proposed that this be reinstated in the revised Constitution for formal meetings.

In the interests of clarity and ease of use, the proposed revisions include the creation of separate Standing Orders for committees, etc. Currently, some, but not all, of the Council Procedure Rules are applied to all Committees, etc. The creation of a specific set of Standing Orders for committees, etc., will dovetail with the ability to have electronic links to these on the Committee agenda. Within these new Standing Orders, it is proposed to retain the numbering used for the Council Rules of Procedure.

There are changes proposed to the Standing Orders for Council to clarify the rules of debate and, also, to provide flowcharts for debate on a main motion and, also, to cover an amendment debate.

Only minor textual changes, along with the insertion of a flowchart on Capital Budgets, are proposed to the Financial Regulations as these were reviewed in 2016.

The Officer Employment Rules of Procedure are proposed to be moved into Part 4, as they are more appropriately located there.

Part 5 – Codes and Protocols:

A review of the Code of Conduct for Councillors, which may involve related material in Part 5 (e.g. Protocol for the Registration of Gifts and Hospitality, Guidance on Planning Application Procedures and Protocol on Councillor: Officer Relations) is underway but will involve a longer timescale than the review of the Constitution, given the greater number of stakeholders, including Parish and Town Councillors in the borough. The TFG were clear that they were not prepared to delay their report on this review through waiting for the review on the Code to be concluded. As a result, there are, currently, no changes proposed to the above Codes and protocols but the opportunity has been taken to propose the deletion of some other, very detailed material within this Part, being the Protocol for the Councillors' Call for Action and the Officers' Code of Conduct. These will remain available through links to the current versions but are not statutorily required for inclusion in a Constitution.

Part 6 – Members' Allowances Scheme (formerly Members' Allowances Structure):

Other than correcting a textual error in the heading, no changes are proposed.

Part 7- Management Structure: to become Part 2 with additional content showing political leadership.

4.3 Leader of the main opposition group

The TFG considered recognising the role of the leader of the main opposition group through specific references at appropriate parts of the revised Constitution. On the circulated draft these are identified by red type.

4.4 Public Speaking/Questions

The proposed revisions include material in Standing Orders for the Planning Committee which reflects the public speaking rights introduced in 2017 but do not include a wider scheme for public questions at Council and/or Cabinet as discussions on this with a wider group of councillors have not yet endorsed a model scheme. A suggested scheme will be presented in the workshops and feedback will be reported to this Group and Cabinet and, if a scheme is then adopted by Council and/or Cabinet, it should be quite straightforward to insert the necessary drafting into the Constitution.

4.5 Workshops

Workshops for Councillors have been arranged for 5 and 6 February 2018, so all Councillors will have an opportunity to attend a presentation on the changes and see a short demonstration of the practical advantages they may bring to Councillors, officers and members of the public. There will also be a description of a potential model public questions scheme. Feedback from those sessions will be reported to this Group.

5. Implications

5.1 Finance

There are no direct financial implications arising from these proposals.

5.2 Legal

Under section 37 of the Local Government Act 2000 the Council has a duty to keep its Constitution up to date and that section also prescribes its minimum content. The proposals in this report comply with those requirements.

6. Risks and Uncertainties

6.1 The proposals do not involve the Council in assuming any significant risk.

7. Corporate Priorities

7.1 The proposed revisions should make it easier for members of the public, councillors and officers to access, and use, materials which are essential to effective and efficient democratic decision-making.

For more information contact:	Name: Glen O'Connell Monitoring Officer 0115 9148332 Email: GOConnell@rushcliffe.gov.uk
Background papers available for inspection	Draft revised Constitution
List of Appendices (if any):	None

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Corporate Governance Group

8 February 2018

Revisions to the Council's Constitution - Addendum Report

Report of the Monitoring Officer

1. Purpose of report

- 1.1 This addendum report provides feedback to the Corporate Governance Group from Councillor workshops held on 5 and 6 February 2018 and makes additional, consequential recommendations.

2. Recommendation

- 2.1 The Group is **RECOMMENDED** to consider the feedback from the workshops and to recommend for approval to Cabinet and Council that:
- a) the model scheme for public questions at Council and Cabinet, set out in Appendix A to this report, be adopted for use by the Borough Council, initially for a twelve-month trial period;
 - b) the model scheme for Opposition Groups' questions at Cabinet, set out in Appendix B to this report, be adopted for use by the Cabinet, initially for a twelve-month trial period;
 - c) a definition of the leader of the main opposition group be inserted into the proposed revisions, in the manner set out in this report, and the other references to that role in the proposed revisions be adopted, with the exception of the rights to ask questions contained within the proposed standing orders for overview and scrutiny and, if recommendation (2) above is adopted by Cabinet and Council, the right to ask questions at Cabinet meetings contained within the proposed Cabinet Standing Orders.

3. Reason for Recommendations

- 3.1 The workshops discussed and developed several changes to the proposed revisions to the Constitution and showed broad support for the model for Public Questions at Council and Cabinet. The support shown for Opposition Groups' Questions at Cabinet led to a model being prepared for the second workshop for detailed discussion and this also achieved broad support. The adoption of this model would have implications for the proposals regarding the leader of the main opposition group.

4. Supporting evidence

- 4.1 The main report to the Group, recommending approval of the proposed revisions to the Constitution, referred to two workshops to be held on 5 and 6 February 2018. This report covers the main feedback from those sessions, as follows.
- 4.2 The overall approach to the revisions was strongly supported, as was the intention to continuously update the Constitution and the means of accessing it for the public, councillors, and officers.
- 4.3 **Model Scheme for Public Questions at Council and Cabinet:** A suggested scheme was presented to both workshops and achieved broad support. An amended version of the model is set out at Appendix A and incorporates changes made as a result of discussions. The model is available for use by either Council or Cabinet. Whilst the model contains a filtering process to avoid unacceptable questions, concerns expressed within the workshops over potential abuse of a scheme can also be mitigated by introducing the schemes on a trial basis, with one year recommended.
- 4.4 **Leader of the main opposition group:** the recognition of this role within the Constitution was discussed at both workshops and, whilst generally supported, it was agreed that a definition was needed which made it clear that such recognition was only given when there was one opposition political group which contained more councillors than any other opposition political group. Additional definitional wording is proposed for insertion in Part 1 of the revised Constitution to cover this and is set out in Appendix C. The second workshop also agreed that the right of the leader of the main opposition group to ask questions, as set out within the proposed Standing Orders for Overview and Scrutiny (S.O. 8) was unnecessary, and it is recommended it is not adopted. A similar right is contained within the proposed Standing Orders for Cabinet (S.O.2.2 and 2.3 (c) and may be subsumed within the Scheme for Opposition Group's Questions, if that scheme is adopted.

5. Implications

5.1 Finance

There are no direct financial implications arising from these proposals

5.2 Legal

Under section 37 of the Local Government Act 2000 the Council has a duty to keep its Constitution up to date and that section also prescribes its minimum content. The proposals in this report comply with those requirements.

6. Risks and Uncertainties

6.1 The proposals do not involve the Council in assuming any significant risk.

7. Corporate Priorities

7.1 The proposed revisions should make it easier for members of the public, councillors and officers to access, and use, materials which are essential to effective and efficient democratic decision-making.

For more information contact:	Name: Glen O'Connell Monitoring Officer 0115 9148332 Email: GOConnell@rushcliffe.gov.uk
Background papers available for inspection	Draft revised Constitution
List of Appendices (if any):	Appendix A – Model Scheme for Public Questions at Council and Cabinet Appendix B - Model Scheme for Opposition Groups' Questions Appendix C - Draft insertion to Part 1 of revised Constitution



Appendix A

Corporate Governance Group Thursday 8 February 2018 Revision to the Council's Constitution

Draft Model Scheme for Citizens Questions at Council/Cabinet

1. Total time limit of 15 minutes at meetings for Citizens questions.
2. Right limited to Rushcliffe residents and business owners in Rushcliffe ('Citizens').
3. Questions to Leader, portfolio holders and Committee Chairmen – Mayor /Leader has discretion to direct questions to most appropriate responder.
4. Submission in writing 7 working days before the meeting.
5. Can be rejected by the Chief Executive in consultation with the Mayor (for Council) or the Leader (for Cabinet), for good reasons:
 - Not Council responsibility
 - Defamatory, vexatious, offensive, etc.
 - Similar to or asked in last 6 months
 - Response would disclose confidential or exempt information
 - Relates to matters currently under investigation, in complaints process or with Ombudsman
 - Relates to a matter where Council has a quasi-judicial or regulatory role.
6. Limit of one question per Citizen for meeting.
7. Citizen can ask the question, but Mayor/Leader can read it if Citizen unable to attend or for other good reasons.
8. Written answers given to questions not dealt with at the meeting.
9. Questions dealt with in order received.
10. No debate on the question, but responder can refer it to another council body.
11. No supplementary questions.



Appendix B

Corporate Governance Group Thursday 8 February 2018 Revision to the Council's Constitution

Draft Model for Opposition Groups' Questions at Cabinet

1. Each opposition Group Leader (or nominee) can ask one question relevant to an agenda item.
2. Five Minutes in total for each question and answer (including any supplementary and answer).
3. Questions received three working days before the meeting.
4. Questions dealt with in order received.
5. Leader can direct who shall answer the question.
6. Question can be rejected for good reason (as per rejection criteria for Citizens Questions).
7. No debate on the question, but responder can refer it to another Council body.
8. One Supplementary Question is allowed directly relevant to the original question.



Appendix C


Corporate Governance Group Thursday 8 February 2018 Revision to the Council's Constitution

Leader of the Main Opposition Group



Councillor MacInnes is the current Leader of the Main Opposition Group. Where there is an opposition political group which contains more councillors than any other opposition group, the role of its leader is recognised under the Constitution by:

- Expectations on the Leader and the Chief Executive to liaise with that group leader on emerging issues on the Council's policies and procedures (see Part 3, sections 1.4 and 1.8(g)).
- Granting rights within the Rules of Debate at full Council to speak immediately following the seconding of a motion, or to nominate another Councillor to do so.
- Granting the right to ask questions on executive matter at a Cabinet meeting or a sub-committee or working group of Cabinet, for a maximum period of five minutes [**This right is dependent on whether the scheme for Opposition Groups' questions to Cabinet is adopted or not**].

 <p>Corporate Governance Group 8 February, 2018 Work Programme</p> <p>Rushcliffe Borough Council</p>	<h1>11</h1>
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Report of the Executive Manager – Finance and Corporate Services

1. Summary

- 1.1. This report sets out a proposed work programme for the next year. In determining the proposed work programme due regard has been given to matters usually reported to the Group and the timing of issues to ensure best fit within the Council's decision making process.
- 1.2. The table does not take into account any items that need to be considered by the Group as special items. These may occur, for example, through changes required to the Constitution or financial regulations, which have an impact on the internal controls of the Council.

2. Recommendation

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

3. Reasons for Recommendation

Date of Meeting	Item
10 May 2018	<ul style="list-style-type: none"> • External Audit Plan 2017/18 • Internal Audit Progress Report 2017/18 • Internal Audit Strategy 2018/19 • Risk Management Update • IT Update • Revenue & Capital Budget Monitoring

4. Implications

4.1. Finance

No direct financial implications arise from the proposed work programme.

4.2. **Legal**

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

4.3. **Corporate Priorities**

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

4.4. **Other Implications**

There are no other implications.

For more information contact:	Constitutional Services 0115 914 8481 Constitutionalservices@rushcliffe.gov.uk
Background papers Available for Inspection:	None
List of appendices (if any):	None