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**Our reference:**  
**Your reference:**  
**Date:** Wednesday, 21 November 2018



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To all Members of the Corporate Governance Group

Dear Councillor

A Meeting of the Corporate Governance Group will be held on Thursday, 29 November 2018 at 7.00 pm in the Council Chamber Area B, Rushcliffe Arena, Rugby Road, West Bridgford to consider the following items of business.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Sull'.

Sanjit Sull  
Monitoring Officer

## **AGENDA**

1. Apologies for absence
2. Declarations of Interest
3. Minutes of the Meeting held on 20 September 2018. (Pages 1 - 6)
4. Introduction to Mazars - Verbal Introduction
5. Internal Audit Progress Report - Quarter 2 2018/19 (Pages 7 - 22)  
The report of the Executive Manager – Finance and Corporate Services.
6. Health and Safety Interim Report (Pages 23 - 30)  
The report of the Executive Manager – Transformation and Operations.
7. Risk Management Progress Report (Pages 31 - 42)  
The report of the Executive Manager – Transformation and Operations.



8. Treasury Management 2018/19 - Six Monthly Update (Pages 43 - 54)

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

9. Revenue and Capital Budget Monitoring - Quarter 2 2018/19 (Pages 55 - 66)

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

10. Work Programme (Pages 67 - 68)

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

### Membership

Chairman: Councillor K Beardsall

Vice-Chairman: Councillor G Davidson

Councillors: A Brown, B Cooper, R Hetherington, N Lawrence, A MacInnes, F Purdue-Horan and R Walker

### **Meeting Room Guidance**

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**MINUTES  
OF THE MEETING OF THE  
CORPORATE GOVERNANCE GROUP  
THURSDAY, 20 SEPTEMBER 2018**

Held at 7.00 pm in the Council Chamber Area B, Rushcliffe Arena, Rugby Road,  
West Bridgford

**PRESENT:**

Councillors K Beardsall (Chairman), B Cooper, R Hetherington, N Lawrence,  
A MacInnes, F Purdue-Horan, R Walker and Mrs J Smith (substitute for A  
Brown)

**ALSO IN ATTENDANCE:**

Councillors

**OFFICERS IN ATTENDANCE:**

T Coop

Constitutional Services Officer

P Linfield

Executive Manager - Finance and  
Corporate Services

S Whittaker

Financial Services Manager

A Collston

KPMG

C Williams

Head of Internal Audit - RSM

**APOLOGIES:**

Councillors G Davidson and A Brown

**10 Declarations of Interest**

There were no declarations of interest.

**11 Minutes of the Meeting held on 24 July 2018**

The Minutes of the meeting held on 24 July 2018, were approved as a correct  
record and signed by the Chairman.

**12 Annual Audit Letter**

Mr Alistair Collston of KPMG, the Council's external auditors, presented the  
Annual Audit Letter, which had been circulated prior to the meeting and  
attached as an appendix to the officer's report. It was noted that the Annual  
Audit letter was positive and highlighted no areas of concern. Mr Collston  
thanked the Executive Manager and the finance team for their support  
throughout the audit process.

The Chairman requested further information on the Council's Pension liabilities  
and a whether the audit risk variances were high, medium or low and what  
impact these variances would have in the long term. Mr Collston advised that  
pensions were the largest liability and were influenced by uncontrollable

factors, for example interest rates, an increase in pension rates and Brexit, all of which could have a significant impact on pension liabilities. The Executive Manager – Finance and Corporate Services advised that the pension's position was reported at the last meeting of the Corporate Governance Group and showed a positive position, but the aforementioned uncontrollable factors would have given rise to some uncertainty. One of the Actuaries roles and objectives is to ensure the fund is sustainable going forward and provide some certainty to Council's regarding their contribution rates. He added that further information was expected next year and would be reported to the Group with the Statement of Accounts next year.

The Chairman and members of the group thanked Mr Collston and the team at KPMG for the audit work they had completed over the past 5 years.

It was **RESOLVED** that the Annual Audit letter be noted.

### 13 **Internal Audit Progress Report 2018/19**

Mr Chris Williams, Head of Internal Audit at RSM, the Council's internal auditors attended the meeting to present the Internal Audit Progress Report. It was noted that this was the first report for the financial year 2018/19. The report provided information on the current position on the audit programme, along with any significant recommendations with regards to the audits completed during this period. The report highlighted the completion and issue of five reports since April 2018: Risk Management, Business Continuity, General Data Protection Regulations, Council Tax and Asset Investment. It was noted that the programme was on track and all assignments had received a positive assurance with no high or medium risk recommendations and that any mitigating actions recommended had been agreed by management for implementation.

The Chairman requested further information in relation to the Business Continuity report. The Executive Manager – Finance and Corporate Services advised that he did not have that information available at the meeting, but advised he would circulate the information to the group after the meeting.

The Chairman and members of the Group thanked Mr Williams for attending the meeting and for answering their questions.

It was **RESOLVED** that:

- a) the report be noted.
- b) further information on the Business Continuity report be circulated to members of the Group.

Councillor Lawrence gave his apologies and left the meeting at this point and did not re-join the meeting for any further discussion.

### 14 **Revenue and Capital Budget Monitoring – Quarter 1 2018/19**

The Financial Services Manager presented the report of the Executive Manager – Finance and Corporate Services detailing the Revenue and Capital

Budget position for Quarter 1 2018/19. The report provided the budget position for revenue and capital as at 31 July 2018 along with the appropriate recommendations for referral to Cabinet.

The Financial Services Manager advised that overall, the Council's financial position was relatively stable with revenue efficiencies and additional grant income of £98,000 offset by the slightly less favourable business rates position of £161,000 providing a net position of £63,000 which represented a 0.6% variation against the net expenditure budget. It was also noted that £1.19m was expected to be transferred to reserves, so that the Council could meet significant challenges and risks going forward. The capital programme indicated a planned underspend of £10.237m, due to a slowdown in asset investment and the outcome of the relocation of the Abbey Road Depot project is yet to be made.

Councillor Cooper enquired on what was contributing to the rising costs for additional items within the Streetwise primary contract. The Executive Manager – Finance and Corporate Services advised that the adverse variances were due to an increase in fly-tipping cases and the cost of cleaning up. The Executive Manager also advised that fly tipping was reported to the Performance Management Board for scrutiny, adding that efforts were being made to target hotspot areas for fly tipping. Councillor Walker questioned whether the Council had plans in place for Ratcliffe on Soar Power Station when it was due to be decommissioned in 2025 and the adverse effect this would have on business rates revenue. The Executive Manger advised that there were ongoing discussions happening regarding potential future use for the site and noted that the business rates pooling arrangement that operated with Nottinghamshire County Council and the other Districts may mitigate the risk of this loss of income.

The Chairman questioned the adverse variances in excess of £15,000 in respect of Transformation and Human Resources enquired about the causes of these increased costs. The Executive Manager advised these variances were due to extra staff being recruited in Property Services to meet an increased workload and the increase in occupational health counselling in respect of employees.

The Chairman requested more detailed information in future reports, in respect of the explanations for Revenue variances, in particular the Adverse Variances under £15,000. The Executive Manager agreed to include this information in the financial monitoring report that would be submitted to the group at the next meeting.

It was **RESOLVED** that the Revenue and Capital Budget Monitoring report be forwarded to Cabinet for approval noting:

- a) The projected revenue position for the year with minor 0.6% variation (£63K) in the revenue position (due to the expected business rates position; and
- b) The capital underspend of £10.237m as a result of capital scheme re-phasing and projected savings.

## 15 Work Programme

The committee considered its Work Programme.

It was **RESOLVED** that the Work programme, as detailed below be approved.

### 4 December 2018

- Internal Audit Progress Report – Quarter 2 2018/18
- Health and Safety Interim Report
- Asset Investment Report 2018/19 – Six Monthly Update
- Risk Management Progress Report
- Revenue and Capital Budget Monitoring – Quarter 2 2018/19
- Mazars Introduction and Presentation
- Work Programme

### 7 February 2019

- Internal Audit Progress Report – Quarter 3 2018/19
- Treasury Management Strategy 2019/20
- Revenue and Capital Budget Monitoring – Quarter 3 2018/19
- Certification of Grants and Return Annual Report 2018/19
- Work Programme

### 9 May 2019

- External Audit Plan 2019/20
- Internal Audit Progress Report 2018/19
- Internal audit Annual Report 2018/19
- Internal audit Strategy 2018 – 2021
- IT Progress Report
- Risk Management Progress Report
- Annual Governance Statement
- Work Programme

## ACTION SHEET

Corporate Governance Group - 20 September 2018

Minute No.	Actions	Officer Responsible
13	Further information on the Business Continuity report be circulated to members of the Group.	Executive Manager – Finance and Corporate Services  Information to be provided to the Group on the low risk business continuity item
14	Members requested in future more detailed information in respect of the Explanations	Executive Manager – Finance and Corporate Services

	for Revenue Variance and in particular the Adverse Variances under £15K	To be included in the financial monitoring report to the group at the next meeting
15	<p>Work Programme 4/12:</p> <ul style="list-style-type: none"> <li>• Treasury Management - title to be changed to Asset Investment Report</li> <li>• Additional Item – Introduction and Presentation from new auditors Mazars</li> </ul>	Constitutional Services

The meeting closed at 7.55 pm.

CHAIRMAN

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**Corporate Governance Group**

**Thursday 29 November 2018**

**Internal Audit Progress Report - Quarter 2 2018/19**

## **Report of the Executive Manager – Finance and Corporate Services**

### **1. Purpose of report**

- 1.1. The attached report has been prepared by the Council's internal auditors RSM. It is the second progress report for the financial year 2018/19 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**

It is **RECOMMENDED** that the Corporate Governance Group notes the second progress report for 2018/19 (**Appendix A**) from the Council's Internal Auditor.

### **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 2018/19 was approved by the Corporate Governance Group at its meeting on 10 May 2018 and includes 20 planned reviews. Of these reviews 56% have been completed. The attached report highlights the completion and issuing of four reports: NNDR, IT Strategy Review, Payroll and Expenses, Income and Debtors. In terms of findings:
  - IT Strategy Review has been awarded reasonable assurance with 1 medium priority identified in relation to the reporting of key performance indicators related to the RBSi programme to senior management. Mitigating action has been agreed by management and performance will be reported regularly.
  - NNDR, Payroll and Expenses, and Income and Debtors were all awarded substantial assurance.
- 4.2. With regard to the remaining programme, 4 assignments will be undertaken and reported at the next meeting of this Group in February 2019. The remainder of the audit plan is due to be completed over the remaining four months of 2018/19.

## **5. Alternative options considered and reasons for rejection**

5.1. Not Applicable.

## **6. Risks 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. Financial Implications**

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 Implications**

The recommendation supports good risk management.

### **7.3. Equalities Implications**

There are no equalities implications identified for this report

### **7.4. Section 17 of the Crime and Disorder Act 1998 Implications**

There are no such implications.

### **7.5. Other implications**

There are no other implications.

## **8. Link to Corporate Priorities**

Maintaining a proactive internal audit programme each year contributes to the Corporate Priority of:

- Transforming the Council to enable the delivery of efficient high quality services

## **9. Recommendations**

It is RECOMMENDED that the Corporate Governance Group notes the second progress report for 2018/19 (**Appendix A**) from the Council's Internal Auditor.

<b>For more information contact:</b>	Peter Linfield Executive Manager - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk
<b>Background papers available for Inspection:</b>	None
<b>List of appendices:</b>	Appendix - Internal Audit Progress Report – RSM

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# RUSHCLIFFE BOROUGH COUNCIL

## Internal Audit Progress Report

Corporate Governance Group

29 November 2018

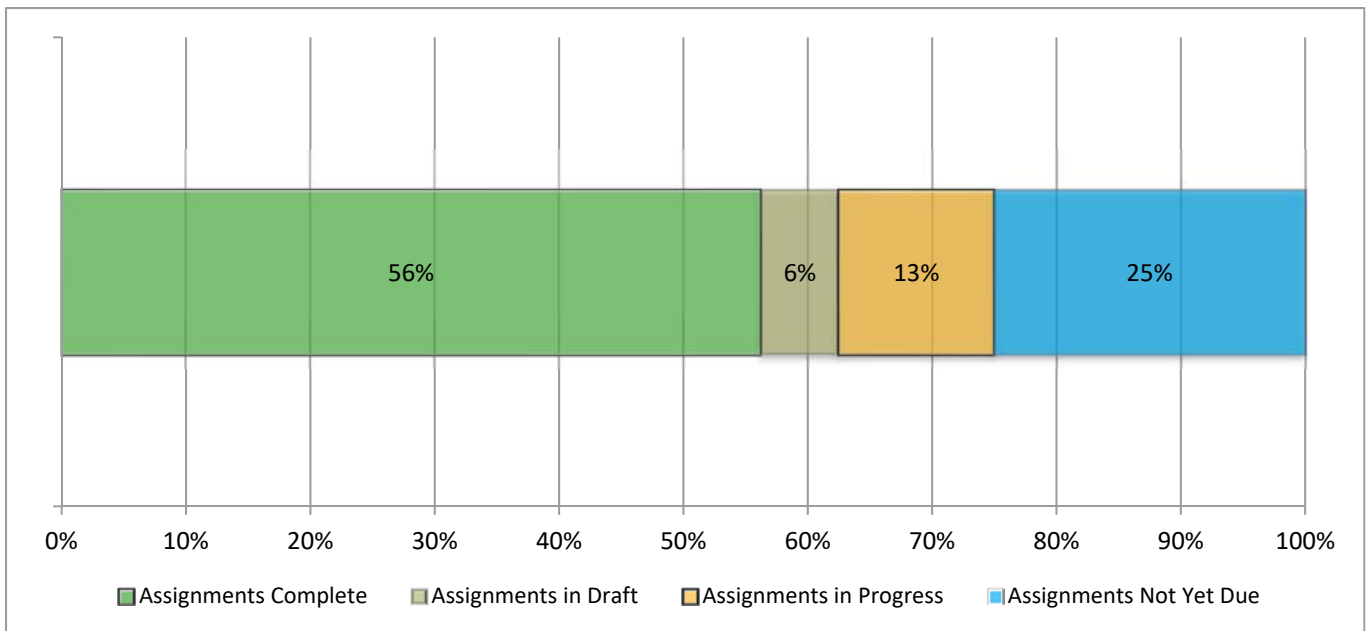
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# 1 INTRODUCTION

The internal audit plan for 2018/19 was approved by the Corporate Governance Group on 10 May 2018. Below provides a summary update on progress against that plan and summarises the results of our work to date. Please see chart below for current progress with the plan.



## 2 REPORTS CONSIDERED AT THIS CORPORATE GOVERNANCE GROUP

This table informs of the audit assignments that have been completed and the impacts of those findings since the last Corporate Governance Group held. The Executive Summary and Key Findings of the assignments below are attached to this progress report.

Assignments	Status	Opinion issued	Actions agreed		
			H	M	L
NNDR (6.18/19)	Final		0	0	2
IT Strategy Review (7.18/19)	Final		0	1	4
Payroll and Expenses (8.18/19)	Final		0	0	1
Income and Debtors (9.18/19)	Final		0	0	4



## 2.1 Impact of findings to date

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### **NNDR (6.18/19)**

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing, two low priority findings were identified. Management actions were agreed in respect of these findings.

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### **IT Strategy Review (7.18/19)**

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

As a result of testing, one medium and four low priority findings were identified. Management actions were agreed in respect of these findings.

The medium priority finding relates to:

- It was unclear what reports or other metrics were provided to the EMT regarding the progress of the RBSi Programme. There is a risk that the lack of reporting key information to management could lead to delays, overspends and the failure to deliver the intended outcomes i.e. a failure to deliver the Strategy.
- 



### **Payroll and Expenses (8.18/19)**

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

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

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### **Income and Debtors (9.18/19)**

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing, four low priority findings were identified. Management actions were agreed in respect of these findings.

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### 3 LOOKING AHEAD

Assignment area	Audit Timing	Status	Target Corporate Governance Group meeting
Markets	8 October 2018	Draft Report Issued	7 February 2019
Contract Management – Car Parks	26 November 2018	In Progress	7 February 2019
Community Facilities	26 November 2018	In Progress	7 February 2019
Budgetary Control and Setting	7 January 2019	Not started	7 February 2019
Safeguarding	28 January 2019	Not started	9 May 2019
Follow Up	28 January 2019	Not started	9 May 2019
Health and Safety	25 February 2019	Not started	9 May 2019

## 4 OTHER MATTERS

### 4.1 Changes to the audit plan

At the request of management, we have included two additional reviews relating to 'Streetwise' and 'Contract Management – Garage and Fleet'. We have been requested to review the processes and controls in place in both these areas.

### 4.2 Quality Assurance and Continual Improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of: Ross Wood (Manager, Quality Assurance Department) with support from other team members across the Department. All reports are reviewed by James Farnbrough as the Head of the Quality Assurance Department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

### 4.3 Post Assignment Surveys

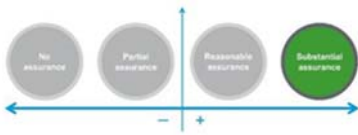
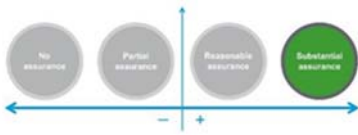

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each product (current option);
- Monthly / quarterly / annual feedback request; and
- Executive lead only, or executive lead and key team members.

## APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Report previously seen by the Audit Committee and included for information purposes only:

Assignment	Status	Opinion issued	Actions agreed		
			H	M	L
Risk Management (1.18/19)	Final		0	0	0
Business Continuity (2.18/19)	Final		0	0	1
General Data Protection Regulations (GDPR) Governance – Post Implementation Review (3.18/19)	Final	Advisory	Seven management actions to consider		
Council Tax (4.18/19)	Final		0	0	3
Asset Investment (5.18/19)	Final	Advisory	0	0	1

## FOR FURTHER INFORMATION CONTACT

**Chris Williams, Head of Internal Audit**

[chris.williams@rsmuk.com](mailto:chris.williams@rsmuk.com)

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# IT STRATEGY REVIEW - 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 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, 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	Controls complied with	Audit findings and implications	Priority	Recommendation for management	Implementation date	Responsible owner
<b>Risk: The IT Strategy is not fit for purpose as department requirements have not been met.</b>								
3	<b>Monitoring</b> Monitoring of the implementation of the Strategy is performed via the progress reporting of the RBSi Programme.	Yes	No	Metrics providing Programme delivery data is reported at Performance Clinics, which we were informed is discussed as part of EMT meetings. Each service Manager will receive these statistics and should report these to EMT.  Copies of the minutes of the EMT meetings were provided to demonstrate that these discussions were taking place, but the minutes did not make it clear what discussions took place and what metrics were scrutinised.  There is a risk that the lack of reporting of key information to management could lead to delays,	Medium	EMT will have regular discussions regarding the progress of the RBSi Programme and the discussions should be supplemented with suitable reporting of key metrics. The use of 'dashboard' reports could help facilitate this. Furthermore, these discussions should be minuted to provide transparency regarding the discussions taking place and the metrics being reviewed.	30 November 2018  <u>Management Comment</u>  As above.	Executive Manager – Operations and Transformation

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Recommendation for management	Implementation date	Responsible owner
				overspend and the failure to deliver the intended outcomes i.e. a failure to deliver the Strategy fully.				

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**Corporate Governance Group**

**Thursday 29 November 2018**

**Health and Safety Interim Report**

## **Report of the Executive Manager – Transformation and Operations**

### **1. Purpose of report**

- 1.1. Attached to this report is an abridged version of the Council's Health and Safety Six Monthly Report which provides a summary of the Council's occupational health and safety performance during the six month period 1 April 2018 to 30 September 2018. The full version of the report is available on the Member's Extranet.
- 1.2. The Report is structured in such a way as to reflect Health and Safety Executive guidance. It summarises the Council's health and safety policies, procedures and activities which have taken place over the six month period. It also sets out training programmes delivered, provides numerical and statistical data and the progress on the health and safety objectives for the year.
- 1.3. A power point presentation will be delivered to Corporate Governance Group which will highlight the main points to consider within the report.

### **2. Recommendation**

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

### **3. Supporting Information**

See background report.

### **4. Risks and Uncertainties**

None

## 5. Implications

### 5.1. Financial Implications

There are no financial implications.

### 5.2. Legal Implications

There are no legal implications. The report supports the Council's compliance with Health and Safety legislation.

### 5.3. Equalities Implications

There are no equalities implications.

### 5.4. Section 17 of the Crime and Disorder Act 1998 Implications

This report advises on the health and safety controls that have been implemented within the authority and does not have any negative implications on community safety.

### 5.5. Other implications

None

## 6. Link to Corporate Priorities

- Maintaining and enhancing our residents' quality of life

<b>For more information contact:</b>	Kath Marriott Executive Manager - Transformation and Operations Tel: 0115 9148291 kmarriott@rushcliffe.gov.uk
<b>Background papers available for Inspection:</b>	Health and Safety Interim Report April 2018 to end Sept 2018 – full version available on Members Extranet
<b>List of appendices:</b>	Appendix 1- Health and Safety Interim Report April 2018 to end Sept 2018 – abridged version

## HEALTH AND SAFETY ANNUAL REPORT

April 2018 to end September 2018

### 1. INTRODUCTION

- 1.1 This six monthly report sets out the Council's occupational health and safety performance during the year 1 April 2018 to 30 September 2018. It provides a summary of the effectiveness and success of the health and safety control measures the Council has in place with evidence showing training delivered, progress towards meeting health and safety aims and objectives and the number of accidents recorded.

### 2. KEY ACTIVITIES

#### 2.1 Table of Staff Training

Course Subject	Number of Staff attended	% of those requiring training who have been trained
Health and safety Induction	20	100%
First aid refresher	2	100%
Fire safety Training e-learning	18* (153 total)	72%
Display Screen Equipment e-learning	21* (141)	67%
Legionella awareness e-learning	14* (40 total)	82%
Asbestos awareness e-learning	26* (38 total)	75%
Manual handling e-learning	18* (156 total)	76%

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

#### 2.2 Meetings of Health and Safety Groups

Meeting	Frequency of meetings	attendees
Corporate Health and Safety Group	Six monthly	Executive Management Team
Employee Health and Safety Group	six monthly Sept 2018	Executive Manager Transformation and Operations, Health and Safety Advisor, 8 work place representatives
Legionella, Asbestos and Tree Management Group	twice yearly April 2018	Executive Manager Transformation and Operations Relevant managers

		Health and Safety Advisor
Depot	monthly team meetings	all collection teams

### 2.3 Occupational Health

	Attendance numbers Apr to end Sept 18	Comment
Pre-employment medicals	27	All new employees are assessed through a pre-employment questionnaire prior to commencing their role with the Council
DSE ergonomic assessment	2	External ergonomist completed as assessment of the employees desk and equipment due to health issues

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

<b>Completion of low risk health and safety audits across the authority (last completed 2014/15)</b>	This is in progress and is expected to be completed by end March 2019.
<b>Review policies that are greater than 3 years old</b>	There are 11 policies that are due to be reviewed in this 12 month period. None of the policies require a big review as the legislation and current procedures have not changed.
<b>Look at new standard for Gold award for Workplace Health and work towards achieving if appropriate</b>	The Workplace Health Champions have been very active in this six month period promoting national and local events. The County Council's workplace health scheme has been under review for the last 2 years with the new version going live at the end of September. The new gold award can now be reviewed and portfolio of evidence submitted if appropriate by end March 2019.
<b>To audit contractors in high risk areas to be determined</b>	The first audit will cover Manual Handling activities and has been programmed to take place w/c 14 January with the second audit being completed in March 2019.

## 4. PERFORMANCE

### 4.1 Accident report forms completed

	2014/ 15	2015/ 16	2016/ 17	2017 /18	Apr – end Sept 2015	Apr – end Sept 2016	Apr – end Sept 2017	Apr – end Sept 2018
Establishment figure head count	338- 303*	291	285	275	290	285	275	266
Depot	19	24	18	15	9	11	10	5
Civic	4	2	2	3	1	1	1	1
Community Contact Centre	1	1	1	0	1	0	0	0
Community Facilities	1	1	1	1	1	1	1	4
<b>Total</b>	<b>25</b>	<b>28</b>	<b>22</b>	<b>19</b>	<b>12</b>	<b>13</b>	<b>12</b>	<b>10</b>
<b>Incidence rate</b>	<b>73</b>	<b>96</b>	<b>77</b>	<b>69</b>	<b>41</b>	<b>46</b>	<b>44</b>	<b>38</b>

\*The establishment figure dropped from 338 to 303 from 1<sup>st</sup> September with the move of Streetwise.

Incidence rate = the number of accident forms completed, divided by number of employees, multiplied by 1000.

### 4.2 Accident Report Forms by type

	2014 /15	2015 /16	2016 /17	2017 /18	Apr – end Sept 2015	Apr – end Sept 2016	Apr – end Sept 2017	Apr – end Sept 2018
Struck by Moving Object	4	9	4	5	2	2	4	2
Strike against fixed object	1	5	6	2	2	3	1	1
Slip / Trip / Fall	11	4	5	9	1	2	5	3
Manual Handling	6	8	7	3	5	6	2	1
Animal attack (e.g. dog)	2	0	0	0	0	0	0	3
Other (Shock/Contact with liquids)	1	2	0	0	2	0	0	0
<b>Total</b>	<b>25</b>	<b>28</b>	<b>22</b>	<b>19</b>	<b>12</b>	<b>13</b>	<b>12</b>	<b>10</b>

### 4.3 The number of employee days lost due to accidents

	2014 /15	2015 /16	2016 /17	2017 /18	Apr – end Sept 2015	Apr – end Sept 2016	Apr – end Sept 2017	Apr – end Sept 2018
Number of days lost	102	262	77	161	74.5	31	161	71

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

Incident Type	Injury type	Location	Time lost in days
Slip trip fall	Strained ankle	R2Go	3
Manual handling	Shoulder injury	R2Go	68**
<b>Total</b>			<b>71</b>

\*\* these days off were as a result of an injury to an employee in May 2017. He returned to work but then has had an operation to the shoulder resulting in further absence as a result of the initial injury

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

Apr to Sept 2018	0 RIDDOR reports
Apr to Sept 2017	3 RIDDOR reports
Apr to Sept 2016	2 RIDDOR reports
Apr to Sept 2015	4 RIDDOR reports
Apr to Sept 2014	0 RIDDOR reports

4.6 Accidents to the public

	2014 /15	2015 /16	2016/ 17	2017 /18	Apr – end Sept 2015	Apr – end Sept 2016	Apr – end Sept 2017	Apr – end Sept 2018
Member of Public	15	25	10	2	20	8	1	6
Contractor	0	1	0	0	0	0	0	0

## 5. LEISURE CENTRE FACILITY FIGURES

See table in Appendix 1

- 210 accidents to members of the public in this 6 month period
- This compares to 155 for the same period in 2017

## 6. CONCLUSION

6.1 The information reported in relation to the management of health and safety indicates that figures for number of accidents, currently at 10 is comparable to the previous three years, with the incident rate decreasing slightly ever year for the past three years.

6.2 The number of days absent from work due to accidents which occurred in this 6 month period is extremely low at just 3 days, however the total figure of 71

is as a result of an operation to an employee following on from an accident at work in the previous year. As always, employees are encouraged to return to work and this can be helped by the use of the fit note process by the GP which allows employees to return to work earlier on phased return and/or with adaptations to duties.

- 6.3 Steady progress is being made on the health and safety objectives set at the beginning of the financial year and it is anticipated that these will be completed in time.

**Table of accident statistics for Leisure Centres**

**April 2018 to end Sept 2018**

	<b>April 18</b>	<b>May 18</b>	<b>June 18</b>	<b>July 18</b>	<b>Aug 18</b>	<b>Sept 18</b>	<b>RIDDOR</b>	<b>Total Accidents Public</b>	<b>Total Staff</b>	<b>Total attendance figures</b>
<b>East Leake</b>	3	5	3	3	2	4	1	20	0	83,153
<b>Bingham Leisure Centre</b>	10	8	6	10	6	5	1	61	1	243191
<b>Cotgrave Leisure Centre</b>	12	16	9	12	14	7	0	45	0	122973
<b>Rushcliffe Arena</b>	8	13	8	11	12	9	0	70	0	95254
<b>Keyworth Leisure Centre</b>	4	1	0	2	3	4	0	14	0	47514
<b>Total</b>	<b>37</b>	<b>43</b>	<b>26</b>	<b>38</b>	<b>37</b>	<b>29</b>	<b>2</b>	<b>210</b>	<b>1</b>	<b>592,085</b>





**Corporate Governance Group**

**Thursday, 29 November 2018**

**Risk Management Progress Report**

## **Report of Executive Manager - Operations and Transformation**

### **1. Purpose of report**

- 1.1. This report provides an update on the progress made since the last meeting on 10 May 2018. It provides a summary of risks in the Council's Risk Registers that have changed; and work relating to the Council's emergency planning and business continuity functions, including a Brexit update and Kerslake report.
- 1.2. The contents of this report have not been considered by any other committee.

### **2. Recommendation**

It is RECOMMENDED that 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. Supporting Information**

#### **3.1. Risk Management Review Update**

##### **3.1.1 Risk Management Audit – update**

A risk management audit was carried out by RSM during week commencing 4 June 2018. Feedback has been received and the opinion of Internal Audit is “the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively”. On this occasion no issues were identified and therefore there are no actions to monitor.

- 3.1.2 Since the last meeting of this group, the Executive Management Team have met on two occasions as the Council's Risk Management Group (RMG), on 24 July and 6 November 2018, in order to review risks on the register and make recommendations.

3.1.3 There are currently 35 corporate risks and 28 operational risks on the risk register. 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.

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

Risks removed:

- OR\_TR23 Challenge to ensure sufficient car parking spaces at Rushcliffe Arena – this risk has been removed following successful completion of the car park improvement works.

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

- CRR\_CO05 Unforeseen incidents happening at public events – this risk has been added following high profile incidents at other events in the country. The assessment is 4 impact and 2 likelihood. A plan is being prepared in order to reduce the risk of an occurrence at an event run by the Council.

Risks amended:

Four risks have been amended, these are:

- CRR\_FCS08 Inadequate capital resources – the likelihood has increased from 1 to 2 due to increased demand on the capital programme from new schemes;
- CRR\_TR15 Significant reduction in staff morale – the likelihood has increased from 1 to 2 and impact has decreased from 3 to 2 resulting in an overall increase in risk score from 3 to 4. The changes are a result of current uncertainty about the Nottinghamshire Unitary status bid and the move for manual staff from Abbey Road depot;
- CRR\_TR17 Inability to draw down Growth Deal 2 funding within specified timescales – the likelihood has decreased from 3 to 2 and the impact has decreased from 4 to 3 due to the outline Business case being submitted in November 2018 and funding no longer being linked to accelerated delivery of schemes;
- OR\_CO04 Cost of defending appeals for large residential developments and potential award of costs – the likelihood has increased from 2 to 3 due to the Council having to defend two appeals for residential development which were dealt with by way of Public Inquiry, incurring significant costs.

## 3.2 Brexit and the risk of a “No Deal”

### 3.2.1 Brexit negotiations

The following timetable applies to the ongoing Brexit negotiations:

<b>31 October 2018</b>	The EU’s Chief Brexit Negotiator has said negotiations must be complete before 31 October 2018 in order to give the 27 EU countries time to sign off the Withdrawal Agreement.
<b>Intervening period</b>	20 of the EU27 Council, acting as a super qualified majority, must agree the Withdrawal Agreement. The Withdrawal Agreement will also be ratified by UK in accordance with the Constitutional Reform and Governance Act 2010.
<b>29 March 2019</b>	Brexit day. The UK ends its membership of the European Union at 23:00GMT and enters a transition period.
<b>31 December 2020</b>	The transition period is due to end and the new economic and political relationship between the UK and the EU to begin.

### 3.2.2 Current position

In early August 2018 the Government raised the potential risk of a “**no deal**” **Brexit**.

[Technical notices](#) from the Government have been released detailing the Government’s plans for a “no deal” Brexit, including instructions for businesses and households on how to prepare. Further technical notices are expected to be published later in the year.

The Ministry for Housing, Communities & Local Government (MHCLG) called teleconferences with LRF Chairs during August 2018 to brief on the risks of a “no deal” Brexit and understand local planning arrangements.

The Government is still positive of a deal, but are planning for the reasonable worst case scenario of no deal. There continues to be a range of sensitivities, uncertainties and ambiguities.

MHCLG are developing an exercise template for a range of Brexit scenarios for each LRF area to conduct a table top Tactical coordinating group TCG exercise. This is now expected to be available in January 2019. MHCLG are also developing a list of Brexit Questions & Answers for LRFs.

### 3.2.3 Risks

The technical notices do not provide any sense of the risks involved. The following list has been taken from open source publications, communications from Lead Government Departments and governing bodies, as well as informal discussions with partner agencies. The list is currently not ranked in any way, and has not yet been contextualised for Nottingham and Nottinghamshire.

- A. **Talent mobility:** Staff sourced from abroad may be put off applying for visas after Brexit – this is especially an issue for the NHS.
- B. **Supply chain:** EU supply chains which may be affected by any new or unresolved customs arrangements, as could access to OJEU for public sector procurement. Even if an organisation does not have a direct relationship with an EU supplier, it is possible that their suppliers may rely on EU goods or services so there may be an indirect impact.
- C. **Security:** Potential impact on UK-EU cooperation on arrangements and information sharing to counter terrorism, human trafficking and serious organised crime. Potential for public protest / disorder.
- D. **Health:** There has been a lack of clarity on access to the European Medicines Agency which regulates the approval of medicines to be placed on the EU market. Access to EU clinical trials and EU clinical networks could also be affected. Access will need to be maintained to the European Centre for Disease Prevention and Control to share information and work collaboratively on potential public health threats.
- E. **Food security:** Access to food imports / delays at border, access to EA food safety certifications.
- F. **Aviation safety:** Potential loss of access to European Aviation Safety Agency - the UK Civil Aviation Authority will no longer need to ensure compliance by UK-based companies with the EU aviation safety legislation.
- G. **Financial:** Potential loss of access to EU grants – impact on local authorities, charitable bodies and other non-government organisations (existing grants will be covered by UK Government to 2020).
- H. **Business:** Potential impact on existing mutual aid arrangement for utility companies with southern Ireland companies. Potential impact on local economies, particularly if businesses are involved in a complex supply chain, automotive, aerospace or other production destined for EU markets.
- I. **Borders:** Potential issues with the Northern Ireland border, and for Port Authorities – depending on EU countries' interpretation of border security arrangements.

### 3.2.4 Risk scoring

The Brexit risks have been scored using the Council’s risk management matrix.



### **3.3 Emergency Planning Update**

#### **3.3.1 Business Continuity Audit**

Internal Audit conducted a business continuity audit over a 5 day period in June 2018.

The audit aimed to provide assurance over the Council's business continuity arrangements and included a review of the overall Business Continuity Plan and a sample of business area plans. It considered:

- Whether a council wide Business Continuity Plan has been developed which includes arrangements for disaster recovery and arrangements for responding to major incidents, and how this has been communicated to all staff.
- Whether roles and responsibilities have been clearly documented within job descriptions in relation to business continuity.
- Whether individual Business Continuity Plans have been developed at directorate and business level, and their approval and link to the Council's overall Business Continuity Plan.
- How business impact assessments are completed and reviewed.
- Named individuals are identified at corporate and business level for coordinating the response of the Council.
- The storage location and storage media for the Plan.

A business continuity working group (or similar) has been established to review business continuity arrangements within the Council, ensuring consistency of process and sharing best practices.

Audit staff worked with the emergency planning officer and the lead specialist for ICT services.

The conclusion of the audit was there is substantial assurance that the Council has appropriate business continuity arrangements in place. With a recommendation to extend the use of a test template of business continuity incident recording, to all service managers and lead specialists.

#### **3.3.2. Brexit planning**

The LRF Resilience working group RWG recently considered a paper for a timetable of monitoring and reporting in the lead up to 29 March 2019. A Brexit exercise is planned for 24 January 2019 based on a national exercise template being provided by Ministry for Health Community and Local Government MHCLG. Weekly situational reports will be collated via resilience direct to assist with the expected need for national reporting.

### 3.3.3. Plans

Following exercise Diamond IV flood exercise in February and in line with the 3 year work plan the Rushcliffe local flood response plan has been reviewed and updated with the specific addition of Gotham. The plan contains details in relation to flood risk communities around streets/postcodes potentially at risk, to local infrastructure, emergency service rendezvous points and places of safety.

The performance and reputation team are currently writing a communicating in a crisis plan to work alongside the local resilience forum communicating with the public plan. The intention is to test the draft plan as part of exercise Jerboa resilience at the end of November.

### 3.3.4. Exercises

The Local resilience forum major exercise for 2018 - 2019 is Silver Siren /Jerboa resilience.

#### **Part 1 Silver Siren - 4 day exercise**

This saw the operational response take place in May 2018. It involved a military aircraft crash over the A46 in Rushcliffe. As part of the exercise Rushcliffe staff were involved in a practical test of an emergency mortuary site within Nottinghamshire focusing on the police process and testing the facilities' capabilities.

#### **Part 2 Jerboa resilience - 3 day exercise**

The exercise is the strategic / tactical incident response to part 1 of the scenario and will take place at the end of November 2018. The scenario has been built upon to enable military aid to the civil authority (MACA) to be tested.

Day 1 Strategic Coordinating Group (SCG)

Day 2 Mass Fatalities Coordinating Group (MFCG)

Day 3 Recovery Coordinating Group (RCG)

Recovery sub groups

- Communications and media
- Business and Economic
- Finance and Legal
- Health and welfare
- Environment and Infrastructure (site clearance)

Over the 3 day exercise Rushcliffe will be providing 11 staff from a range of service areas.

### **3.3.5 Training**

#### **Leading the recovery to a major Incident**

In preparation for Exercise Jerboa Resilience this annual training provided some pre exercise experience and was attended by Finance, Environmental Health, and Performance and Reputation staff.

#### **Site clearance training**

Staff attending used discussion exercises on Grenfell, Leicestershire Hinckley road explosion, Salisbury Novichock and Shorham air disaster to apply the site clearance plan to incidents and were talked through the aircraft post-crash management processes by the RAF regional liaison officer.

#### **Counter Terrorism Awareness workshops for event organisers**

As well as having emergency planning involved in the planning and delivery group for this series of events. Rushcliffe event staff also attended. The events were aimed at increasing event organisers' knowledge and awareness around hostile reconnaissance and running safe events.

#### **Water awareness training**

The 3 yearly refresher for frontline staff has just taken place, training 41 people. The training is aimed at operational staff that would be involved in sand bagging work or flood incident response work.

#### **Incident response training**

Two Executive managers have attended Strategic Coordinating Group and Recovery Coordinating Group training to ensure Rushcliffe have resilience within the five members of the Executive Management team.

- SCG 4 staff trained
- TCG 5 staff trained
- RCG 4 staff trained

### **3.3.6 Next steps**

A Brexit agenda item was scheduled at the LRF Resilience Working Group meeting on 5 November 2018, and at the full LRF meeting on 20 November 2018.

The LRF Risk Advisory Group has been asked to review the "no deal" technical notices, including contextualisation for the LRF area. The results will be tabled at the RWG meeting above.



In the event of a No Deal, an initial Brexit Strategy Board (BSB) teleconference will be arranged mid-January so that an update on the national picture, current planning and preparations in Nottingham and Nottinghamshire, and individual organisations' reports can be shared across the LRF partnership.

- During January and February, all LRF partners will complete an organisational Agency Report on a two weekly basis, via the Notts LRF pages on Resilience Direct. This information will be converted into a LRF wide situation report that would be available to all Brexit Strategy Board members for consideration and action, if necessary.
- From the above Agency Report, the Chair of RWG would consider whether a Brexit Advisory Teleconference (BAT) would be necessary, probably on a fortnightly basis.
- In March, Agency reporting will be on a weekly basis. In addition there will be a weekly Brexit Advisory Teleconference.
- The local LRF situation reports will form the basis of any reporting required by Cabinet Office or MHCLG.
- On Brexit Day (29 March, 2019), the LRF is scheduled to meet and a full discussion on the impact and necessary actions will be held.
- A Brexit Strategy Board teleconference will be held during 1<sup>st</sup> week of April, detailing any impacts that had occurred, resourcing issues and actions being taken.
- From 1 April 2019, the weekly Agency reporting and LRF wide sitrep and Brexit Advisory teleconferences would be held until the Chair of RWG considered these unnecessary. This could be up to 12 weeks after Brexit Day.

### **3.4 Kerslake report**

#### **3.4.1 Background**

The Lord Kerslake report into the Manchester Arena terrorist attack 2017 was released on 27 March 2018. The 200 page report seeks to place the experiences of those directly affected by the Manchester Arena terrorist attack at the heart of the review.

There were 50 recommendations for both single and multiagency partners. These have been reviewed by the Local Resilience Forum in relation to emergency planning in Nottingham/Nottinghamshire.

The appropriate sub group chair has reviewed the list in terms of plans and procedures in place and made any additions to the work plans as required.

Rushcliffe's emergency planning officer chairs the recovery and site clearance group, and is a member of the Mass fatalities group, Local Authorities group, and Communicating with the public group which cover a number of the recommendations.

### 3.4.2 Aim of the Kerslake review

To undertake an Independent Review of Greater Manchester's preparedness for and response to the Manchester Arena terrorist attack. To advise the Mayor, in the exercise of his Police and Crime Commissioner function, of those aspects of the preparedness and response that were effective and those that may inform future good practice, together with where necessary and appropriate to advise on what steps might be taken to address any areas that may be strengthened or improved.

### 3.4.3 Objectives

- To assess the preparedness of Greater Manchester for the Manchester Arena terrorist attack, including multi-agency planning and capacity development.
- To explore the effectiveness of the working relationships, cooperation and interoperability between all of the agencies involved during the response to the Manchester Arena terrorist attack.
- To identify and share good practice to enhance future preparedness and any future response to a terrorist attack both within Greater Manchester and beyond.
- To identify any gaps or other opportunities to increase preparedness and strengthen any future response to a terrorist attack in Greater Manchester and propose actions to address these.

Rushcliffe has similar crowded places venues to the Manchester arena in the form of Nottingham Forest football ground and Trent Bridge cricket club. Club representatives have attended counter terrorism awareness workshops and both grounds have safety advisory groups (SAG) in place. The SAG chaired by Nottinghamshire County Council works closely with the Nottinghamshire counter terrorism security advisors.

Work has been undertaken throughout last summer and this year to place hostile vehicle mitigation barriers around the venues to prevent a vehicle born attack.

The following table details the multi-agency recommendations and the Nottinghamshire response. A full copy of the Kerslake report can be found:

[https://www.jesip.org.uk/uploads/media/Documents%20Products/Kerslake\\_Report\\_Manchester\\_Are.pdf](https://www.jesip.org.uk/uploads/media/Documents%20Products/Kerslake_Report_Manchester_Are.pdf)

## 4 Risks and Uncertainties

- 4.1 If risks within the Risk Register did not have the correct level of mitigation there would be a heightened threat if a risk occurred. Arrangements are in place to reduce risk by implementation of the Risk Management Strategy.

4.2 It is the responsibility of the Emergency Planning Officer to ensure that there are appropriate measures in place in the event of an emergency occurring.

## **5 Implications**

### **5.1 Financial Implications**

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 Implications**

There are no implications in this report, the processes in place provide good risk management

### **5.3 Equalities Implications**

5.3.1 The impact of Brexit could have an implication for Equality and Diversity in the Borough with, Nationally, an increase in hate crime, and a risk to security around protest and disorder if plans are not agreed around information sharing. This risk is noted in the report.

### **5.4 Section 17 of the Crime and Disorder Act 1998 Implications**

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

### **5.5 Other implications**

There are no other implications for this report.

## **6 Link to Corporate Priorities**

All risks within the Corporate Risk Register are linked to one of the Councils' Corporate Priorities:

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

## 7 Recommendations

It is RECOMMENDED that

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

<b>For more information contact:</b>	Kath Marriott Executive Manager - Transformation and Operations Tel: 0115 9148291 kmarriott@rushcliffe.gov.uk
<b>Background papers available for inspection:</b>	There are no additional papers.
<b>List of appendices:</b>	None



## Corporate Governance Group

Thursday 29 November 2018

## Capital and Investment Strategy – Mid-Year Report 2018/19

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

#### 1. Summary

- 1.1. The purpose of this report is to summarise the capital and investment activities of the Council for the period 1 April to 30 September 2018.
- 1.2. The Capital and Investment Strategy for 2018/19, approved by Council on 1 March 2018 outlines the Council's capital and investment priorities as follows:
  - Security of capital;
  - Liquidity of investments; and
  - Optimising yield earned on investments (cash and property).
- 1.3. The strategy includes indicators which help ensure that the Council's capital investment plans are affordable, prudent and sustainable. Setting an integrated Capital and Investment Strategy is a requirement of the CIPFA Code of Practice.

#### 2. Recommendations

It is recommended that Members note the Capital and Investment Management update position at 30 September 2018.

#### 3. Reasons for Recommendation

- 3.1 CIPFA's Code of Practice for Treasury Management (2017) recommends that Members should be informed of Treasury Management activities at least twice a year. This report therefore ensures this Council is embracing best practice for the scrutiny of capital and investment activity in accordance with the Code of Practice.

#### 4. Supporting Information

##### Economic Background

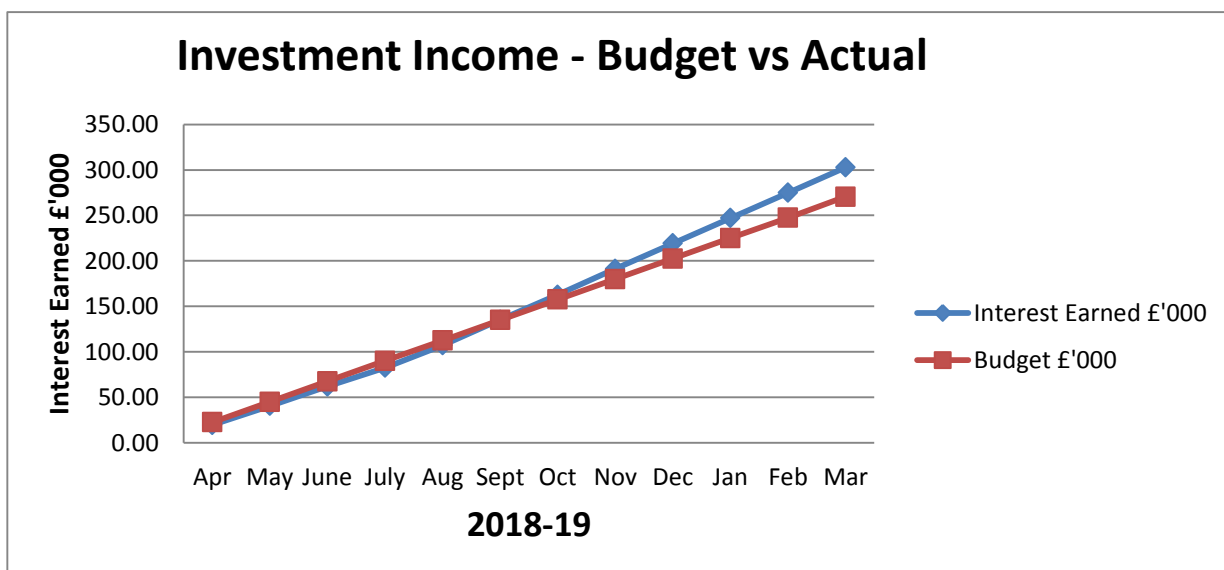
- 4.1. In the first six months of 2018/19:
  - Growth in the UK economy has increased 1%, in line with market expectations
  - The Bank of England base rate was raised from 0.5% to 0.75% in August 2018.

## **Economic Forecast**

- 4.2. Economic growth is projected to remain modest at 1.4% in 2018 and 1.3% in 2019, owing to high uncertainties about the outcome of Brexit negotiations. There is little slack in the economy following years of strong growth, and unemployment is projected to remain below 5%.
- 4.3. The Bank of England base rate informs the rates that can be obtained from investments. On 2<sup>nd</sup> August 2018 the Monetary Policy Committee increased the Bank rate by 0.25% to 0.75%. Arlingclose (the Council's Treasury Management advisors) expect the Bank rate to increase to 1.25% over the coming year, but point out that negotiations on exiting the EU continues to cast a shadow over monetary policy decisions.
- 4.4. Inflation is expected to remain at around 2.5% for the foreseeable future with some monthly volatility.
- 4.5. The economic growth consequences of BREXIT remain speculative, uncertainty over the UK's future trade relations with the EU and the rest of the world will impact on economic growth during the second half of 2018 and in 2019.

## **Investment Income**

- 4.6. A combination of base rate forecasts, constraints on the lending list and the expenditure expected to be incurred on the Capital Programme meant the Council budgeted to receive £270,500 in investment income in 2018/19. Actual interest earned to 30 September 2018 totalled £137,300 with total receipts for the year expected to be £315,500. Interest receipts are higher than estimated due to higher interest rates and delays in the capital programme. Going forward this could change, for example if interest rates alter or there is any unexpected property investment. All investments have been made in accordance with the Council's Treasury Management Strategy.
- 4.7. In order to maintain returns and mitigate risks the Council has continued to diversify its investments mix. As a result the Council is currently placing deposits in Money Market Funds, Call Accounts, CCLA Property Fund, UK Local Authorities, Pooled Funds and Temporary Investments with a maximum of £5 million being placed with any single institution.
- 4.8. The projected return on investments is highlighted in the following graph, which depicts the performance against the budget.

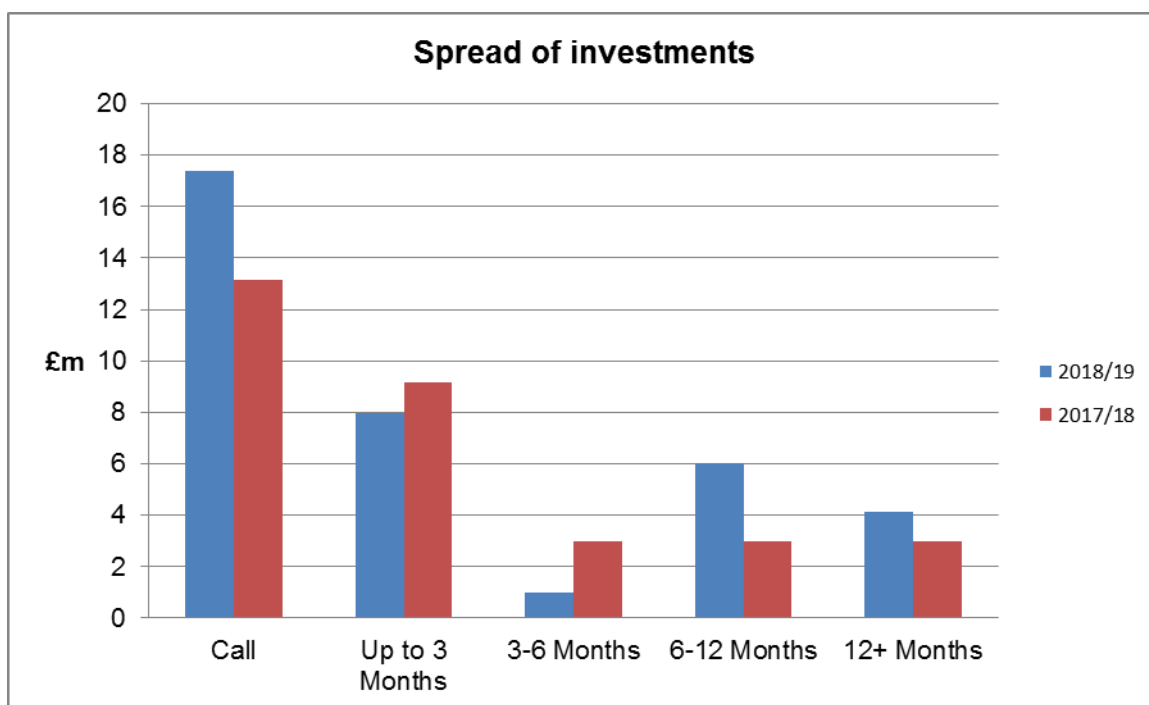


4.9. The average interest rates achieved so far this year on the Council's investments are compared to the London inter bank bid rate (LIBID) rates. Overall rates achieved shows the Council achieved 0.51% against an average LIBID rate of 0.67%.

4.10. The table below highlights the level of investment activity and the rates obtained at 30 September 2018. Investments are made in line with Arlingclose's approved counterparty list.

Date	Financial Institution	Amount £	Length of Investment	Interest Rate
22 August 2018	Other LA -Blackpool	£5,000,000	365 days	0.70%
28 August 2018	Other LA -Broxtowe	£1,000,000	365 days	0.75%
N/A	Santander	£821,361	60 day notice	0.35%
N/A	Handelsbanken	£875,353	35 day notice	0.35%
N/A	Barclays	£2,474,580	32 day notice	0.52%
N/A	Bank of Scotland	£2,400,317	32 day notice	0.57%
N/A	Santander	£1,379,691	31 day notice	0.30%
N/A	National Counties	£1,000,000	98 day notice	0.82%
N/A	Invesco	£3,457,049	Call	0.66%
N/A	Aberdeen Asset Management	£3,480,506	Call	0.67%
N/A	Federated	£3,633,561	Call	0.7%
N/A	Blackrock	£3,513,770	Call	0.67%
N/A	HSBC	£113,508	Call	0.38%
N/A	CCLA	£931,993	Call	0.69%
N/A	Goldman Sachs	£2,246,981	Call	0.64%
N/A	Residual MMF/Call Account balances	£7,270	Call	0.29%
N/A	CCLA Property Fund	£3,114,599	Ongoing	4.58%
N/A	Royal London Cash Plus Fund	£1,005,605	Ongoing	0.43%
	<b>Total Investments/ Average Interest Rate</b>	<b>£36,456,143</b>		<b>0.92%</b>

- 4.11. As the table above indicates, investments at 30 September 2018 totalled £36.45 million with an average rate of interest of 0.92% (2017/18 0.59%). Over the first half of 2018/19 interest rates achieved are better than last year. These funds were available on a temporary basis, and the level of funds available was mainly dependant on the timing of precept payments, receipt of grant and progress on the capital programme. The rates achieved vary between different institutions, for different durations, dependant on when the investment was made.
- 4.12. It should be noted that £13.5 million of the above investments relate to funds held in relation to Section 106 Agreements that are yet to be released by the Authority. As part of the agreement interest has to be paid over once funds are released. This interest amounts to approximately £55,200.
- 4.13. The above details the Counterparties that the Council had placed investments with at 30 September 2018. The following graph depicts our investment spread showing the range of investments and the different time periods; balancing both cash flow risk and counterparty risk and shows the movement from longer term to shorter term investments between 2017/18 and 2018/19. A consequence of bail-in is that increasingly the Council is holding lower values of investments, over a shorter period of time, with a greater number of institutions. This is compliant with the Council's Treasury Management Strategy and recommended action by the Council's Treasury advisors.



## Borrowing

- 4.14. In accordance with the Local Government Act 2003, the Council has a statutory duty to determine and keep under review how much it can afford to borrow. Therefore, the Council establishes 'Affordable Borrowing Limits' (or Authorised Limit) as part of the Prudential Indicators within the approved Treasury Management Strategy Statement.



- 4.15. The 'authorised limit' and 'operational boundary' indicators govern the maximum level of external borrowing to fund the capital programme and short-term cash flow.
- 4.16. No external borrowing is proposed to be undertaken in 2018/19 hence the Authorised Limit and Operational Boundary remain unchanged (see **Appendix A**).
- 4.17. As part of the Treasury Management Strategy the Council established a range of Prudential Indicators (which also accords with professional practice) to monitor both Treasury and Capital as the two are intrinsically linked. Details of the performance against the Prudential Indicators can be found in **Appendix A**. Key comments to note are as follows:
- (a) Capital Expenditure – The original budget for 2018-19 was £11.906m plus carry forwards of £12m and further adjustments of £0.7m giving a current budget of £24.699m. The projected outturn is £12.633m – estimated underspends of £12.066m.
  - (b) Financing costs to net revenue stream – higher investment returns more than offset by increase in net service expenditure hence the improved position.
  - (c) Expected investment position – linked to the underspend on the capital programme- see (a) above.
  - (d) Capital Financing Requirement – the opening position will increase due to internal borrowing associated with Cotgrave and AIS commitments giving an end of year position of £14.653m.

### **Commercial Investments**

- 4.18. The definition of investments in CIPFA's definition of treasury management activities above covers all financial assets of the organisation as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework, which is outlined in the Capital and Investment Strategy.
- 4.19. The Council is committed to becoming self-sustainable as Central Government funding reduces. This includes ensuring that the Council maximises any income from existing assets and, where there is a business case, invests in assets where there is a commercial return. The Council is holding significant capital funding resources which do not require the authority to undertake borrowing at this stage. These are invested with various financial institutions as detailed above. However, other investments represent an opportunity to generate higher returns on these funds.
- 4.20. In recent years the Council identified specific sums for its Asset Investment Strategy within the Capital Programme which has totalled £20m. This includes commercial investment in areas such as investment in property and subsidiaries, or loans that support service outcomes.

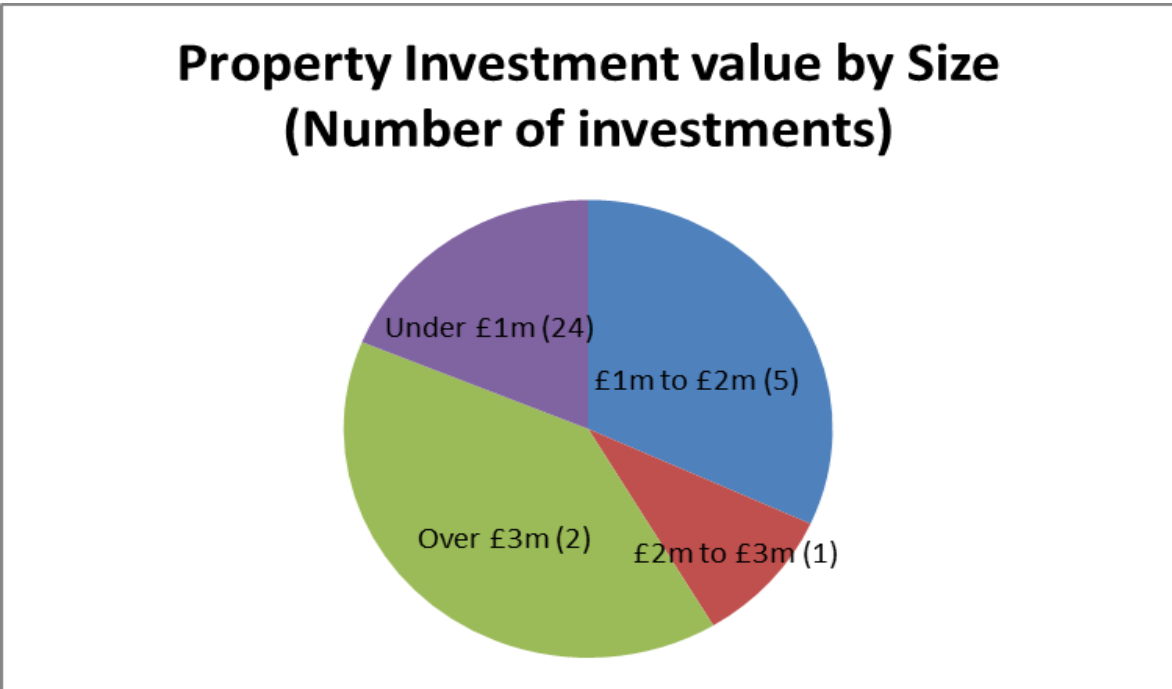
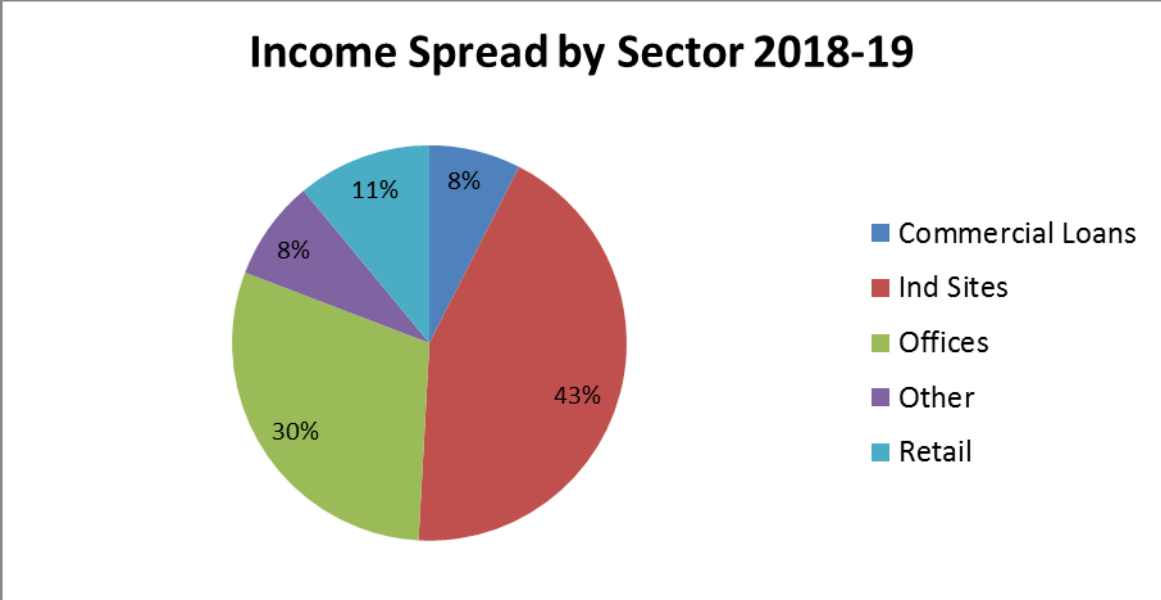
- 4.21. Individual commercial investment proposals included within the Asset Investment Strategy are subject to specific business appraisals. The governance surrounding such decisions is included in the AIS.
- 4.22. The Government issued revised guidance on Local Government Investments, effective from April 2018. This guidance introduces additional disclosure requirements some of which are specific to investments of a commercial nature. The Authority now has to disclose its dependence on commercial income and the contribution non-core investments make towards core functions. This covers items included in the Council's Asset Investment Strategy, as well as pre-existing commercial investments.
- 4.23. The expected contributions from commercial investments included in the Asset Investment Strategy are shown below. It should be noted that one investment did not go ahead but was included in the original estimate. In order to manage the risk to the Council's budget, income from commercial investments should not be a significant proportion of the Council's income. As shown below it is estimated to be around 18% in the current year. The Council's objective is that this ratio should not exceed 30% in future years, subject to annual review.

### **Commercial Investment income and costs**

<b>2018/19</b>	<b>Original £000</b>	<b>Current £000</b>	<b>Actual £000</b>	<b>Projected £000</b>
<b>Commercial Property Income</b>	(1,464)	(1,292)	(877)	(1,322)
<b>Running Costs</b>	356	274	55	428
<b>Net Contribution to core functions</b>	<u>(1,108)</u>	<u>(1,018)</u>	<u>(822)</u>	<u>(894)</u>
<b>Interest from Commercial Loans</b>	(108)	(108)	(54)	(108)
<b>Total Contribution</b>	<u>(1,216)</u>	<u>(1,126)</u>	<u>(876)</u>	<u>(1,002)</u>
<b>Sensitivity:</b>				
+/- 10% Commercial Property Income	146	129	88	132
<b>Indicator:</b>				
Investment Income as a % of total Council Income	20.1%	17.9%	17.3%	18.0%

**Risk Exposure Indicators**

4.24. The Council can minimise its exposure to risk by spreading investments across sectors and by avoiding single large scale investments. Generally there is a spread of investment across sectors. The Council’s commitment to economic regeneration (not purely financial return) has meant that many of its investments have been in industrial units, which have been very successful.



**Security and Liquidity**

4.25. Commercial investments are held for longer term asset appreciation as well as yield. Investments or sales decisions will normally be planned as part of the consideration of the 5 year capital strategy to maximise the potential return.

Nevertheless, the local and national markets are monitored to ensure any gains are maximised or losses minimised.

- 4.26. To help ensure asset values are maintained the assets are given quarterly inspections, together with a condition survey every 3 years. Any works required to maintain the value of the property will then form part of Council's spending plans.
- 4.27. The liquidity of the assets is also dependent on the condition of the property, the strength of the tenants and the remaining lease lengths. The Council keeps these items under review with a view to maximising the potential liquidity and value of the property wherever possible.
- 4.28. The liquidity considerations for commercial investments are intrinsically linked to the level of cash and short term investments, which help manage and mitigate the Council's liquidity risk.

## **5 Conclusion**

- 5.1. Treasury Management continues to be fraught with difficulty. The UK economy is more uncertain while the terms of BREXIT are being negotiated. Together with general international political uncertainty the effects are expected to have a long term impact on interest rates and the returns that can be achieved from investments. Officers will continue to be vigilant and report any significant issues to the Corporate Governance Group.
- 5.2. Members should also be aware of recent changes to the CIPFA Code of Practice on both Capital and Treasury Management. A revised Strategy will be reported to the CGG and Full Council as part of the budget setting process in 2019.

## **6 Other Options Considered**

- 6.1. There are no other options.

## **7 Risk and Uncertainties**

- 7.1. The report covers both counterparty, interest rate and property related risks.

## **8 Implications**

### **8.1. Finance**

Financial implications are covered in the body of the report.

### **8.2. Legal**

None.

### **8.3. Corporate Priorities**

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

### **8.4 Other Implications**

None.

## 9 Recommendations

It is recommended that Members note the Capital and Investment Management update position at 30 September 2018.

<b>For more information contact:</b>	Peter Linfield Executive Manager - Finance and Corporate Services 0115 914 8439 <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers available for inspection</b>	Treasury Management Strategy 2018/19
<b>List of Appendices (if any):</b>	Appendix A – Prudential and Treasury Indicators for 2018/19 position at 30 September 2018

## APPENDIX A

### Prudential and Treasury Indicators for 2018/19 Position at 30 September 2018

	2018/19 £'000 Original Estimate	2018/19 £'000 Projected Outturn
<b><u>Prudential Indicators</u></b>		
Capital Expenditure	11,906	12,633
Proportion of financing costs to net revenue streams	(2.59%)	(2.72%)
Expected Investment Position	13,635	23,813
Capital Financing requirement as at 31 March 2018	9,300	11,324
<b><u>Treasury Management Indicators</u></b>		
<b>Authorised Limit for external debt</b> Borrowing and other long term liabilities	25,000	25,000
<b>Operational Boundary for external</b> debt borrowing and other long-term liabilities	0	0
<b>Upper limit for fixed interest rate exposure on</b> investments up to 1 year	50%	50%
<b>Upper limit for variable rate exposure</b> (investments)	100%	100%
<b>Upper limit for total principal sums invested</b> over 1 year	14200	14200

## **Glossary of Terms**

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

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

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

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

LIBID – London Inter Bank Bid Rate. The rate at which banks are willing to borrow from other banks

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## Corporate Governance Group

29 November 2018

## Revenue and Capital Budget Monitoring 2018/19 – Financial Update

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

#### 1. Purpose of report

- 1.1. This report presents the budget position for revenue and capital as at 30 September 2018 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.
- 1.2. Overall, the financial position is relatively stable with little change since the last report. There are revenue efficiencies and additional grant income of £53k offset by a slightly worse than anticipated business rates position of £133k. The net position of an £80k adverse variance represents a 0.8% variation against the net expenditure budget, in essence a broadly balanced budget position. Positively, £1.17m is expected to be transferred to reserves, so the Council can meet the significant financial challenges and risks going forward.
- 1.3. The capital programme shows a planned underspend of £12.064m due to reasons such as a 'slow down' in asset investment (with there being much property market risk) and the delay in the Depot operations relocating from Abbey Road.

#### 2. Recommendation

- 2.1 It is RECOMMENDED that the Corporate Governance Group forward the report for Cabinet approval noting:
  - a) the projected revenue position for the year with a minor 0.8% variation (£80k) in the revenue position; and
  - b) the capital underspend of £12.064m as a result of capital scheme re-phasing and projected 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 30 September 2018 attached at **Appendix B**. This shows projected net overspend for the year to date of £20k and additional funding of £73k from compensation for Small Business Rates

Relief (SBRR) threshold changes and Individual Electoral Registration (IER) grant, more than offset by the reduction in the collection fund surplus against the budgeted position (£133k) due to business rates variation. The overall £80k variation represents 0.8% against the net expenditure budget and we currently anticipate £1.17m to be transferred to reserves, to meet, in particular business rates risk going forward (see paragraph 5.3). This position is likely to change throughout the remainder of the year as managers continue to drive cost savings, and raise income, against existing budgets.

- 4.2 **Appendix A** includes a Minimum Revenue Provision (MRP) of £1m. 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 the New Homes Bonus.
- 4.3 As documented at **Appendix B**, the financial position to date reflects a number of positive variances totalling £596k including additional income from planning applications, the Garden Waste Scheme and salary savings. There are several adverse variances totalling £616k including Planning public inquiries, the rising costs of diesel, and an increase in the Streetwise Contract (mainly due to flytipping), and the slowing of asset investments as the Council continues to review its position in light of a volatile property market.

### **Capital Monitoring**

- 4.4 The updated Capital Programme monitoring statement as at 30 September 2018 is attached at **Appendix C**. This provides further details about the progress of the schemes, any necessary re-phasing and highlights savings of £10.252m. A summary of the projected outturn and funding position is shown in the table below:

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018			
EXPENDITURE SUMMARY	Current	Projected	Projected
	Budget	Actual	Variance
	£000	£000	£000
<b>Transformation</b>	9,483	6,548	(2,935)
<b>Neighbourhoods</b>	2,994	2,943	(51)
<b>Communities</b>	864	899	35
<b>Finance &amp; Corporate Services</b>	11,271	2,158	(9,113)
<b>Contingency</b>	87	87	-
	<b>24,699</b>	<b>12,635</b>	<b>(12,064)</b>
FINANCING ANALYSIS			
<b>Capital Receipts</b>	(14,078)	(6,659)	7,419
<b>Government Grants</b>	(1,026)	(1,026)	-
<b>Other Grants/Contributions</b>	(1,966)	(1,966)	-
<b>Use of Reserves</b>	(600)	(600)	-
<b>Internal Borrowing</b>	(7,030)	(2,384)	4,646
	<b>(24,699)</b>	<b>(12,635)</b>	<b>12,064</b>
NET EXPENDITURE	-	-	-

4.5 The original Capital Programme of £11.91m has been supplemented by a net brought forward and in-year adjustments of £12.79m giving a revised total of £24.70m. The net efficiency position of £12.064m is due to the delay in the Depot operations relocating, and a slow down with regards to Asset Investments. This has a corresponding impact on the funding required during the year.

#### 4.6 **Conclusion**

The overall financial position for both revenue and capital is overall positive. It should be noted that 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 business rates retention, the fair funding review, and continued uncertainty surrounding BREXIT. Against such a background, it is imperative that the Council continues to keep a tight control over its expenditure, identifies any impact from changing 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 Councillors and the Council's external auditors.

5.2 Areas such as income can be volatile responding 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 dependent on factors such as business and housing growth.

5.3 Business rates is subject to specific risk given the volatile nature of the taxbase with a small number of properties accounting for a disproportionate amount of tax revenue, notably in Rushcliffe Ratcliffe-on-Soar power station. Furthermore, changes in central government policy influences business rates received and their timing, for example policy changes on small business rates relief.

5.4 The Council needs to be properly insulated against such risks hence the need to ensure it has a sufficient level of reserves, as well as having the ability to use such reserves to support projects where there is 'upside risk'.

### 6 **Implications**

#### 6.1 **Financial Implications**

Financial implications are covered in the body of the report.

#### 6.2 **Legal Implications**

None

#### 6.3 **Equalities Implications**

None

## 6.4 Other Implications

None

## 6.5 Link to Corporate Priorities

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

## 7. Recommendation

7.1 It is RECOMMENDED that the Corporate Governance Group forward the report for Cabinet approval noting:

- a) the projected revenue position for the year with a minor 0.7% variance (£80k) in the revenue position; and
- b) the capital underspend of £12.064m as a result of capital scheme re-phasing and projected savings.

<b>For more information contact:</b>	Peter Linfield Executive Manager – Finance and Corporate Services 0115 914 8439 <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Council 8 March 2018 – 2018-19 Budget and Financial Strategy Cabinet 12 June 2018 – Revenue and Capital Budget Monitoring Outturn 2017-18
<b>List of appendices (if any):</b>	<b>Appendix A</b> – Revenue Outturn Position 2018/19 – September 2018 <b>Appendix B</b> – Revenue Variance Explanations <b>Appendix C</b> – Capital Programme 2018/19 – September 2018 Position

## Revenue Outturn Position 2018/19 – September 2018

	Period 6			
	Original Budget £'000	Revised Budget £'000	Projected Actual £'000	Variance £'000
<b>Communities</b>	1,103	1,306	1,261	-45
<b>Finance &amp; Corporate Services</b>	3,470	3,391	3,344	-47
<b>Neighbourhoods</b>	4,611	4,713	4,707	-6
<b>Transformation</b>	2,501	2,798	2,916	118
<b>Sub Total</b>	<b>11,686</b>	<b>12,208</b>	<b>12,228</b>	<b>20</b>
<b>Capital Accounting Reversals</b>	-2,234	-2,234	-2,234	0
<b>Minimum Revenue Provision</b>	1,000	1,000	1,000	0
<b>Total Net Service Expenditure</b>	<b>10,452</b>	<b>10,974</b>	<b>10,994</b>	<b>20</b>
<b>Grant Income (including New Homes Bonus &amp; RSG)</b>	-1,632	-1,632	-1,705	-73
<b>Business Rates (including SBRR)</b>	-2,990	-2,990	-2,990	0
<b>Council Tax</b>	-6,346	-6,346	-6,346	0
<b>Collection Fund Surplus</b>	-1,389	-1,389	-1,256	133
<b>Total Funding</b>	<b>-12,357</b>	<b>-12,357</b>	<b>-12,297</b>	<b>60</b>
<b>Surplus (-)/Deficit on Revenue Budget</b>	<b>-1,905</b>	<b>-1,383</b>	<b>-1,303</b>	<b>80</b>
<b>Capital Expenditure financed from reserves</b>	129	129	129	0
<b>Net Transfer to (-)/from Reserves</b>	<b>-1,776</b>	<b>-1,254</b>	<b>-1,174</b>	<b>80</b>

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

<b>ADVERSE VARIANCES in excess of £15,000</b>	<b>Projected</b>
	<b>Outturn</b>
	<b>Variance</b>
	<b>£'000</b>
<b>Communities</b>	
Planning - Legal costs from Public Enquiries	30
<b>Finance &amp; Corporate Services</b>	
Performance & Reputation - Printing of lamp post banners and local plan documents. Delivery of Spring Rushcliffe Report in April which were budgeted for in 2017/18	17
Finance - additional staffing costs (covered by vacant posts)	41
<b>Neighbourhoods</b>	
Homelessness - more single priority need homeless cases	15
Streetwise - Additional items in the prime contract – mostly increases in Fly Tipping	37
Fleet & Garage - Diesel price increase	42
Waste & Fleet Holding Account - Overtime to cover increase in volume of green waste service	16
Leisure Management - Electricity costs of the Arena	18
Car Parks - Equipment at Bunny Lane and increase to maintenance contracts	35
<b>Transformation</b>	
IT Services - agency costs for staff vacancies	20
Investment Properties - Asset Investment, hold on investments	142
Property Services - Staffing to meet increased demand from asset investments	30
Human resources - Occupational health counselling for better staff wellbeing	20
<b>Sum of Minor Adverse Variances</b>	<b>153</b>
<b>Total Adverse Variances</b>	<b>616</b>

<b>FAVOURABLE VARIANCES in excess of £15,000</b>	<b>Projected</b>
	<b>Outturn</b>
	<b>Variance</b>
	<b>£'000</b>
<b>Communities</b>	
Planning Income – fee increase and increased housing development	-75
<b>Finance</b>	
Investment Income - hold on funding Asset Investment Strategy, therefore greater balances being invested	-45
Corporate Governance Service Manager - Vacant post - salary saving	-50
Housing Benefits Admin - Government grants received in excess of budget to cover Universal Credit changes	-22
<b>Neighbourhoods</b>	
Waste Collection and Recycling - Green waste income above target	-36
Leisure Centres - contract payments reduced due to VAT savings on charitable status	-39
Pest Control - more call-outs / demand	-13
Repaid Disabled Facilities Grants	-18
Car Parks - additional income	-43
<b>Transformation</b>	
Economic Development – ERDF Digital Growth Our contribution for digital growth programme was £50k but reduced due to level of support given - workshops business advice etc over the D2N2 area	-17
Investment Properties - additional rental income from Finch Close and Co-op	-36
<b>Sum of Minor Favourable Variances</b>	<b>-202</b>
<b>Total Favourable Variances</b>	<b>-596</b>
<b>TOTAL VARIANCE</b>	<b>20</b>

## Capital Programme 2018/19 – September 2018 Position

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018							Explanation
	Original Budget	Current Budget	Budget YTD	Actual YTD	Projected Actual	Variance	
		£000	£000	£000	£000	£'000	
<b>TRANSFORMATION</b>							
<b>Cotgrave Regeneration &amp; MSC</b>	-	3,188	1,521	1,131	2,688	(500)	Works have started on site but there has been some slippage. £0.5m to be slipped into 2019-20
<b>Cotgrave Phase 2</b>	-	387	-	3	387	-	As agreed by Cabinet 12 June 2018
<b>Bingham Land off Chapel Lane</b>	438	645	219	8	645	-	Land acquisition completed in 2017-18. Remediation costs still to be incurred.
<b>Manvers Business Park</b>	100	100	-	-	100	-	Roof refurbishment work needed
<b>Property Heating Upgrades</b>		180	-	6	180	-	One provision created to commission priority works more efficiently
<b>The Point</b>	-	19	-	-	19	-	Specification currently being drawn up for works to underground carpark lighting
<b>Arena Car Park Enhancements</b>	-	562	233	225	562	-	Work completed
<b>Colliers Way Industrial Units</b>	-	20	-	-	20	-	Interdependent with Barratt's housing development
<b>New Depot</b>	2,500	2,485	-	6	150	(2,335)	Options currently being assessed, projected actual for professional costs
<b>RCCC Enhancements</b>	-	100	-	-	-	(100)	Works on hold



**CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018**

	Original	Current	Budget	Actual	Projected		Explanation
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
<b>Finch Close</b>	-	50	50	37	50	-	Fees on the acquisition
<b>Trent Boulevard</b>	-	1,450	1,450	1,445	1,450	-	Acquisition and professional fees
<b>Information Systems Strategy</b>	130	297	149	100	297	-	-
	<b>3,168</b>	<b>9,483</b>	<b>3,621</b>	<b>2,962</b>	<b>6,548</b>	<b>(2,935)</b>	
<b>NEIGHBOURHOODS</b>							
<b>Wheeled Bins</b>	80	80	20	18	80	-	Budget to be fully spent by year end
<b>Vehicle Replacement</b>	200	200	167	167	179	(21)	Refuse freighter purchased, Facilities van to be ordered
<b>Support for Registered Housing Providers</b>	250	1,146	-	-	1,146	-	£896k brought forward from 2017-18, no commitments at this stage, some schemes being scoped
<b>Hound Lodge - Heating</b>	40	-	-	-	-	-	Provision moved to Property Heating Upgrades
<b>Assistive Technology</b>	13	12	6	-	12	-	Agreed Better Care Fund (BCF) allocation
<b>Discretionary Top Ups</b>	57	57	29	4	57	-	Agreed BCF allocation
<b>Disabled Facilities Grants</b>	447	465	233	230	465	-	Agreed BCF allocation
<b>Arena Enhancements</b>	-	140	-	-	140		For identified capital works post completion of the new build
<b>Car Park Resurfacing</b>	220	220	-	-	220	-	West Bridgford Car Parks
<b>Car Park Improvements - Lighting West Park</b>	-	50	-	-	50	-	-
<b>WB Car Park Improvements - Lighting</b>	110	110	-	-	110	-	-
<b>Bowls Floor &amp; Carpet</b>	-	65	60	58	65	-	As agreed by Cabinet 12 June 2018
<b>KLC Dry Change</b>	30	30	-	-		(30)	Scheme slipped to 2019-20
<b>KLC Filter Replacement</b>	30	30	-	-	30	-	-

**CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018**

	<b>Original</b>	<b>Current</b>	<b>Budget</b>	<b>Actual</b>	<b>Projected</b>		<b>Explanation</b>
	<b>Budget</b>	<b>Budget</b>	<b>YTD</b>	<b>YTD</b>	<b>Actual</b>	<b>Variance</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£'000</b>	
<b>BLC Improvements</b>	159	267	-	-	267	-	The schedule of works is being drawn up
<b>CLC Pool Handling Ventilation System</b>	100	100	-	-	100	-	-
<b>EGC Fire Alarm System</b>		13	-	-	13	-	Allocation from Contingency
<b>EGC Upgrade Facilities</b>	-	9	5	2	9	-	Improvements largely complete, electrics work still to do
	<b>1,736</b>	<b>2,994</b>	<b>519</b>	<b>479</b>	<b>2,943</b>	<b>(51)</b>	
<b>COMMUNITIES</b>							
<b>Capital Grant Funding</b>	48	94	47	9	94	-	Outstanding commitments from 2017-18 £23k, £65k available for future allocation
<b>Play Areas - Special Expense</b>	50	90	-	-	90	-	£60k for The Hook Skateboard Park
<b>The Hook Skatepark</b>	-	210	-	-	210	-	£100k Skateboard funding secured and £50k Sport England Grant.
<b>West Park Fencing and Drainage</b>	-	11	-	-	11	-	Fencing element complete, drainage work to be commissioned
<b>West Park Car Park Lighting</b>	-	25	-	-	25	-	-
<b>West Park Public Toilet Upgrade</b>	20	20	-	3	20	-	-
<b>West Park Sports Pavilion</b>	40	-	-	-	-	-	Provision moved to Property Heating Upgrades
<b>West Park Julien Cahn Pavilion</b>	40	40	-	-	40	-	Works to be scoped with general Car Park lighting scheme
<b>RCP - Car Park</b>	-	45	41	37	45	-	Works started at the end of the last financial year.
<b>Gresham Pavilion</b>	35	-			-	-	Provision moved to Property Heating Upgrades
<b>Lutterell Hall</b>	35	-			-	-	Provision moved to Property Heating

**CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018**

	Original	Current	Budget	Actual	Projected		Explanation
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
							Upgrades
<b>Skateboard Parks</b>	250	250	13	-	285	35	Grant awards to date are £125k Radcliffe on Trent Parish Council, £100k RBC The Hook (as above), £60k East Leake Parish Council. Budget Acceleration from 2019-20
<b>Arena Public Art</b>	-	25	-	-	25	-	
<b>Gamston Community Centre - Heating</b>	30	-	-	-	-	-	Provision moved to Property Heating Upgrades
<b>Warm Homes on Prescription</b>	54	54	27	15	54	-	Agreed BCF allocation
	<b>602</b>	<b>864</b>	<b>128</b>	<b>64</b>	<b>899</b>	<b>35</b>	
<b>FINANCE &amp; CORPORATE SERVICES</b>							
<b>NCCC Loan</b>	-	822	-	-	-	(822)	No further tranches of loan to be released, balance to be carried forward to 2019/20
<b>Asset Investment Strategy</b>	6,300	10,449	-	-	2,158	(8,291)	Projected actual covers: 2 acquisitions in the pipeline and staff costs. £8.290m of the underspend is earmarked for 4 schemes included in the provisional capital programme for 19/20 and this sum can be taken out of the 18/19 programme.
	<b>6,300</b>	<b>11,271</b>			<b>2,158</b>	<b>(9,113)</b>	
<b>CONTINGENCY</b>							
<b>Contingency</b>	100	87	-	-	87	-	Allocation made for Fire Alarm System at EGC
	<b>100</b>	<b>87</b>			<b>87</b>		
<b>TOTAL</b>	<b>11,906</b>	<b>24,699</b>	<b>4,267</b>	<b>3,505</b>	<b>12,635</b>	<b>(12,064)</b>	

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## Corporate Governance Group

29 November 2018

## Work Programme

### 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

##### 7 February 2019

- Internal Audit Progress Report – Quarter 3 2018/19
- Treasury Management Strategy 2019/20
- Revenue and Capital Budget Monitoring – Quarter 3 2018/19
- Certification of Grants and Return Annual Report 2017/18
- Work Programme

##### 9 May 2019

- External Audit Plan 2019/20
- Internal Audit Progress Report 2018/19
- Internal Audit Annual Report 2018/19
- Internal Audit Strategy 2018 – 2021
- IT Progress Report
- Risk Management Progress Report
- Annual Governance Statement
- Work Programme

<b>For more information contact:</b>	Peter Linfield Executive Manager – Finance and Corporate Services 0115 914 8349 <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	None.
<b>List of appendices (if any):</b>	None.