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Our reference:
Your reference:
Date: 25 November 2019



To all Members of the Governance Scrutiny Group

Dear Councillor

A Meeting of the Governance Scrutiny Group will be held on Tuesday, 3 December 2019 at 7.30 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 17 September 2019 (Pages 1 - 6)
4. Internal Audit Progress Report (Pages 7 - 32)
Report of the Executive Manager – Finance and Corporate Services
5. Treasury Management Update (Pages 33 - 44)
Report of the Executive Manager – Finance and Corporate Services
6. Asset Management Plan (Pages 45 - 62)
Report of the Executive Manager - Transformation
7. Constitution (Pages 63 - 66)
Report of the Executive Manager – Finance and Corporate Services

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8. Work Programme (Pages 67 - 68)

Report of the Executive Manager – Finance and Corporate Services

Membership

Chairman: Councillor F Purdue-Horan

Vice-Chairman: Councillor J Walker

Councillors: R Adair, B Gray, R Hetherington, K Shaw, D Simms, J Stockwood and D Viridi

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| Meeting Room Guidance |
|------------------------------|

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**MINUTES
OF THE MEETING OF THE
GOVERNANCE SCRUTINY GROUP
TUESDAY, 17 SEPTEMBER 2019**

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

PRESENT:

Councillors F Purdue-Horan (Chairman), J Walker (Vice-Chairman), B Gray,
R Hetherington, K Shaw, D Simms, J Stockwood and D Viridi

ALSO IN ATTENDANCE:

OFFICERS IN ATTENDANCE:

P Linfield

Executive Manager - Finance and
Corporate Services

L Ashmore

Executive Manager - Transformation

T Coop

Democratic Services Officer

C Williams

Head of Internal Audit - RSM

APOLOGIES:

Councillors R Adair, D Hoose (Mazars – Partner) and A Pipes (Mazars –
Manager)

8 Declarations of Interest

There were no declarations of interest.

9 Minutes of the meeting Tuesday 23 July 2019

The Minutes of the meeting held on 23 July 2019 were approved as a true
record and signed by the Chairman.

10 Internal Audit Progress Report Q1

Mr Chris Williams, Head of Internal Audit at RSM, the Council's internal
auditors attended the meeting to present the Internal Audit Reports for Quarter
1 dated 23 July 2019 and Quarter 2 dated 17 September 2019 for the financial
year 2019/20. The two reports highlight the completion of six assignments:
Disabled Facilities Grants, Corporate Governance, Housing Benefit, Building
Control, Treasury Management and Land Charges.

In terms of the audit findings, Mr Williams reported the following:

- The five substantive audits returned findings of Substantial Assurance
- The Corporate Governance, Housing Benefits and Land Charges audits

each resulted in one low level recommendation and management actions were agreed.

- The Disabled Facilities Grants (DFG) resulted in one medium and four low level priority recommendations. The medium related to improving procedures relating to the closure of DFG cases and management actions were agreed for all recommendations.
- The Building control audit resulted in three medium and one low priority recommendations. The medium priority recommendation is related to a delay in the preparation of a deed of variation by South Kesteven District Council, the keeping and filing of necessary receipts, and the issuing of completion certificates. As the Councils Building Control service is delivered by the South Nottinghamshire Building Control Partnership, they will be responsible for taking action on the recommendations.

Mr Williams concluded that the Council had maintained Substantial Assurance across the audit control and that the results were positive.

The Group asked specific questions regarding the reasons why recommendations and actions were required and whether there were any specific issues identified in each case. The Executive Manager – Finance and Corporate Services explained that there were no specific issues and management actions were in place, adding that a follow up audit will revisit the assignments. In addition, Mr Williams advised that the quarterly Internal Progress Reports provide information that feeds into the Annual Governance Statement reported at the end of year meeting in May 2020.

It was **RESOLVED** that the Internal Progress Reports for 23 July 2019 and 17 September 2019 be noted.

11 **Annual Audit Letter**

In the absence of representation from the external auditors, Mazars, the Executive Manager – Finance and Corporate Services presented the Annual Audit Letter for the year ending 31 March 2019, which summarised the progress of the audit process for the financial year 2018/19. The auditor's report concluded that in respect of value for money the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Executive Manager – Finance and Corporate Services advised the Group that the audit was conducted in accordance with the requirements of the Code of Audit Practice issued by the National Audit Office (NAO), and international Standards on Auditing (ISAs), who require the Council to consider:

- The accounting policies are appropriate to the Council's circumstances and have been consistently applied and adequately disclosed.
- The significant accounting estimates made by management in the preparation of the financial statements are reasonable.

- The overall presentation of the financial statements provides a true and fair view.

The auditor's report stated that the financial statements gave a true and fair view of the council's financial position as at 31st March 2019 and of its financial performance for the year's end.

The Executive Manager – Finance and Corporate Services reported that an additional £750 not previously notified by the auditors had been proposed in relation to assessing the Council's risk against the McCloud judgement (pensions transition), adding that discussions with the auditors as to whether this will be paid was ongoing.

The Group raised concerns in respect of the auditing issues that affected Northamptonshire County Council and whether the Borough Council had processes in place to prevent anything similar occurring. The Executive Manager – Finance and Corporate Services whilst unable to make comment in respect of Northamptonshire, assured the Group that in light of any concerns there is to be a national review of the Audit Standards.

Councillor Viridi requested clarification with the figures reported in respect of the Medium Term Financial Plan (MTFP) and Transformation Plan and the transformation strategy savings built into the budget. The Executive Manager – Finance and Corporate Services explained the terminology and provided clarification at the meeting.

It was **RESOLVED** that the Annual Audit Letter for year ending 31 March 2019 be noted.

12 Risk Management Update

The Executive Manager – Finance and Corporate Services presented a report that updated the Group on the Council's Risk Management progress made since its last meeting on 23 July 2019. It provided a summary of risks in the Council's Risk Register that had changed and work related to the Council's Emergency Planning and business continuity functions, including a BREXIT update.

There are currently 33 corporate risks and 26 operational risks on the register. The Executive Manager – Finance and Corporate Services advised the Group that risks within the register will fluctuate throughout the year as active risk management is undertaken. Changing pressures and the proactive work of managers to identify risks as they emerge will continue to influence new risks added to the register.

The Executive Manager – Finance and Corporate Services advised the Group of risks added and amended as follows:

Risks added:

- CRR_FCS22 Uncertainty around Government funding and changes to business rates system with a one year financial settlement.

This risk has been added due to uncertainty about funding changes and future financial settlements.

Risks Amended:

- CRR_CO02 Failure of public sector partnerships/withdrawal of financial support.

Likelihood increased from 2 to 3 as a result of potential loss of funding resulting from restructuring in the local health sector.

- OR_CO04 Cost of defending appeals for large scale residential developments and potential award costs.

Likelihood reduced from 3 to 2 due to progress being made with Local Plan Part 2, approval of emerging Part 2 sites and reduced risk from predatory applications.

- OR_TR14 Partners closure of buildings where the Council has contact points, including RCCC.

The risk has occurred due to the forthcoming relocation of West Bridgford Police Station. Likelihood has increased from 3 to 4 (as relocation is certain). The impact has decreased from 3 to 1 as advanced negotiations are underway for an alternative location.

- CRR_FCS07 Central Government Policy changes

Risk description amended to include Resource and Waste Strategy

- Business Continuity and Emergency Planning risks moved from Transformation to Neighbourhoods as the responsibility now resides with the Executive Manager for Neighbourhoods.

In respect of BREXIT and the risk of a 'No Deal' the Executive Manager – Finance and Corporate Services advised the Group that the Executive Management Team hold weekly BREXIT meetings to discuss planning arrangements and review the Councils BREXIT action plan. He continued to advise that the Chief Executive of Nottinghamshire County Council is the regional lead and BREXIT was discussed at the local authority Chief Executive meeting on 6 September 2019.

In respect of Emergency Planning the Executive Manager – Finance and Corporate Services advised the Group that the corporate business continuity plan is being reviewed as part of its 3 year cycle. The plan details the co-ordination arrangements for the authority should there be a business interruption that affects the Council's critical services. In addition the Executive Manager – Finance and Corporate Services provided the Group with information on training for Housing staff in respect of emergency accommodation and Executive Management training and sessions for senior staff who would be involved in the command and co-ordination of a major

incident.

The Group questioned whether the need for additional information be provided on who is responsible for the mitigation of risk and the quantification of risk and the financial value of impact to the Council. The Executive Manager – Finance and Corporate Services explained that risks were examined in more detail by the internal auditors and are then reported to Governance Scrutiny as a tabled summary. He offered to look at the table format, and in particular adding an additional column where there have been changes to provide a more detailed explanation for the red rated risks.

It was **RESOLVED** that:

- a) The Group noted the Risk Management Progress Report
- b) The Group endorse the actions taken to review the risk management arrangements.
- c) The Group endorse the work of the Emergency Planning Officer and the Local Resilience Forum

13 **Asset Management Plan Update**

The Executive Manager – Transformation provided a verbal update that briefed the Group on the Council's Transformation Plan, which will provide a five year view of the Council's Corporate assets, including land and buildings, maintenance and acquisition and disposal plans. The Executive Manager – Transformation advised the Group that a detailed Annual Action Plan of the Council's corporate assets will be reported at the Governance Scrutiny Group meeting on 3 December 2019 and is included on the Work Programme.

14 **Work Programme**

The Group considered its Work Programme.

It was **RESOLVED** that the work Programme, as detailed below be approved.

3 December 2019

- Internal Audit Progress Report
- Treasury Management 2019/20 – Six Monthly Update
- Asset Management Plan
- Work Programme

6 February 2019

- Internal Audit Progress Report
- Treasury Management Strategy
- Internal Audit Strategy
- External audit Strategy
- Certification of Grants and Return Annual Report 2017/18
- Work Programme

9 May 2019

- Internal Audit Progress Report
- Internal Audit Annual Report
- Risk Management Progress Report
- Annual Asset and Investment Strategy Report
- Annual Governance Statement
- Work Programme

ACTIONS SHEET

Governance Scrutiny Group – 17 September 2019

| Minute No | Action | Officer |
|-----------|--|--|
| 12 | Members requested consideration of more detailed information in respect of explanation when reporting risks that have the red alert status | Executive Manager – Finance and Corporate Services |

The meeting closed at 8.11 pm.

CHAIRMAN



Governance Scrutiny Group

Tuesday, 3 December 2019

Internal Audit Progress Report

Report of the Executive Manager – Finance and Corporate Services

Cabinet Portfolio Holder: Finance and Contracts

1. Purpose of report

- 1.1. The attached reports have been prepared by the Council's internal auditors RSM. They reflect the current progress made against the annual Internal Audit programme along with any significant recommendations with regard to the audits completed during this period.

2. Recommendation

It is RECOMMENDED that the Governance Scrutiny Group notes the progress made so far this year against the Internal Audit programme.

3. Reasons for Recommendation

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

4. Supporting Information

- 4.1. The Internal Audit Plan for 2019/20 was approved by the Corporate Governance Group at its meeting on 7 February 2019 and includes 14 planned reviews. The attached report highlights the completion and issuing of six reports: Cyber Risk Management, Insurance, Creditors and e-Procurement, Markets – Review of New Contractural Arrangements, Business Support Unit, and Payroll. In terms of findings:

- 72% of the annual Internal Audit programme has been completed
- The Markets – Review of New Contractural Arrangements was an additional piece of work undertaken to review the actions taken in the appointment of new managing agents for the Market and no opinion was required
- Four audits have returned findings of Substantial Assurance

- The Insurance, Creditors and e-Procurement, and Payroll audits each resulted in one low level recommendation and management actions have been agreed
- The Business Support Unit audit resulted in four low level priority recommendations and management actions have been agreed
- The Cyber Risk Management audit received a Reasonable Assurance opinion and resulted in two medium and eight low priority recommendations – the medium priority recommendations related to the need to test the Cyber Incident Response Plan annually, and an undertaking to investigate the costs and benefits of implementing a SIEM solution to collate all security log information and report potential incidents through automated alerts.

5. Risks and Uncertainties

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

6. Implications

6.1. 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.

6.2. Legal Implications

The recommendation supports good risk management and compliance with legislation and regulations relating to Local Authority finance.

6.3. Equalities Implications

There are no equalities implications identified for this report.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no such implications.

7. Link to Corporate Priorities

| | |
|--------------------|--|
| Quality of Life | No links |
| Efficient Services | Undertaking a programme of internal audit ensures that proper and efficient services are delivered by the Council. |
| Sustainable Growth | No links |
| The Environment | No links |

8. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group notes the progress made so far this year against the Internal Audit programme.

| | |
|--|--|
| For more information contact: | Peter Linfield Executive Manager - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk |
| Background papers available for Inspection: | None |
| List of appendices: | Appendix 1 - Internal Audit Progress Report – RSM |

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Appendix



RUSHCLIFFE BOROUGH COUNCIL

Internal Audit Progress Report

Governance Scrutiny Group

3 December 2019

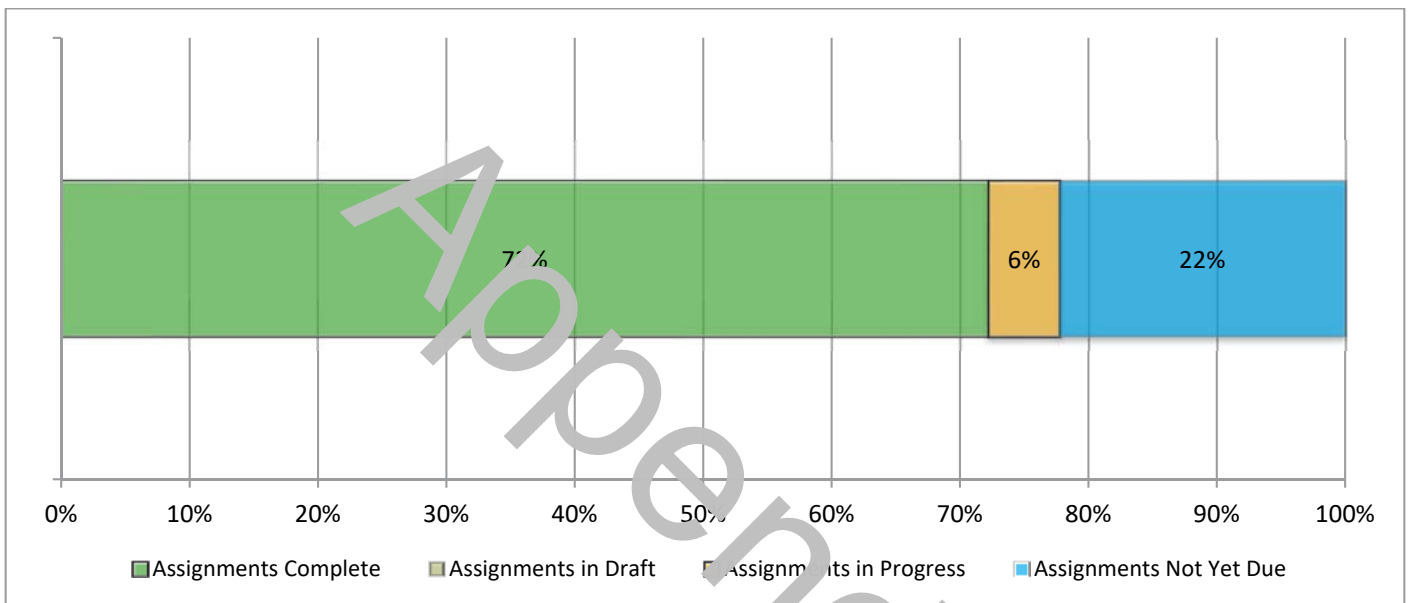
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- 2 Reports considered at this Governance scrutiny group..... 3
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- 4 Other matters 7
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Appendix

1 INTRODUCTION

The Internal Audit Plan for 2019/20 was approved by the former Corporate Governance Group on 7 February 2019. 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 GOVERNANCE SCRUTINY GROUP

The Executive Summary and Key Findings of the assignment below is attached to this progress report.

| Assignments | Status | Opinion issued | Actions agreed | | |
|---|--------|----------------|----------------|---|---|
| | | | H | M | L |
| Cyber Risk Management (7.19/20) | Final | | 0 | 2 | 8 |
| Insurance (8.19/20) | Final | | 0 | 0 | 1 |
| Creditors and e-Procurement (9.19/20) | Final | | 0 | 0 | 1 |
| Markets – Review of New Contractual Arrangements (10.19/20) | | Advisory | N/A | | |
| Business Support Unit (11.19/20) | Final | | 0 | 0 | 4 |
| Payroll (12.19/20) | Final | | 0 | 0 | 1 |

2.1 Impact of findings to date



Cyber Risk Management (7.19/20)

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

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

The medium priority findings relate to:

- While a Security Incident Response Plan is in place and incident management roles and responsibilities have been formally defined, the Council does not undertake cyber incident response testing.
 - Although an Intrusion Prevention System (IPS) is in place, our review highlighted that no automated alerts had been configured to notify the ICT Team of a potential incident.
-



Insurance (8.19/20)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one 'low' priority management action was identified, and this was agreed by management.



Creditors and e-Procurement (9.19/20)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one 'low' priority management action was identified, and this was agreed by management.



Markets – Review of New Contractual Arrangements (10.19/20)

Conclusion: Advisory Review

Impact on Annual Opinion: n/a

An advisory review was undertaken to review the actions taken by the Council, when it appointed a new managing agent for the markets operated at Bingham.

Our review confirmed that a new Markets Manager has been selected and a new contract has been put in place to formalise the arrangements between the Council and the Markets Manager. We confirmed that a process of due diligence checks was completed, prior to the contract being signed.

The controls in place, have not been changed significantly following the change in Markets Manager; therefore, if complied with, will continue to be effective in controlling the collection and banking of all income generated from the Council's weekly market in Bingham.



Business Support Unit (11.19/20)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, four 'low' priority management actions were identified, and these were agreed by management.



Payroll (12.19/20)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one 'low' priority management action was identified, and this was agreed by management.

Appendix

3 LOOKING AHEAD

| Assignment area | Timing per approved IA plan 2019/20 | Status |
|----------------------------------|-------------------------------------|------------------------|
| Enforcement – Statutory Nuisance | Quarter 3 | Assignment In Progress |
| Garden Waste | Quarter 3 | Not Yet Due |
| Main Accounting | Quarter 4 | Not Yet Due |
| Property Leases / Rent | Quarter 4 | Not Yet Due |
| Follow Up | Quarter 4 | Not Yet Due |

Appendix

4 OTHER MATTERS

4.1 Changes to the audit plan

At the request of management an additional advisory audit was undertaken to review the new contractual arrangements for the markets following the appointment of a new managing agent for the markets operated at Bingham.

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 Farmbrough 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

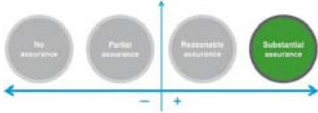





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We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- 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 Governance Scrutiny Group and included for information purposes only:

| Assignment | Status | Opinion issued | Actions agreed | | |
|---|--------|--|----------------|---|---|
| | | | H | M | L |
| Disabled Facilities Grants (1.19/20) | Final |  | 0 | 1 | 4 |
| Corporate Governance (2.19/20) | Final |  | 0 | 0 | 1 |
| Housing Benefits (3.19/20) | Final |  | 0 | 0 | 1 |
| Building Control (4.19/20) | Final |  | 0 | 3 | 3 |
| Treasury Management, Cash and Banking (5.19/20) | Final |  | 0 | 0 | 0 |
| Land Charges (6.19/20) | Final |  | 0 | 0 | 1 |
| Annual Fraud Review | Final | Advisory * | | | |

* A review of the Council's Fraud Annual Report was undertaken and suggestions were provided to management to consider when finalising its Fraud Annual Report.

FOR FURTHER INFORMATION CONTACT

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Phone: 01159 644450
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rsmuk.com

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

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Rushcliffe Borough Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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

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CYBER RISK MANAGEMENT - DETAILED FINDINGS

Categorisation of internal audit findings

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

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

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|---|--|-------------------------|------------------------|--|----------|--|---------------------|-----------------------------|
| Risk: Loss of information, risks from inappropriate and malicious access, viruses and malware and of legal action/ loss of reputation due to inappropriate storage of/ sharing of personal data. | | | | | | | | |
| 1 | Secure Configuration Vulnerability scans are performed on a regular basis. Vulnerabilities identified on a quarterly basis using Nessus scans are classified and a timeframe for rectification is agreed. | Yes | No | We confirmed through observation that scans are performed against all network devices on a quarterly basis using Nessus. Vulnerabilities identified during these scans are recorded within a 'Nessus Remediation Plan' for that quarter. Details within this Remediation Plan include: <ul style="list-style-type: none"> • Probability; • Risk; • CVSS Score, (Common Vulnerability Scoring System); • Recommended fix; • Owner; | Low | Management will ensure that the vulnerability remediation tracker is completed to include assigned remediation owners and expected completion dates. | 30 November 2019 | ICT Service Support Manager |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|---|-------------------------|------------------------|---|----------|---|---------------------|---------------------------------|
| | | | | <ul style="list-style-type: none"> • Status; and • Target and actual completion dates. <p>However, review of the NESSUS Remediation Plan Q2 2019-20, highlighted gaps within the completion of the Plan at the time of our review. We found high and medium probability vulnerabilities that did not have assigned owners, target completion dates, or clearly documented status. We were informed by the ICT Manager that assigned remediation, owners and expected completion dates are followed; however, on this occasion the team had failed to populate the spreadsheet with the required fields.</p> <p>If vulnerabilities that have been identified are not assigned responsibility and an agreed timeframe outlined there is a risk that, due to lack of accountability, vulnerabilities are not remediated, thus increasing the risk of a cyber incident.</p> | | | | |
| 2 | Network Security and Firewalls The firewall rule base is reviewed on a periodic basis and the rules are accompanied with a description. | Yes | No | We observed a test change being made to the firewall rule base, which confirmed that an audit trail is retained with the name of the user that made the change alongside the date and time. However, further inquiry with the ICT Technical Solutions Officer highlighted automated notifications | Low | Management will review the firewall settings and confirm if it is possible to set up an automated notification system to send email alerts when a change is made to the firewall rules. | 31 October 2019 | ICT Technical solutions Officer |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|---|-------------------------|------------------------|--|----------|--|---------------------|----------------------|
| | The Council has a documented Change Management Policy for administering changes to the firewall. | | | <p>were not configured to alert IT staff automatically if any changes were made to the firewall settings; such as, if rules were added, removed or disabled.</p> <p>Automated alerts notifying the IT Department of changes to a firewall rule base can be useful as an early indicator or warning mechanism of a cyber security incident. There is a risk that changes may be spotted too late or missed if reliant on a manual reconciliation, potentially leading to a cyber incident.</p> | | | | |
| | <p>User Education and Awareness</p> <p>Staff are trained on Cybercrime; phishing, smishing and vishing' upon their induction and on an annual basis.</p> | Yes | No | <p>We obtained and reviewed the course completion status for all staff which confirmed for 216 staff enrolled, only nine had not completed the course putting the compliance rate at the time of our review at 96%.</p> <p>A completion rate of less than 100% poses a risk of some staff not being fully aware of cyber risks and the actions that they can take to prevent them, this raises the likelihood of a cyber incident.</p> <p>We were informed by management that the compliance rates for e-learning modules is monitored by HR and that reminder emails are sent to ensure completion. Further review of the course completion status highlighted that all the users identified that had not completed the 'Cybercrime; phishing, smishing and</p> | Low | <p>Management will ensure that the compliance rate for the cyber security training is 100%, any exceptions will be followed up to ensure that training is completed. Appropriate action will be considered for users that do not complete the training after escalation.</p> | 31 December 2019 | All Lead Specialists |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|--|-------------------------|------------------------|--|----------|--|---------------------|-------------------|
| | | | | <p>ishing' course had been enrolled onto the course for at least 6 months. We noted from discussion with the ICT Manager that this was an issue that they were aware of and despite escalation to Line Managers, some users were still not completing the training as required.</p> <p>If non-compliance not appropriately escalated and remediated, there is a risk that some staff will not complete the training and therefore will not be fully aware of cyber risks and the actions that they can take to prevent them, this raises the likelihood of a cyber incident.</p> | | | | |
| | <p>User Education and Awareness</p> <p>The Council have not yet conducted any phishing exercises.</p> | No | - | <p>We were informed by the ICT Manager that the Council has not yet undertaken any phishing exercises with a view to determine the vulnerability level of its network, which would provide an indication of how many people may be susceptible to an email-borne social engineering attack.</p> <p>Therefore, there is a risk that staff will not be fully conscious of cyber and data security threats and issues. This may result in staff being more susceptible to a cyber-attack, which may pose a vulnerability to the Council.</p> <p>This is mitigated in part by the fact that phishing is included within the e-learning that is provided to staff. We were also informed by the ICT</p> | Low | Management will ensure that annual phishing exercises are undertaken to test user awareness and to ensure that they remain conscious of cyber security issues. | 31 March 2020 | ICT Manager |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|---|-------------------------|------------------------|---|----------|--|---------------------|-------------------|
| | | | | Manager that ICT Services are looking to implement phishing exercises using tools within Office 365. | | | | |
| 5 | <p>Incident Management</p> <p>A Security Incident Response Plan is in place. Incident management roles and responsibilities have been formally defined.</p> <p>The Council does not undertake cyber incident response testing.</p> | No | - | <p>Review of the Cyber Incident Response Plan confirmed that an incident response team was outlined with associated responsibilities of each team member.</p> <p>We were informed by the ICT Manager that no cyber security related incidents had occurred in the past 12 months.</p> <p>While the Incident Management Plans cover a range of security incidents that could occur including the high risks acknowledging that not every scenario possible can be documented. The ICT Manager has stated that the plans will continue to be enhanced to develop additional scenarios in line with developing threats.</p> <p>Discussion with the ICT Manager highlighted that although the Council conduct Disaster Recovery testing for the IT Environment, historically they have not undertaken any testing of their cyber incident management process. However, this is being reviewed and scheduled to take place this financial year. Testing provides added assurance that response plans are effective in reporting and managing a cyber incident. Additionally, testing helps to increase</p> | Medium | <p>Management will ensure that the Cyber Incident Response Plan is tested annually, and the lessons learned will be captured and feed back into the process.</p> <p>Management will ensure that work underway to expand potential cyber incidents is completed, this will help to assist in planning scenario testing.</p> | 31 March 2020 | ICT Manager |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|---------|---|-------------------------|------------------------|---|----------|---|---------------------|-----------------------------|
| | | | | <p>awareness of staff and can identify opportunities for improvement.</p> <p>As a result, there is an increased risk that the Council is not fully equipped to deal with information security or cyber incidents effectively, causing increased disruption and greater impact of incidents. It also presents a missed opportunity for learning developments around incident responses and potential for improvement.</p> | | | | |
| Page 26 | <p>Managing User Privileges</p> <p>Domain administrator privileges have been provided to a restricted selection of IT staff.</p> | Yes | No | <p>We reviewed each domain administrator account on the Council's network to confirm that access was required and appropriate. Annual reviews of privileged access are currently performed; however, more frequent reviews will ensure that any inappropriate access is identified and then removed earlier.</p> <p>Increasing the frequency of the periodic reviews of privileged access such as members of staff or third parties that have administrative accounts; can reduce the risk that a user might be able to access information which may no longer be relevant for their job roles, which could lead to abuse of privileged access and compromise of the Council's data and systems.</p> <p>We note that Only ICT staff have the ability of creating Domain</p> | Low | <p>Management will ensure that there is a review of privileged user accounts on at least a bi-annual basis. Particular attention will be paid to domain administrator accounts.</p> | 31 December 2019 | ICT Service Support Manager |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|---|-------------------------|------------------------|---|----------|--|---------------------|---------------------------------|
| | | | | Administrator accounts and are the only users with these privileges. | | | | |
| 7 | <p>Managing User Privileges</p> <p>There is no monitoring in place around domain administrator accounts</p> | No | - | <p>Discussion with the ICT Technical Solutions Officer highlighted that there is no monitoring solution in place for domain administrator accounts.</p> <p>Without a monitoring solution in place for domain administrator activity, such as password changes, account lock out and creation of another admin accounts, there is a risk that early indicators of cyber incidents are missed.</p> | Low | <p>Management will consider implementing monitoring activities around domain administrators e.g. promotion to admin, changed passwords, etc.</p> | 31 December 2019 | ICT Technical solutions Officer |
| | <p>Removable Media</p> <p>The use of removable media is limited. Authorisation is required to access removable media devices.</p> <p>Review processes are not in place to control or manage the ongoing use of removable media.</p> <p>Removable media drive access is only permitted with encryption. This is enforced at a group policy level.</p> <p>Users are permitted to use their own</p> | No | - | <p>By default, users read and write access to removable media devices is blocked. We confirmed that a network group is in place that allows select users to read and write to an encrypted removable media device.</p> <p>Review of the Removable Media Policy confirmed that, when authorised by the relevant Executive Manager, Service Manager or Lead Specialist, removable media used should be encrypted.</p> <p>For a sample of 5 users with access permissions for removable media, we located the documented approvals for 4 of the users.</p> <p>We tested a sample of ten user devices throughout the Council's office by using an unencrypted USB storage device and confirmed that removable media was blocked on six users'</p> | Low | <p>Management will ensure that the use of user owned, encrypted, removable media devices on the Council's IT environment is reviewed and management are happy with the risks associated with this practice.</p> <p>If management decide to restrict removable media devices to Council owned devices:</p> <p>Management will ensure that as part of the user access review that users with removable media permissions are reviewed and confirmed that that the permission is still necessary.</p> | 31 December 2019 | ICT Service Support Manager |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|---------------------------------------|-------------------------|------------------------|--|----------|--|---------------------|-------------------|
| | removable media device, if encrypted. | | | <p>devices. The user devices that allowed removable media access would only allow access once the USB storage device was encrypted. We confirmed that the four users were part of the network group that allowed encrypted removable media use.</p> <p>We were informed that there is no review of the network group that allows write access to encrypted removable media.</p> <p>If users with access permissions to removable media are not reviewed there is a risk that permissions are given to users that no longer require them. The greater the number of access to removable media the greater the risk is of data loss and a potential cyber incident.</p> <p>We noted that users are able to use their own USB removable media devices if encrypted. This poses a risk that data that is stored on these devices is not returned once that user leaves the Council. Additionally, the Council are unable to keep track of personal removable media devices and therefore could be unaware of potential data loss.</p> <p>Further inquiry with the ICT Technical Solutions Officer highlighted that an asset register is not kept of the location of removable media devices that are permanently given to staff.</p> | | <p>Management will ensure that a clear audit trails for USB permissions is retained, this will be part of the review process.</p> <p>Management will ensure that removable media devices that are given out on a permanent basis are recorded on the asset register to recover upon that users leaving date.</p> | | |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|--|-------------------------|------------------------|--|----------|--|---------------------|-------------------|
| | | | | This increases the risk that the asset could be lost or not returned without the Council's knowledge, potentially leading to unauthorised access to data. | | | | |
| 9 | <p>Monitoring</p> <p>The Council has tools in place for monitoring activity on the network.</p> <p>The Council's Check Point firewall employs Intrusion Prevention System (IPS) on the network to identify and prevent any network security vulnerabilities and monitor traffic for unusual activity.</p> | No | | <p>The Council has a number of monitoring tools in place such as:</p> <ul style="list-style-type: none"> • Antivirus software has monitoring capabilities; • Firewall and IPS maintain logs of network activity; • Web and email filtering activity logs; and • Nessus is a remote security scanning tool, which scans a computer and raises an alert if it discovers any vulnerabilities that malicious hackers could use to gain access to any computer that is connected to the network. <p>However, in discussion with the IT Manager we were informed that there is no coordinated, proactive review of all security logs to identify security events in a timely manner; therefore, the Council will be unable to minimise the damage that is done to the network or prevent a data breach.</p> <p>We confirmed through observation that the Council's firewall solution, Check Point, logs network authentication activity, including failures, and is captured and retained for six months. Inquiry to the ICT</p> | Medium | <p>Management will consider the costs and benefits of implementing a SIEM solution to collate all security log information and report potential incidents through automated alerts. These alerts will be reviewed regularly to identify security threats to the network.</p> <p>Management will ensure that informative data, extracted from firewall logs is reviewed on a regular basis.</p> <p>Management will ensure that the IPS in place is configured to send automated alerts notifying the IT Team of a potential cyber incident.</p> | 31 March 2020 | ICT Manager |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|---------|-------------------------|------------------------|--|----------|-----------------------|---------------------|-------------------|
| | | | | <p>Technical Solutions Officer highlighted that the firewall log was not reviewed on a regular basis. We were further informed by the ICT Manager that the data captured from the firewall logs and IPS doesn't provide the Council with anything informative without a lot of investigative work and that he is currently looking to introduce a SIEM product to provide informative data.</p> <p>If firewall logs are not reviewed on a regular basis there is an increased risk that early indicators to cyber incidents are missed.</p> <p>Further observation of the Check Point configuration confirmed that an IPS was enabled. However, a query highlighted that no automated alerts had been set up.</p> <p>We have noted from the ICT Manager that the IT department will be reviewing the IPS rules annually and notifications to enhance security levels and implement automated alerts. Without automated alerts from the IPS there is an increased risk that a cyber incident could occur without detection, increasing the impact of the cyber event down the line.</p> <p>A security information and event management (SIEM) tool can be used to pull together all of the monitoring logs which can enable IT to review exceptions identified via one tool rather than multiple tools.</p> | | | | |

| Ref | Control | Adequate control design | Controls complied with | Audit findings and implications | Priority | Action for management | Implementation date | Responsible owner |
|-----|--|-------------------------|------------------------|---|----------|---|---------------------|-------------------|
| | | | | <p>Whilst the monitoring tools in place can improve the security and effectiveness of the IT Department a SIEM tool can reduce the risk of an alert being missed due to the number of tools in place. SIEM is a step forward to strengthen existing set of network security controls.</p> <p>In the absence of proactive monitoring, there is an increased risk that a security breach will go unnoticed leading to business disruption and data loss resulting in financial loss and regulatory fines.</p> | | | | |
| | <p>Monitoring</p> <p>On a quarterly basis the IT Team produces Management Information (MI) packs on IT performance and these are reported to the Senior Management.</p> | Yes | No | <p>We were informed by the ICT Manager that MI packs are currently put together for senior management on a quarterly basis; however, details regarding cyber security are limited to reporting compliance with standards, such as PCI DSS.</p> <p>This in turn could result in a lack of priority and resourcing for the cyber security matters to ensure ongoing identification and mitigation of threats and safeguarding of the Council's information assets and systems.</p> | Low | <p>Management will ensure that MI packs include information regarding all cyber related exceptions and outstanding and remediated vulnerabilities.</p> <p>The packs may include but are not limited to the following:</p> <ul style="list-style-type: none"> • Incidents raised and resolved • Patching status • Antivirus status • Changes to the IT environment • Uptime and availability • Vulnerability scan results and actions. | 31 January 2020 | ICT Manager |

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Governance Scrutiny Group

3 December 2019

Treasury Management – Mid-Year Report 2019/20

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 2019.
- 1.2. The Capital and Investment Strategy for 2019/20, approved by Council on 7 March 2019 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 2019.

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 2019/20:
 - Growth in the UK economy has increased 1.2%, below market expectations
 - The Bank of England base rate remains at 0.75%.

Economic Forecast

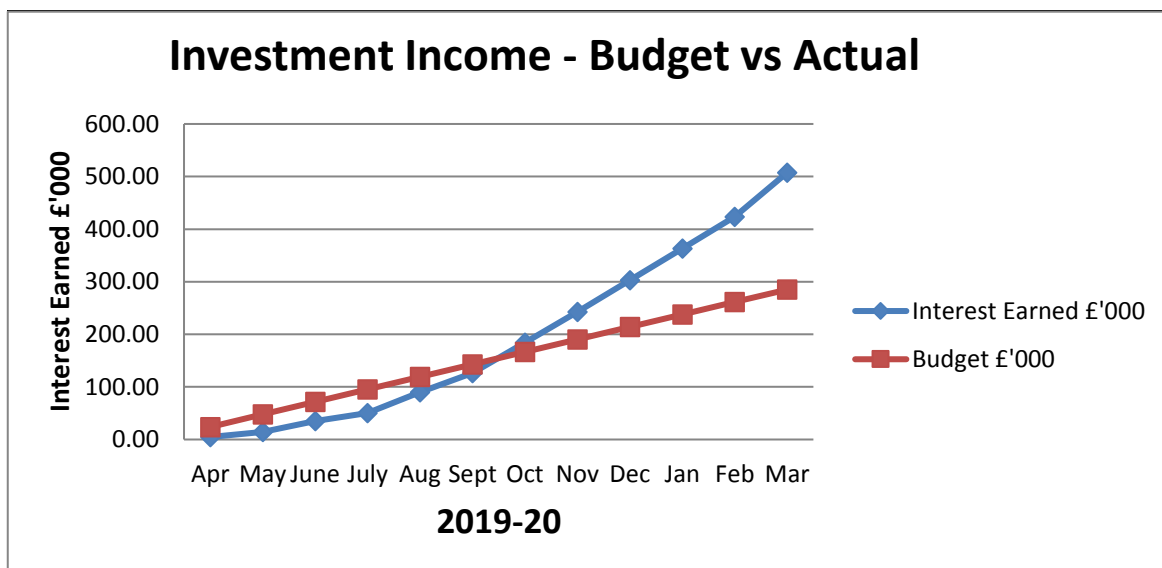
- 4.2. Economic growth contracted by 0.2% for quarter 2 and expanded 1.2% year-on-year. Both the quarterly and year-on-year figures were below expectations,

estimated at 0% and 1.4% respectively. Growth for the following year is projected to fall slightly to 1.1%. There remain high uncertainties about the outcome of Brexit negotiations and the forthcoming General Election.

- 4.3. Unemployment remains low at 3.8% and is projected to reach 4.1% during 2020.
- 4.4. The current Bank of England base rate remains 0.75% and has been since 2 August 2018. The Bank of England says that it's closely watching the British economy to see how it responds to Brexit. Arlingclose (the Council's former Treasury Management advisors, see paragraph 4.31) forecast the rate to remain the same for the foreseeable future, but point out that rates are dependent on Brexit outcomes and the evolution of the global economy.
- 4.5. Inflation remains around target, albeit displaying a surprising decline in August 2019 to 1.7%, down from 2% in July 2019. Inflation levels are expected to increase to 2.01% in 2020.
- 4.6. 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 2019 and in 2020.

Investment Income

- 4.7. 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 £285,000 in investment income in 2019/20. Actual interest earned to 30 September 2019 totalled £129,050 with total receipts for the year expected to be £483,000. Interest receipts are higher than estimated due to investing in higher interest earning diversified funds coupled with 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.
- 4.8. 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 and Diversified Funds with a maximum of £5 million being placed with any single institution.
- 4.9. The projected return on investments is highlighted in the following graph, which depicts the performance against the budget.



4.10. The average interest rates achieved so far this year on the Council's investments are compared to the London interbank bid rate (LIBID) rates. In addition the Council has just over £13 million invested in diversified income and property accounts that are earning on average a rate of 4.3% in interest.

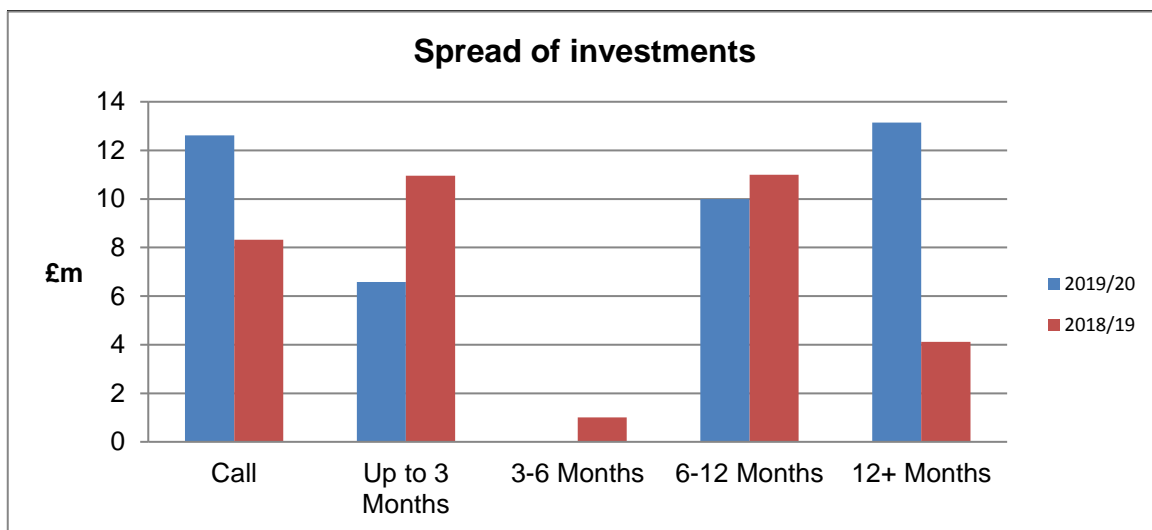
| Benchmark | 2019-20 LIBID | Council Performance |
|----------------|---------------|---------------------|
| Instant Access | 0.54% | 0.68% |
| 1 month | 0.59% | 0.75% |
| 3 month | 0.63% | - |
| 6 month | 0.70% | - |
| 12 month | 0.76% | 0.88% |

4.11. The table below highlights the level of investment activity and the rates obtained at 30 September 2019. Investments were made in line with Arlingclose's approved counterparty list.

| Financial Institution | Amount £ | Length of Investment | Interest | Date |
|--|-------------------|-------------------------|--------------|-------------------|
| OLA - Cambridgeshire CC | 5,000,000 | 12 Months | 0.80% | 30 Aug 2019 |
| OLA - Guildford Borough Council | 5,000,000 | 12 Months | 0.95% | 22 May 2019 |
| Blackrock | 1,520,970 | Call | 0.68% | N/A |
| Federated | 4,436,417 | Call | 0.73% | N/A |
| HSBC | 1,285,413 | Call | 0.38% | N/A |
| Invesco | 1,154,052 | Call | 0.71% | N/A |
| Aberdeen Asset Management | 4,065,302 | Call | 0.73% | N/A |
| Barclays | 4,253,910 | 32 Days | 0.75% | N/A |
| Santander | 2,216,235 | 35 Days | 0.75% | N/A |
| Residual MMF/Call Account balances | 259,225 | Call | 0.37% | N/A |
| Royal London Cash Plus Fund | 1,002,657 | On-going | 1.38% | N/A |
| CCLA Property Fund | 2,147,456 | On-going | 4.58% | N/A |
| CCLA Diversified Income Fund | 1,994,926 | On-going | 4.58% | N/A |
| Kames Diversified Income Fund | 4,000,000 | On-going | 5.01% | N/A |
| Investec Diversified Income Fund | 4,000,000 | On-going | 4.07% | N/A |
| Total Investments/Average Interest Rate | 42,336,530 | | 1.87% | |

- 4.12. As the table above indicates, investments at 30 September 2019 totalled £42.34 million with an average rate of interest of 1.87% (2018/19 0.92%). Over the first half of 2019/20 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.
- 4.13. It should be noted that £17.3 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 £116,000.
- 4.14. The above details the counterparties that the Council had placed investments with at 30 September 2019. The graph overleaf 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 2018/19 and 2019/20. 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.
- 4.15. Council agreed, 11 September 2019, to consider its carbon footprint and divest from fossil fuel investments. Currently 24% of our portfolio is invested in

diversified funds which invest in equities and therefore carry a small risk of fossil fuel investments. Security, Liquidity and Yield are the Council's main priority (in accordance with the CIPFA Code for treasury investments); however fossil free investment portfolios are likely to outperform standard investments therefore by default our investments will inevitably shift to non-fossil based investments.



Borrowing

- 4.16. 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.
- 4.17. The 'authorised limit' and 'operational boundary' indicators govern the maximum level of external borrowing to fund the capital programme and short-term cash flow.
- 4.18. The need to externally borrow is now anticipated to be in 2020/21 hence the Operational Boundary is projected to be zero (see **Appendix A**).
- 4.19. 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 2019-20 was £16.506m and revised largely due to carry forwards giving a current budget of £27.160m. The projected outturn is £13.630m – resulting in an estimated underspend of £13.530m. Explanations for this are explained in the Performance and Finance report to the Corporate Overview Group.
 - (b) Financing costs to net revenue stream – improved position anticipated due to higher investment returns and projected underspends in net service expenditure.
 - (c) Expected investment position – linked to underspend on the capital programme- see (a) above.
 - (d) Capital Financing Requirement – the opening position will increase due to internal borrowing associated with Cotgrave/Cotgrave Phase 2, Industrial

Units at Moorbridge and Asset Investment Strategy commitments giving a projected end of year position of £15.067m.

Commercial Investments

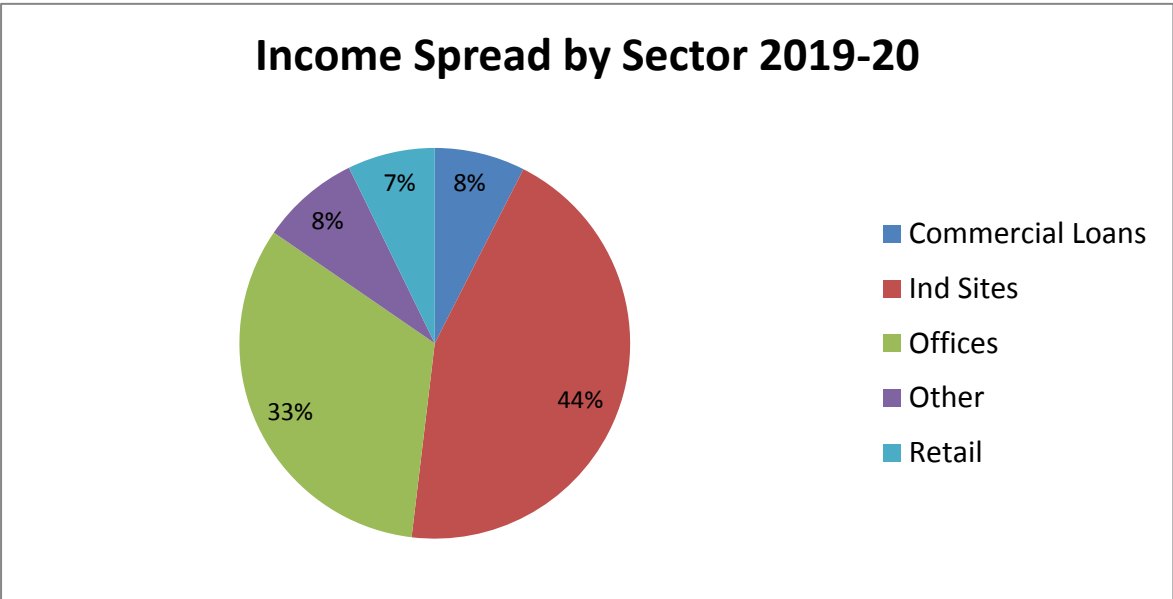
- 4.20. The definition of investments in CIPFA's definition of treasury management activities above covers all financial assets of the organisation as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore 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.
- 4.21. 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.
- 4.22. 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.
- 4.23. Individual commercial investment proposals included within the Asset Investment Strategy (AIS) are subject to specific business appraisals. The governance surrounding such decisions is included in the AIS.
- 4.24. 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 AIS, as well as pre-existing commercial investments.
- 4.25. The expected contributions from commercial investments included in the Asset Investment Strategy are shown below. 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. Our objective is that this ratio should not exceed 30% in future years, subject to annual review.

Commercial Investment income and costs

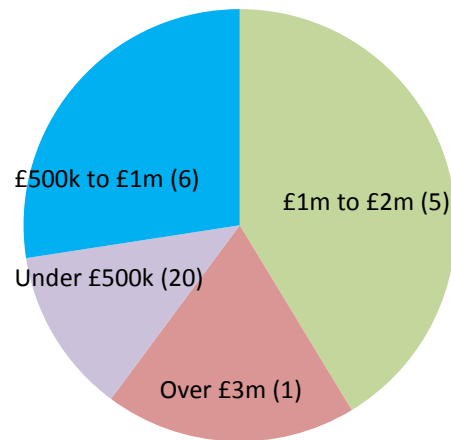
| 2019/20 | Original £000 | Current £000 | Actual £000 | Projected £000 |
|---|--------------------------|-------------------------|------------------------|---------------------------|
| Commercial Property Income | (1,330) | (1,330) | (796) | (1,408) |
| Running Costs | 382 | 378 | 53 | 385 |
| Net Contribution to core functions | <u>(948)</u> | <u>(952)</u> | <u>(743)</u> | <u>(1,023)</u> |
| | | | | |
| Interest from Commercial Loans | (84) | (84) | (42) | (84) |
| | | | | |
| Total Contribution | <u>(1,032)</u> | <u>(1,036)</u> | <u>(785)</u> | <u>(1,107)</u> |
| Sensitivity: | | | | |
| +/- 10% Commercial Property Income | 133 | 133 | 80 | 141 |
| Indicator: | | | | |
| Investment Income as a % of total Council Income | 18.3% | 18.2% | 17.2% | 17.8% |

Risk Exposure Indicators

4.25 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.



Property Investment value by Size (Number of investments)



Security and Liquidity

- 4.26. 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.
- 4.27. 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.
- 4.28. 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.
- 4.29. 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.

Training and Development

- 4.30. During 2019/20 the Council held a competitive tender process and as a result has new Treasury Management Advisors. Link Asset Services have been appointed as the Council's treasury Management Advisors until 31 October 2022. Their first presentation and training session was to Members on 27 November 2019.

5 Conclusion

- 5.1. Treasury Management continues to be fraught with difficulty. The UK economy is more uncertain given the impending General Election and whilst 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 Governance Scrutiny Group.

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. Financial Implications

Financial implications are covered in the body of the report.

8.2. Legal

There are no implications identified for this report.

8.3. Equalities Implications

There are no equalities implications identified for this report.

8.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no implications identified in this report.

8.5. Corporate Priorities

| | |
|--------------------|---|
| Quality of Life | No direct impact |
| Efficient Services | Responsible income generation and maximising returns |
| Sustainable Growth | No direct impact |
| The Environment | Helping to protect the environment by consideration of carbon footprint and fossil-based investments as referred to in paragraph 4.16 |

9 Recommendations

It is recommended that Members note the Capital and Investment Management update position at 30 September 2019.

| | |
|---|--|
| For more information contact: | Peter Linfield Executive Manager - Finance and Corporate Services 0115 914 8439 plinfield@rushcliffe.gov.uk |
| Background papers available for inspection | Treasury Management Strategy 2019/20 |
| List of Appendices (if any): | Appendix A – Prudential and Treasury Indicators for 2019/20 position at 30 September 2019 |

APPENDIX A

Prudential and Treasury Indicators for 2019/20
Position at 30 September 2019

| | 2019/20 £'000 Original Estimate | 2019/20 £'000 Revised Estimate |
|--|--|---|
| <u>Prudential Indicators</u> | | |
| Capital Expenditure | 16,506 | 13,630 |
| Proportion of financing costs to net revenue streams | (6.88%) | (4.41%) |
| Expected Investment Position | 12,494 | 25,780 |
| Capital Financing requirement as at 31 March 2020 | 19,927 | 15,067 |
| <u>Treasury Management Indicators</u> | | |
| Authorised Limit for external debt Borrowing and other long term liabilities | 25,000 | 25,000 |
| Operational Boundary for external debt Borrowing and other long-term liabilities | 20,000 | 0 |
| Upper limit for fixed interest rate exposure on investments up to 1 year | 50% | 50% |
| Upper limit for variable rate exposure (investments) | 100% | 100% |
| Upper limit for total principal sums invested over 1 year | 6,800 | 21,200 |

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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Governance Scrutiny Group

Tuesday 3 December 2019

Asset Management Plan

Report of the Executive Manager Transformation

Cabinet Portfolio Holder for Business and Transformation

Cllr A Edyvean

1. Purpose of report

- 1.1. The Council's assets are significant and sit at the centre of the organisation. The portfolio should support the Council's aims and objectives and be managed efficiently, effectively and economically.
- 1.2. The Council has a diverse portfolio, ranging from community assets such as community centres, parks and open space serving the residents of the borough, through to commercial and investment property, providing an income to the Council and accommodation for small local businesses.
- 1.3. An Asset Management Strategy seeks to align the asset portfolio with the needs of the organisation. The Council's Corporate objectives express the aims and goals of the Council and the Strategy sets out at a high level how the land and building portfolio are aligned with this. The Strategy seeks to plan and manage property as a corporate resource for the benefit of the people of Rushcliffe.
- 1.4. Sitting under the Asset Management Strategy is the Asset Management Plan, which sets out the detail of how the Council manages its land and building assets over a five year plan.
- 1.5. This report sets out the content of the high level Strategy for consideration. Following Scrutiny, the Asset Management Strategy and Plan will be considered at Cabinet and then full Council.

2. Recommendation

It is RECOMMENDED that

- a) The contents of the report and Appendices are noted and any changes will be reviewed by Cabinet
- b) To consider the contents of the appendices and the structure set out to manage the Council's assets

3. Supporting Information

- 3.1. The aim of the Asset Management Strategy and Plan is to ensure the Council has the right property in the right place and is fit for purpose to meet current and future service needs and support the Council's medium/long term financial strategy.
- 3.2. It sets out how we will manage and maintain property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities and supporting and growing local business.
- 3.3. To use land and buildings to stimulate regeneration, growth and improvement to the local place and supporting and encouraging new business to the area. Also to promote partnership working, for joint benefits and securing efficiencies.
- 3.4. The Strategy also aligns the management of the asset portfolio across the organisation, considering individual service policies and strategies and ensuring a holistic and comprehensive 'one Council' approach.
- 3.5. Appendix A provides an Asset Management Strategy and shows the Council's aims and objectives and how the Council's assets are managed in this context.
- 3.6. Appendix B provides the Action Plan that forms part of the AMP, converting the strategy to action and is a 'living' document.
- 3.7. Appendix C provides a list of Council owned assets.
- 3.8. Corporate Governance Scrutiny Group is asked to consider the content of the Appendices and the structure set out to manage the Council's assets.

4. Risks and Uncertainties

- 4.1. Ineffective management of the Council's property portfolio has negative implications and impacts for service delivery for residents, income generation, business support and growth, partner working and regeneration. This Strategy and the Asset Management Plan aim to mitigate these negative impacts to ensure a cohesive, 'one Council' embedded approach to managing the Council's assets.

5. Implications

5.1. Financial Implications

- 5.1.1. There are no direct financial implications from the report although asset management will give rise to both revenue and capital consequences whether actions require repair and maintenance or enhancement. These will be reflected in the Council's Medium Term Financial Strategy

5.2. Legal Implications

5.2.1. There are no direct Legal Implications arising from this report

5.3. Equalities Implications

5.3.1. The Strategy aims to be fully inclusive, providing accessible services and buildings.

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

5.4.1. The Council's assets are effectively managed to ensure they are safe and legislation compliant i.e. asbestos and legionella management. Regular surveys and a robust management plan are in place to keep the assets safe and secure.

6. Link to Corporate Priorities

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| Quality of Life | Residents directly benefit from the effective management of a well maintained and efficient portfolio to enable effective service delivery to residents. |
| Efficient Services | As with Quality of Life, having well placed assets with effective management of assets enables services to be delivered to a high standard across the borough. |
| Sustainable Growth | Managing assets in the right place, effective partnership working and providing a support system for local business. |
| The Environment | Ensuring sustainable design in new assets and working to reduce the impact of existing assets on the environment. |

7. Recommendations

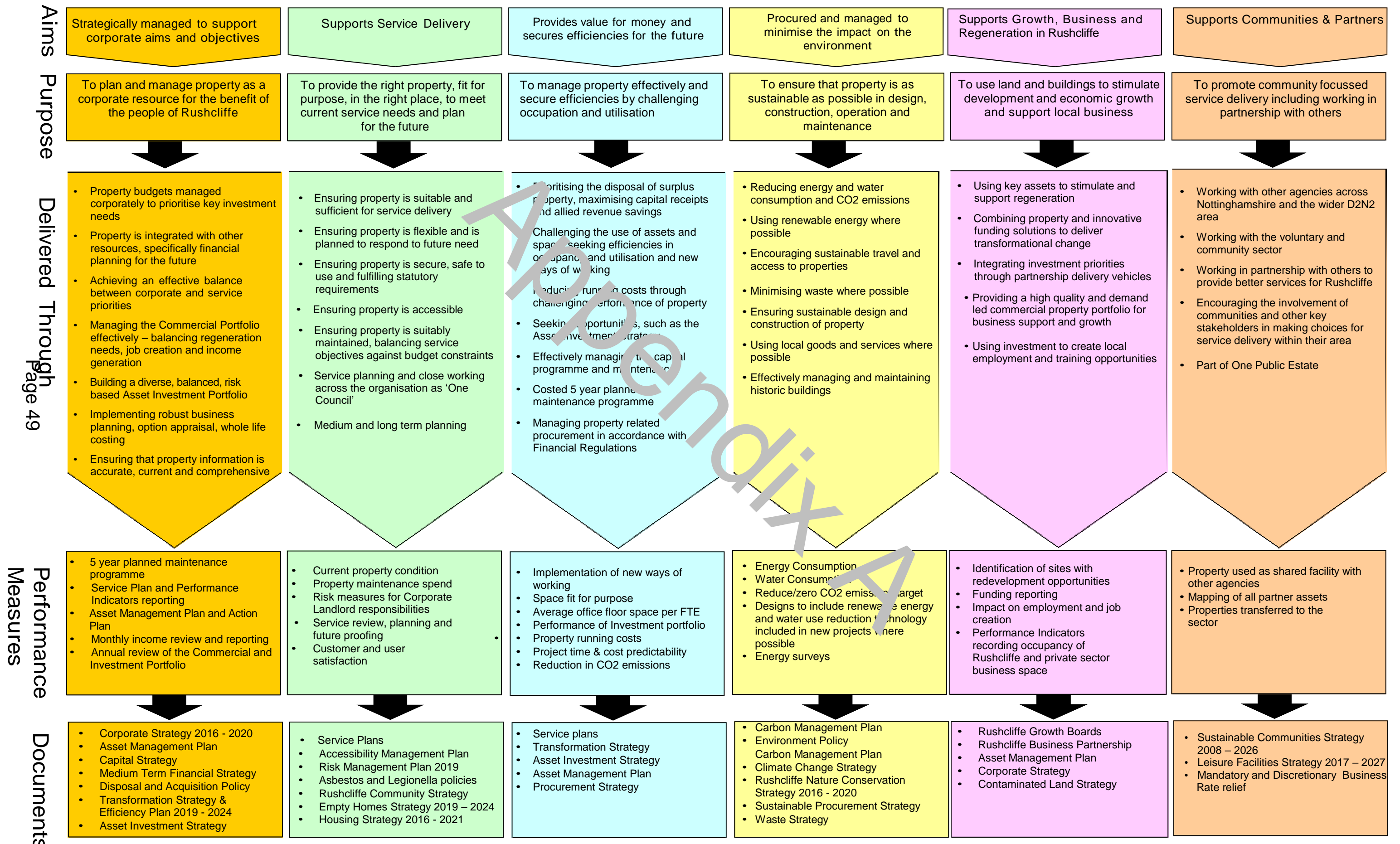
It is RECOMMENDED that

- a) The contents of the report and Appendices are noted and any changes will be reviewed by Cabinet
- b) To consider the contents of the appendices and the structure set out to manage the Council's assets

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| For more information contact: | Leanne Ashmore Executive Manager Transformation lashmore@rushcliffe.gov.uk |
| Background papers available for Inspection: | <i>[be specific – set out a list of the documents relating to the subject matter which disclose any facts or matters on which the report, or an important part of it is based, and which have been relied on to a material extent in preparing the report]</i> |
| List of appendices: | Appendix A Asset Management Strategy Appendix B Action Plan Appendix C Asset List |

Rushcliffe Borough Council – Asset Management Strategy 20019-24

Our aim is to develop an effective, efficient and economic property portfolio which....



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Asset Management Plan – Action Plan 2016 - 2019

| | ACTIONS | PROGRESS |
|----|---|--|
| 1 | Bridgford Hall – complete refurbishment, secure tenants and generate increase in rent | Completed April 2017 |
| 2 | Build new Council Offices and Leisure Centre in West Bridgford – linked to New Ways of Working and the Leisure Strategy | Completed December 2016 |
| 3 | Civic Centre relocation and implementation of New Ways of Working | Completed December 2016 |
| 4 | Civic Centre marketing and disposal for development | Completed March 2017 |
| 5 | Depot – review existing asset and service delivery, giving consideration for relocation | R2Go relocated to Eastcroft May 2019. Streetwise relocated September 2019 |
| 6 | Cotgrave Town Centre Regeneration Project – delivery of refurbished Shopping Precinct | Completed June 18 |
| 7 | Cotgrave Town Centre Regeneration Project – delivery of new Multi Service Centre – providing shared accommodation for Health, Library Customer Services, RCVS, Police | Completed November 2018 |
| 8 | Cotgrave Town Centre Regeneration Project – delivery of new public realm, play area and car parking | Completed September 2019 |
| 9 | Cotgrave Town Centre Regeneration Project – Phase 2 | Progressing - Design, Planning and Tender plus marketing |
| 10 | Develop an Asset Investment Strategy | Completed and in place |
| 11 | Land and Building Assets – review all on a rolling programme, looking at suitability and cost. Dispose if declared surplus to requirements | Ongoing programme of review and disposal |
| 12 | Ownership Database – continue to implement project plan to create one central database, including data and mapping information for each asset | Phase 1 complete Phase 2 complete through OPE Phase 3 ongoing |

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|----|---|---|
| 13 | Town Centres Project – via N2 funding, submit bids for WB Tudor Square improvements and access footbridge over railway in Bingham | Submitted and allocated Tier 2 Funding (no funding currently available) |
| 14 | Sharphill – manage Rushcliffe’s interest to maximise overage return | Negotiations completed, part overage payments received with further receipts expected as development progresses |
| 15 | RAF Newton – funding bid to Highways England for pedestrian footbridge over A46 linked with housing growth | Submitted, rejected. Revised and resubmitted |
| 16 | Shared and partnership working - continue to explore opportunities | Open project |
| 17 | Trees – undertake survey and following programme of works | Completed 16/17 New survey commissioned Oct 2019 |
| 18 | Capital programme implementation | Completed 16/17, 17/18, 18/19 and ongoing for 19/20 |
| 19 | Condition surveys | New 5 year planned maintenance programme being prepared 19/20 |
| 20 | Wilford Village Cemetery – remap plots and renew policy | Completed |
| 21 | Review sub-station portfolio | Deemed surplus to requirements, disposal to Western Power progressing |
| 22 | Investment portfolio – maximise income | Ongoing project |
| 23 | Asset Investment Strategy launch (AIS) | Completed |
| 24 | Cotgrave – secure external funding and develop new small employment units | Completed August 2017, fully let within 4 months |
| 25 | Leisure & Wellbeing Land at Bingham (Moorbridge Road) acquisition, part s106, part purchase from Crown Estates | Completed |

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| | | |
| 26 | Moorbridge Road, Bingham disposal to developer to promote business growth and new employment units for local businesses | Completed |
| 27 | Chapel Lane, Bingham – strategic land acquisition | Completed |
| 28 | Moorbridge Road, Bingham – buy 10 small employment units to add to investment portfolio | Progressing with Legal, estimated purchase date end 2020 |
| 29 | Business growth promotion in Rushcliffe | New Growth Boards created. Ongoing |
| 30 | Bingham Masterplan | Ongoing |
| 31 | Commercialism workshop (Cllrs & officers) – set up group to review community assets and events | Completed |
| 32 | Employment Units Campaign – instruct Agent and aim to let all new units within 9 months | Complete, all let Dec 2017 (4 months) |
| 33 | Arena car park extension and reconfiguration due to higher than expected demand for Leisure Centre | Completed, including new public footpath and 4 electric car charging points |
| 34 | Car park improvements at WB and Rushcliffe Country Park | Completed |
| 35 | RCCC Reception improvements in response to changes in ways of working | Plan cancelled due to Police serving notice to vacate |
| 36 | Wilford Village Cemetery Review to determine remaining plots available | Completed. Cemetery closed to new applications for burials and to new applications for cremations from March 2020 |
| 37 | Land North of Bingham – explore opportunity to acquire to bring forward to develop to improve employment growth for the area | Decided not to pursue, as interest from the market to bring forward |
| 38 | Moorbridge Road – instruct Agent and let space within 9 months of completion | Units to be delivered end 2020 |

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| 39 | Implement Leisure Strategy phase 2 | Consultants appointed to review provision in Bingham and assess relocation site – new project progressing |
| 40 | AIS asset acquisitions Investment Property purchased – Bardon 22, Coalville | Completed |
| 41 | AIS asset acquisitions Investment Property purchased – Finch Close, Lenton Lane | Completed |
| 42 | AIS asset acquisitions Investment Property purchased – 111 Trent Boulevard | Completed |
| 43 | AIS asset acquisitions Investment Property purchased – 6F Boundary Court | Completed |
| 44 | AIS asset acquisitions Investment Property acquisition Edwalton | Progressing with Legal, due to complete Nov/Dec 2019 |
| 45 | AIS asset acquisitions Investment Property acquisition Wollaton | Progressing with Legal, due to complete in 2019 |
| 46 | 1 Fountain Court – new accommodation for RCCC | Progressing, due to complete Nov/Dec with new facility opening Jan/Feb 2020 |
| 47 | East Leake Library – new satellite base for RCCC | Progressing – works to commence in Dec with Jan/Feb opening |
| 47 | Review of Lutterall Hall | Progressing – public consultation and marketing |
| 49 | Development of new Bingham Leisure Centre and Community Centre at Chapel Lane | Progressing Design/Planning stage |
| 50 | Consider business case for development of new office/serviced office for lease to small local businesses at Chapel Lane, Bingham | Progressing Design/Planning stage, awaiting costs |

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|----|--|---|
| 51 | WB car park redevelopment as per Commissioners' Report | Cost appraisal being completed |
| 52 | Abbey Road redevelopment – bring forward a high quality scheme | Several bids received, preferred bidder chosen to build 76 new homes to Council specified Design Code to high quality and sustainable criteria. Due to complete before March 2020 |
| 53 | New Crematorium, Stragglethorpe | Planning permission received on appeal. Report to due to go to Cabinet in December |
| 54 | Radcliffe on Trent village centre vibrancy review | Support through the Growth Board. Public realm scheme prepared, under consideration for match funding by the Parish Council |
| 55 | Review the future of The Barn in Kerwinton | Ongoing |
| 56 | Bingham market review | New market manager appointed to inject new growth into the failing market – positive progression to date |
| 57 | Spinney Hill, Landmere Lane – consideration of future use since tenant terminated licence | Ongoing |
| 58 | Create satellite centre for Streetwise for ride on vehicles and hand tools in West Bridgford | Works completed, Streetwise relocating Nov 2019 |
| 59 | Review new Carbon Management Policy and align to asset base | Awaiting new Policy |
| 60 | Development Corporation – power station, partnership working across boundaries | Ongoing |

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RUSHCLIFFE BOROUGH COUNCIL - OWNED LAND AND PROPERTY

| PROPERTY NAME | STREET NAME | PARISH | POSTCODE | PROPERTY DESCRIPTION | COMMENTS |
|-----------------------------------|-----------------|--------------------|----------|---|---------------------------------------|
| Land North Of Hollygate Lane | Hollygate Lane | Cotgrave | NG12 3GZ | Agricultural Land | Allocated for housing development |
| Wilwell Farm | Wilford Road | Ruddington | NG11 7DX | Agricultural Land | |
| Land At Sharp Hill Wood OS 7525 | Melton Road | Edwalton | NG12 4BU | Agricultural Land | |
| Allotments | Stamford Road | West Bridgford | NG2 6GA | Allotments | |
| Allotments | Eltham Road | West Bridgford | NG2 5JX | Allotments | |
| Allotments | Buckfast Way | West Bridgford | NG2 6AQ | Allotments | |
| Allotments | Holme Road | West Bridgford | NG2 5AA | Allotments | |
| Allotments | Burleigh Road | West Bridgford | NG2 6FP | Allotments | |
| Allotments | Abbey Close | Aslockton | NG13 9AG | Allotments | |
| Allotments | Kingston Road | West Bridgford | NG2 7AQ | Allotments | |
| Allotments Rear Of 17 | Victoria Road | Bunny | NG11 1QF | Allotments | |
| Allotments And Car Park | Forest Close | Cotgrave | NG12 3UN | Allotments and Land for use as Car Park | |
| Car Park Union Street | Union Street | Bingham | NG13 8 | Car Park | |
| Radcliffe Health Centre Car Park | Main Road | Radcliffe On Trent | NG12 3GD | Car Park | |
| Nursery Car Park | Albert Road | West Bridgford | NG2 5GS | Car Park | |
| Lutterell Hall Car Park | Church Drive | West Bridgford | NG2 6AY | Car Park | |
| Car Park | Bunny Lane | Keyworth | NG12 5JU | Car Park | |
| Needham Street Car Park | Needham Street | Bingham | NG13 8AE | Car Park | |
| Car Park | Church Drive | Keyworth | NG12 5FE | Car Park | |
| Car Park | Gordon Road | West Bridgford | NG2 5LN | Car Park | |
| Bridgford Road Car Park | Bridgford Road | West Bridgford | NG2 7AP | Car Park | |
| Union Street Car Park | Union Street | Bingham | NG13 8AE | Car Park | |
| Newgate Street Car Park | Newgate Street | Bingham | NG13 8FD | Car Park | |
| Car Park - Part Of The Hook Area | Holme Grove | West Bridgford | NG2 5AH | Car Park | |
| Car Park | Edwalton Avenue | West Bridgford | NG2 6BD | Car Park and Footpath | |
| Car Park and Land At Walkers Yard | Walkers Yard | Radcliffe On Trent | NG12 2FF | Car Park and Land | |
| Cemetery | Shaw Street | Ruddington | NG11 6HF | Cemetery | Closed |
| St Wilfrids Cemetery | Main Road | Wilford | NG11 7AJ | Cemetery | Closed to new applications for burial |
| Gamston Community Hall | Ambleside | Gamston | NG2 6PS | Community Hall | |
| Lutterell Hall | Church Drive | West Bridgford | NG2 6AY | Community Hall | |

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|-----------------------------------|---------------------------|--------------------|----------|---|--|
| Rushcliffe Arena | Rugby Road | West Bridgford | NG2 7HY | Council Offices/Leisure Centre, elec sub station & telecomms mast | |
| Rushcliffe Country Park | Mere Way | Ruddington | NG11 6JS | Country Park | Leased from Nottinghamshire County Council |
| Bomb Shelter | Abbey Circus | West Bridgford | NG2 5LY | Disused Bomb Shelter | |
| Bridge 296 Wilwell Farm | Wilford Road | Ruddington | NG11 6EL | Disused Railway Bridge | |
| Pathway | Bidwell Crescent | Gotham | NG11 0HD | Footpath | |
| Footpaths | Westway | Cotgrave | NG12 3QB | Footpath between 38 - 40 and 16 - 18 | |
| Footpath | Moor Lane | Gotham | NG11 0GH | Footpath Between 53 and 55 Moor Lane | |
| Footpath | Denton Drive | West Bridgford | NG2 7FS | Footpath running between 77 and 75 | |
| The Green Line | Selby Road/St Helens Road | West Bridgford | NG2 6EX | Former Railway Land - Nature Reserve | |
| Former Tip | Rempstone Road | East Leake | LE12 6PW | Former Tip | |
| Gas Governor Site | Sandside | Cotgrave | NG12 3PD | Gas Governor Site | |
| Gas Governor Site | Colston Gate | Cotgrave | NG12 3JX | Gas Governor Site | |
| Gas Governor Site | Gotham Road | East Leake | NG12 6JG | Gas Governor Site | |
| Edwalton Golf Course | Wellin Lane | Edwalton | NG12 6AS | Golf course | |
| Land West Of Grove Manor | Spinny Hill | Ruddington | NG11 6ND | Grazing, Garden and Amenity Land | |
| Land South Of Grove Manor | Landmere Lane | Ruddington | NG11 6ND | Grazing, Garden and Amenity Land | |
| West Bridgford Joint Cadet Centre | Wilford Lane | West Bridgford | NG2 7RL | HM Reserve Forces and Cadets Association | |
| 2 - 4 | Hound Road | West Bridgford | NG2 6AH | Hostel | |
| 10 Moorbridge Industrial Estate | Chapel Lane | Bingham | NG13 8GG | Industrial Unit | |
| Keyworth Workshops | Debdale Lane | Keyworth | NG12 5HN | Industrial Units | Ground Rent Only |
| Candleby Court | Candleby Lane | Cotgrave | NG12 3RT | Industrial Units | Ground Rent Only |
| Colliers Business Park | Fieldfare Road | Cotgrave | NG12 3UL | Industrial Units - 15 | |
| Manver Business Park | High Hazles Road | Cotgrave | NG12 3GZ | Industrial Units - 30 | |
| Colliers Business Park | Colliers Way | Cotgrave | NG12 3HA | Industrial Units - 4 | |
| Unit 1 Bardon 22 | Regs Way | Coalville | LE67 1TE | Investment Property | |
| 4 Finch Close | Finch Close | Nottingham | NG7 2NN | Investment Property | |
| Co-op | 111 Trent Boulevard | West Bridgford | NG2 5BN | Investment Property | |
| Boundary Court | Willow Farm Business Park | Castle Donington | DE74 2UD | Investment Property | |
| Land At Palin Gardens | Palin Gardens | Radcliffe On Trent | NG12 2GP | Land | |
| Land South Of Becksides | Becksides | West Bridgford | NG2 6PR | Land | |
| Land East Of | Compton Acres | West Bridgford | NG2 7UL | Land | |
| 6 - 14 | Hilton Crescent | West Bridgford | NG2 6HT | Land | Ground Rent to Co-op |

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|--------------------------------------|-------------------|--------------------|-----------------|---|--|
| Land East Of | Owthorpe Road | Cotgrave | NG12 3JE | Land | |
| Land South Of | Abbey Circus | West Bridgford | NG2 5LY | Land | |
| Land at Wynhill Court | Forest Road | Bingham | NG13 8TE | Land | |
| Land South West Of | Rugby Road | West Bridgford | NG2 7HX | Land | |
| Open Space | Grassmere | Cotgrave | NG12 3LZ | Land | |
| Colliers Way | Cotgrave | NG12 3HA | Industrial unit | Land | |
| Colliers Way Phase II | Cotgrave | NG12 3HA | Industrial unit | Land | |
| Land South Of | Wellin Lane | Edwalton | NG2 4AS | Land | |
| Land Adjacent Holme Avenue | Holme Avenue | East Leake | LE12 6QL | Land | |
| Land North West Of | Meadow Way | Kinoulton | NG12 3RE | Land | |
| Land South Of | Abbey Circus | West Bridgford | NG2 5LY | Land | |
| Land Adjacent To St Marys Crescent | St Marys Crescent | East Leake | LE12 6QR | Land | |
| Land East of 20 Devonshire Road | Devonshire Road | West Bridgford | NG2 6JU | Land | |
| Land On Rufford Road | Rufford Road | Ruddington | NG11 7FU | Land | |
| Land South Of Wellin Lane | Wellin Lane | Edwalton | NG2 4AS | Land | |
| Land South West Of Rugby Road | Rugby Road | West Bridgford | NG2 7HX | Land | |
| Land North West Of | Truro Close | East Leake | LE12 6HB | Land | |
| Land At Mill Hill | Mill Hill | Bingham | NG13 8YR | Land | |
| Land North West Of 18 | Hilton Crescent | West Bridgford | NG2 6HT | Land | |
| Land East OF Ruddington Lane | Ruddington Lane | West Bridgford | NG11 7EP | Land | |
| Land North East Of 19 Needham Street | Needham Street | Bingham | NG13 8AE | Land | |
| Land West Of 19 | Needham Street | Bingham | NG13 8AE | Land | |
| Land at Chapel Lane | Chapel Lane | Bingham | NG13 8GG | Land | |
| Land At The Old Park | | Cotgrave | NG12 3TN | Land | |
| Land South Of The Dial | The Dial | Cotgrave | NG12 3QP | Land | |
| The Hook | Holme Road | West Bridgford | NG2 5AA | Land | |
| Open Space | Candleby Lane | Cotgrave | NG12 3JG | Land | |
| Land On Owthorpe Road | Owthorpe Road | Cotgrave | NG12 3JE | Land | |
| Land Adjoining the Grange | Main Road | Radcliffe On Trent | NG12 2FD | Land Adjoining the Grange | |
| Land And Footpath | Stratford Road | West Bridgford | NG2 6AZ | Land and footpath - Electricity sub station | |
| Land At Azimghur Road | Azimghur Road | Whatton | NG13 9FF | Land and Playground | |
| Land And Road Ar West Furlong | West Furlong | Cotgrave | NG12 3NL | Land and Road | |

| | | | | | |
|-------------------------------------|-------------------|--------------------|----------|--|--|
| Land And Road | Eastwold | Cotgrave | NG12 3NU | Land and Road | |
| Land And Road | Fosse Walk | Cotgrave | NG12 3NZ | Land and Road - Adopted | |
| Land And Road | Edgington Close | Cotgrave | NG12 3NW | Land and Road - Adopted | |
| Scout Hut | Alford Road | West Bridgford | NG12 4AT | Land Between Houses on Alford Rd and Meadow Covert - Edwalton Scouts | |
| Land Off | Buttermere Close | Gamston | NG2 6NB | Land on east side of Coniston Close Gamston | |
| Land Off | Rugby Road | West Bridgford | NG2 7EW | Land to the West of Rushcliffe Arena | |
| Allotments | Hill Drive | Bingham | NG13 8GA | Land Used for Allotments | |
| Sharphill Wood | | West Bridgford | NG2 | Land/Wood | |
| Keyworth Leisure Centre | Church Drive | Keyworth | NG12 5FF | Leisure Centre | |
| Cotgrave Leisure Centre | Woodview | Cotgrave | NG12 3PJ | Leisure Centre | |
| East Leake Leisure Centre | Lantern Lane | East Leake | LE12 6QN | Leisure Centre | |
| Market Place | Market Place | Bingham | NG13 8AR | Market Place | |
| Greenacres Mobile Home Park | Adbolton Lane | Holme Pierrepont | NG2 5JX | Mobile Home Park- Leasehold | Leased from Nottinghamshire County Council |
| Wilwell Farm Cutting Nature Reserve | Wilford Road | Ruddington | NG11 2EL | Nature Reserve | |
| The Point | Welbeck Road | West Bridgford | NG2 7G | Office Units - 9 | |
| Cotgrave Business Hub | Candleby Lane | Cotgrave | NG12 2JS | Office Units - 9 | |
| 1A Walkers Yard | Walkers Yard | Radcliffe On Trent | NG12 2FF | Offices | |
| 1B Walkers Yard | Walkers Yard | Radcliffe On Trent | NG12 2FF | Offices | |
| Brewery House | Walkers Yard | Radcliffe On Trent | NG12 2FF | Offices | |
| Machins Field | Village Street | Edwalton | NG12 4AB | Open space | |
| Collington Common | Collington Way | West Bridgford | NG2 7LR | Open space | |
| Public Open Space | Saltby Green | West Bridgford | NG2 7UT | Open Space | |
| Land At Lawrence Close | Lawrence Close | Cotgrave | NG12 3LF | Open Space | |
| Land At The Old Park | The Old Park | Cotgrave | NG12 3TN | Open Space | |
| Bridgford Park | Bridgford Road | West Bridgford | NG2 6NP | Park | |
| West Park | Loughborough Road | West Bridgford | NG2 7JE | Park and Pavilion | |
| Playground | Adbolton Lane | Holme Pierrepont | NG2 5AR | Play area | |
| Play Area - Oak Tree Close | Oak Tree Close | West Bridgford | NG2 5DE | Playground | |
| Bridgfield Playing Field | Bridgford Road | West Bridgford | NG2 6NP | Playing Field | |
| Little Bounds Playing Fields | Wilford Lane | West Bridgford | NG2 7JU | Playing Field | |
| Greythorn Playing Field | Greythorn Drive | West Bridgford | NG2 7GG | Playing Field | |
| Recreation Ground | East Moor | Cotgrave | NG12 3PS | Playing Field | |

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|---|--------------------|--------------------------------|----------|--|-------------------------------------|
| Easthorpe Fields | St. Marys Crescent | Ruddington | NG11 6FQ | Playing Field | |
| Meadow Park | Gotham Road | East Leake | LE12 6JG | Playing Field | Leased to East Leake Parish Council |
| Playing Field | Wilford Lane | West Bridgford | NG2 7QX | Playing Field | |
| Playing Fields - Boundary Road | Boundary Road | West Bridgford | NG2 7BW | Playing fields | |
| Alford Road Playing Fields and Pavilion | Alford Road | West Bridgford | NG12 4AU | Playing Fields and Pavilion | |
| Public Convenience | Gotham Road | East Leake | LE12 6JG | Public Convenience | Managed by Parish Council |
| Public Convenience | Eaton Place | Bingham | NG13 8BD | Public Convenience | |
| Public Convenience - Bridgford Park | Bridgford Road | West Bridgford | NG2 6AT | Public Convenience | |
| Kingston on Soar Pumping Station | West Leake Lane | Kingston On Soar | NG11 0DN | Pumping Station and Filter Bed | |
| Household Waste and Recycling Centre | Rugby Road | West Bridgford | NG2 7HY | Recycling Site and Waste Centre | |
| The Hall | Bridgford Road | West Bridgford | NG2 6AD | Register Office/Apart-Hotel | Grade II Listed |
| Residential Car Park - Land North East Of 15 Meadow Close | Meadow Close | Aslockton | NG13 9AQ | Residential Car Park | |
| Residential Car Park | Brambleway | Cotgrave | NG12 2NN | Residential Car Park | |
| Residential Car Park | Meadow Close | Aslockton | NG13 9AQ | Residential Car Park Adjacent to 10 Meadow Close | |
| Park Cottage | Bridgford Road | West Bridgford | NG2 6AT | Residential Property | Tenanted through managing agent |
| Kiosk At Bridgford Park | Bridgford Park | West Bridgford | NG2 6AT | Retail Kiosk | |
| Cotgrave Shopping Centre | Candleby Lane | Cotgrave | NG12 3JQ | Retail Units - 9 | |
| Flagholme (Road) | Flagholme | Cotgrave | NG12 3PE | Road | |
| Roadway | Part Saxon Way | Cotgrave | NG2 3NX | Road - adopted | |
| Land And Road At East Moor | East Moor | Cotgrave | NG12 3NU | Road and Open Space | |
| Gresham Pavilion | Wilford Lane | West Bridgford | NG2 7YF | Sports Pavilion | |
| Spinney Hill Stable Block | Old Road | Ruddington | NG11 6LP | Stable Block and Communication Mast | |
| The Barn | Main Street | Keyworth | NG12 5AA | The Barn Grade II Listed Building | Grade II Listed |
| War Memorial At Musters Road | Musters Road | West Bridgford | NG2 7AF | War Memorial | Grade II Listed |
| Wilford Claypit | | Compton Acres / West Bridgford | NG2 | Wilford Claypit - Nature Reserve | |
| Meadow Covert (Wooded Area) | Alford Road | Edwalton | NG12 4AU | Wooded Area | |

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Governance Scrutiny Group

Tuesday 3 December 2019

Revisions to the Council's Constitution

Report of the Monitoring Officer

1. Purpose of report

- 1.1. This report summarises the revisions to the Council's Constitution since it was last presented to Council on the 11 July 2019. This report also details amendments to the Constitution made by the Monitoring Officer under delegated authority since the last revision in July 2019.
- 1.2. As part of the amendments accepted by Council on the 11 July 2019, an annual review of the Council's Constitution was approved. It is the intention therefore to take a report to Council in December 2019.

2. Recommendation

It is RECOMMENDED that Governance Scrutiny Group:

- a) Considers and approves the revisions to the Constitution made by the Monitoring Officer under delegated authority
- b) Recommends the presentation of the amended constitution for adoption to Council.

3. Reasons for Recommendation

- 3.1. The Council's Constitution is a live document which sets out the Council's decision making process and establishes the legal framework which it operates. An annual review ensures that the Constitution is efficient, transparent and accountable to local people.

4. Supporting Information

- 4.1. The Council of the Borough of Rushcliffe has approved a Constitution which sets out how the Council operates and how decisions are made. The Constitution also sets out the procedures that are to be followed to ensure that they are efficient, transparent and accountable to local people and compliant with legislation.

4.2 The Constitution comprises of 6 parts:

- Part 1: The introduction,
- Part 2: Political leadership and management structure,
- Part 3: Responsibility for functions and scheme of delegation,
- Part 4: Standing orders, rules and financial regulations,
- Part 5: Codes and Protocols
- Part 6: Members Allowances

The table below summarises the amendments made by the Monitoring Officer since July 2019 under delegated powers:

| Amendment | Reason | Part |
|--|--|--------------------------|
| Amendments made to extend the deadline for opposition leader's questions and citizens questions by 24 hours. | To align the process for questions | Public Speaking Protocol |
| All references to Chair or chairman of meetings unified to Chairman | To provide consistency | Throughout |
| Amendment to members' allowance following independent remuneration panel review | To implement recommendations of the independent remuneration panel | Member allowances |

4.3 Corporate Overview Group is invited to accept the changes made by the Monitoring Officer pursuant to delegated powers.

5. Risks and Uncertainties

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

6. Implications

6.1. Financial Implications

There are no direct financial implications arising from this report.

6.2. Legal Implications

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

7.0 Equalities Implications

7.1 There are no equalities implications as this alteration to the Constitution does not involve new or changing policies, services or functions, or financial decisions that would have an effect on services.

8.0 Section 17 of the Crime and Disorder Act 1998 Implications

8.1 There are no Section 17 implications.

9.0 Link to Corporate Priorities

| | |
|--------------------|--|
| Quality of Life | No Links |
| Efficient services | The Constitution is integral to the council's ability to deliver efficient and high quality services. The proposed decisions support members of the Public, Councillors and Officers to access and use materials which are essential to effective and efficient democratic decision making |
| Sustainable Growth | No Links |
| The Environment | No Links |

10.0 Recommendations

It is RECOMMENDED that Governance Scrutiny Group:

- c) Considers and approve the revisions to the Constitution made by the Monitoring Officer under delegated authority.
- d) Recommends the presentation of the amended constitution for adoption to Council.

| | |
|--|---|
| For more information contact: | Sanjit Sull Monitoring Officer ssull@rushcliffe.gov.uk |
| Background papers available for inspection: | The Constitution can be accessed via the website |
| List of appendices: | None |

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Corporate Governance Group

3 December 2019

Work Programme

Report of the Executive Manager – Finance and Corporate Services

1. Summary

- 1.1. The work programme is a standing item for discussion at each meeting of the Corporate Governance Group. 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

3 December 2019

- Internal Audit Progress Report
- Treasury Management 2019/20 – Six Monthly Update
- Asset Management Plan
- Constitution
- Work Programme

6 February 2019

- Internal Audit Progress Report
- Treasury Management Strategy
- Internal Audit Strategy
- External audit Strategy
- Certification of Grants and Return Annual Report 2017/18
- Work Programme

9 May 2019

- Internal Audit Progress Report
- Internal Audit Annual Report
- Risk Management Progress Report
- Annual Asset and Investment Strategy Report
- Annual Governance Statement
- Work Programme

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| For more information contact: | Peter Linfield Executive Manager – Finance and Corporate Services 0115 914 8349 plinfield@rushcliffe.gov.uk |
| Background papers Available for Inspection: | None. |
| List of appendices (if any): | None. |