

To: Deputy Leader and Members of the Resources Board

Councillors Symonds, Chambers, Davey, Deakin, Dirveiks, Farrow, Hayfield, D Humphreys, Simpson and Singh

For the information of other Members of the Council

For general enquiries please contact Democratic Services on 01827 719221 or via email – democraticservices@northwarks.gov.

For enquiries about specific reports please contact the Officer named in the reports.

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RESOURCES BOARD AGENDA

22 MARCH 2021

The Resources Board will meet on Monday 22 March 2021 at 6.30pm via Teams. An email invite will be sent to all Members and the meeting will be live streamed on the Council's YouTube channel, accessible from the home page of the Council's website or at <https://www.youtube.com/user/northwarks>

AGENDA

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Disclosable Pecuniary and Non-Pecuniary Interests.**

- 4 Minutes of the Resources Board held on 25 January 2021 – copy herewith to be approved as a correct record and signed by the Chairman

5 **Public Participation**

Up to twenty minutes will be set aside for members of the public to put questions to elected Members. Questions should be submitted by 9.30am two working days prior to the meeting. Participants are restricted to five minutes each.

PLEASE BE AWARE THAT THIS MEETING WILL BE TAKING PLACE REMOTELY.

Members of the public wishing to address the Board must register their intention to do so by 9.30am two working days prior to the meeting. Participants are restricted to five minutes each.

If you wish to put a question to the meeting, please register by:

Email to democraticservices@northwaarks.gov.uk or telephone 01827 719221/719226.

Once registered to speak, an invitation will be sent to join the Teams video conferencing for this meeting. Those registered to speak should dial the telephone number and ID number (provided on their invitation) when joining the meeting to ask their question. However, whilst waiting they will be able to hear what is being said at the meeting. They will also be able to view the meeting using the YouTube link provided (if so they may need to mute the sound on YouTube when they speak on the phone to prevent feedback).

**ITEMS FOR DISCUSSION AND DECISION
(WHITE PAPERS)**

- 6 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - December 2020**– Report of the Chief Executive

Summary

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to December 2020.

The Contact Officer for this report is Robert Beggs (719238)

- 7 **Update of the Financial Regulations** – Report of the Corporate Director - Resources

Summary

The Financial Regulations have been reviewed and some minor amendments have been made to the Regulations.

The Contact Officer for this report is Sue Garner (719374).

8 **Changes to the Non Domestic Discretionary Retail Rate Relief Scheme 2021/22** – Report of the Corporate Director – Resources

Summary

The purpose of this report is to request Members to adopt the National Non-Domestic Discretionary Retail Discount (NNDR) scheme.

The Contact Officer for this report is Rachael Dobson (719338).

9 **Internal Audit Plan 2021/22 and Counter Fraud Activity** – Report of the Corporate Director – Resources

Summary

The purpose of this report is to set out the proposed Internal Audit Plan for 2021/22 and update Board members on the work of the Counter Fraud Officer.

The Contact Officer for this report is Linda Downes (719416).

10 **Exclusion of the Public and Press**

Recommendation:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

11 **Confidential Extract of the minutes of the Resources Board held on 25 January 2021** – copy herewith to be approved as a correct record and signed by the Chairman.

12 **High Street, Coleshill** – Report of the Corporate Director (Streetscape)

The Contact Officer for this report is Richard Dobbs (719440).

STEVE MAXEY
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE RESOURCES BOARD

25 January 2021

Present: Councillor Symonds in the Chair

Councillors Chambers, Davey, Deakin, Dirveiks, Farrow, Hayfield, D Humphreys, Simpson and Singh.

Councillors Bell, D Clews, Gosling, Jarvis, Jenns, Lees, Moss, H Phillips, Smith, D Wright were also in attendance.

With the consent of the Chairman, Councillor D Clews spoke on Minute No 46 – Adaption to a Property in Atherstone.

29 **Disclosable Pecuniary and Non-Pecuniary Interests**

Councillors Chambers and Singh declared a non-pecuniary interest in Minute No 45 (Housing Service Area).

30 **Minutes of the Resources Board held on 9 November 2020**

The minutes of the Resources Board held on 9 November 2020, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

31 **General Fund Fees and Charges 2021/22**

The Chief Executive, Corporate Director – Streetscape, Corporate Director – Resources and Director of Housing reported on the fees and charges for 2020/21 and the proposed fees and charges for 2021/22.

Resolved:

That the schedule of fees and charges for 2021/22, as set out in the report of the Chief Executive, Corporate Director – Streetscape, Corporate Director – Resources and Director of Housing be approved.

32 General Fund Revenue Estimates 2021/22 – Services Recharged Across All Boards

The Corporate Director – Resources reported on the revised budget for 2020/21 and gave an estimate of expenditure for 2021/22, together with forward commitments for 2022/23, 2023/24 and 2024/25.

a That the revised budget for 2020/21 be accepted; and

Recommendation to the Executive Board:

b That the Estimates of Expenditure for 2021/22, as submitted in the report of the Corporate Director – Resources, be included in the budget to be brought before the meeting of the Executive Board on 15 February 2021.

33 General Fund Revenue Estimates 2021/22 – Services Remaining within the Board

The Corporate Director – Resources reported on the revised budget for 2020/21 and gave an estimate of expenditure for 2021/22, together with forward commitments for 2022/23, 2023/24 and 2024/25.

Resolved:

a That the revised budget for 2020/21 be accepted; and

Recommendation to Executive Board:

b That the Estimate of Expenditure for 2021/22, as submitted in the report of the Corporate Director – Resources, be included in the budget to be brought before the meeting of the Executive Board on 15 February 2021.

34 General Fund Revenue Estimates 2021/22 - Summary

The Corporate Director – Resources reported on the revised budget for 2020/21 and gave an estimate of expenditure for 2021/22, together with forward commitments for 2022 in terms of expenditure up to the end of September 2020.

Recommendation to Executive Board:

That the following items be recommended to the Executive Board for consideration in setting the Council Tax of the Borough Council:

- a The revised budget for 2020/21; and**
- b The schedule of expenditure requirements totalling £8,770,730 for 2021/22**

35 Countywide Homelessness Strategy

The Director (Housing) provided the Board with a draft of a homelessness strategy for Warwickshire to consider.

Resolved:

- a That the Countywide Homelessness Strategy, as attached at Appendix A to the report of the Director (Housing) be agreed;**
- b That the strategic vision and recommendations contained within the strategy; Preventing Homeless in Warwickshire: a multiagency approach, be agreed; and**
- c That the Council supports the Homelessness Strategic Group to develop an action plan underpinning these recommendations and continues to work towards preventing homelessness in 2021/22**

36 HEART AND Private Sector Shared Services

The Director (Housing) informed the Board about a recent review of the HEART shared service, which delivered grants for adaptations and provided for contractors to undertake the work, and gave an update about activity in the Private Sector Shared Service.

Resolved:

- a That the recommendations of the HEART shared service review, as set out in Appendix A to the report of the Director (Housing) be agreed; and**
- b That the work undertaken by the Private Sector Housing shared service be noted.**

37 Housing Revenue Account Estimates 2021/22 and Rent Review

The Corporate Director – Resources detailed the Treasury Management activity for the period up to the end of September 2020.

Resolved:

- a That the revised estimate for 2020/21 be accepted;**
- b That the rent be increased by 1.7% in 2021/22 in line with the social rent policy set by the Government;**
- c That the proposed fees and charges for 2021/22, as set out in Appendix D to the report of the Corporate Director – Resources, be approved;**
- d That the service charges for the cleaning of communal areas, as set out in Appendix E to the report of the Corporate Director – Resources, be approved;**
- e That the service charges for window cleaning, as set out in Appendix F of the report of the Corporate Director – Resources, be approved; and**
- f That the Estimates of Expenditure for 2021/22, as submitted, be accepted.**

38 Asset Management Plan & Housing Maintenance Service

The Director (Housing) provided an update for Members about the delivery of the Asset Management Plan for the Council’s Landlord stock and informed the Board about the challenges posed by an ageing stock profile and implications from the Social Housing White Paper.

Resolved:

- a That the current position of the Housing Asset Management Plan be noted;**
- b That the requirements of the Social Housing White Paper be considered in anticipation of reviewing the Asset Management Plan and 30 Year Housing Revenue Account Business Plan during 2021;**
- c That the requirement for a major works programme to deal with roof repairs and latent defects at the Council’s blocks of flats at Alexandra Court, Abbey Green Court & Drayton Council be anticipated and subject to an option report;**

- d That introducing a new role of Trainee Contracts Surveyor be considered subject to budget availability, job evaluation and consideration by the Special Sub-Group; and**
- e That the capital programme for 2021/22 be adjusted to reflect the priorities set out in the report of the Director (Housing), and it be noted that a supplementary estimate will be proposed for the extensive works needed to specific blocks of flats.**

39 Capital Programme 2020/21 to 2023/24

The Corporate Director – Resources identified changes to the Council’s 2020/21 capital programme and proposals for schemes to be included within the Council’s capital programme over the next three years.

Resolved:

- a That the changes to the 2020/21 revised capital programme be supported;**
- b That the schemes, as shown in Appendix A to the report of the Corporate Director – Resources, previously approved within the Council’s three-year capital programme, including any 2023/24 additions relating to previously approved schemes, be supported;**
- c That the growth bids included in the 2021/22 capital programme be supported;**
- d That the schemes which will not be included within the capital programme, as shown in Appendix B to the report of the Corporate Director – Resources, be noted; and**
- e That the proposed vehicle replacement schedule, shown in Appendix C to the report of the Corporate Director – Resources, be supported.**

40 **Customer Contact / Reception Service**

The Corporate Director - Resources proposed changes to the operation of the Council's reception service and area.

Resolved:

- a **That the move to an appointment only reception service be approved; and**
- b **That the staffing establishment be reduced in line with section 5 of the report of the Corporate Director – Resources.**

(The Chief Executive has subsequently received a notice signed by Councillors Deakin, Dirveiks, Chambers and Farrow) under Standing Order No 30(1)(b) (Minority Report) with regard to the decision of the Board on this matter and it is therefore referred to Council for confirmation.)

41 **Treasury Management and Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy for 2021/22**

The Corporate Director – Resources outlined the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy for 2021/22.

Recommended:

That the proposed strategies for 2021/22 be approved.

42 **Sheepy Road Football Ground**

The Corporate Director – Streetscape proposed that the Council entered into a Tenancy at Will with Atherstone Town Community Football Club in respect of its use of the Football Ground, Sheepy Road, Atherstone/

Resolved:

That the Board enter into a Tenancy at Will with Atherstone Town Community Football Club in respect of its use of Sheepy Road Football Ground and the Head of Legal Services be authorised to complete the necessary documentation, subject to consultation with local Members and the agreement of the terms by the Chairman and Vice-Chairman of the Resources and Community and Environment Boards.

43 **Exclusion of the Public and Press**

Resolved:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

44 **Confidential Extract of the Minutes of the Resources Board held on 9 November 2020**

The confidential extract of the minutes of the Resources Board held on 9 November 2020, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

45 **Housing Service Area**

The Director of Housing reported on a proposal for the future of part of her Service Area in consideration of the Council's General Fund savings programme.

Resolved:

- a **That the need for savings in the General Fund be noted;**
- b **That the Board have regard to the Director of Housing's consideration of the Public Sector Equality Duty in making the proposals set out in her report;**
- c **That having taken into account the alternative provision which is readily available to customers the service is ended in order to provide sufficient contribution to the savings required;**
- d **That the Council offers to facilitate the transfer of customers to another suitable alternative provider;**
- e **That notice is given end the contract in relation to the service;**

- f That other authorities concerned are advised of the impact of the decision upon their services and discussions are invited about how an alternative service can be provided; and**
- g That alternative arrangements are made for the out of hours service affected; and**
- h That a Member task and finish group be established to consider how those people affected can access support available in their community to meet their needs.**

(The Chief Executive has subsequently received a notice signed by Councillors Deakin, Dirveiks, Chambers and Farrow) under Standing Order No 30(1)(b) (Minority Report) with regard to the decision of the Board on this matter and it is therefore referred to Council for confirmation.)

46 Adaptation to a Property in Atherstone

The Director of Housing provided the Board with information about a referral which had been received to provide an adaptation for a disabled person.

Resolved:

- a That the referral to provide an adaptation for a disabled person be noted; and**
- b That a supplementary estimate from the Housing Revenue Account, as set out in the report of the Director of Housing, be approved to fund the adaptation required.**

47 High Street, Coleshill

The Corporate Director – Streetscape sought approval for repair works to properties as set out in his report.

Resolved:

- a That, subject to further consideration of the budget by the Executive Board, Members are minded to approve the repair works to properties, as set out in the report of the Corporate Director – Streetscape; and**

Recommendation to Executive Board:

- b That the budget provision as set out in the report of the Corporate Director – Streetscape be included within the 2021/22 capital programme to cover the cost of the repairs.**

C Symonds
Chairman

Agenda Item No 6

Resources Board

22 March 2021

Report of the Chief Executive

**Progress Report on Achievement
of Corporate Plan and
Performance Indicator Targets
April - December 2020**

1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to December 2020.

Recommendation to the Board

That Members consider the performance achieved and highlight any areas for further investigation.

2 Consultation

- 2.1 Consultation has taken place with the relevant Members and any comments received will be reported at the meeting.

3 Background

- 3.1 This report shows the third quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2020/21. This is the third report showing the progress achieved so far during 2020/21.

4 Progress achieved during 2020/21

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with our local performance indicators during April to December 2020/21 for the Resources Board.

- 4.2 Members will recall the use of a traffic light indicator for the monitoring of the performance achieved.

Red – target not achieved (shown as a red triangle)

Amber – target currently behind schedule and requires remedial action to be achieved (shown as an amber circle)

Green – target currently on schedule to be achieved (shown as a green star)

5 Performance Indicators

- 5.1 The current performance indicators have been reviewed by each division and Management Team for monitoring for the 2020/21 year.

6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 88% of the Corporate Plan targets and 40% of the performance indicator targets are currently on schedule to be achieved. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

Corporate Plan

Status	Number	Percentage
Green	15	88%
Amber	2	12%
Red	0	0%
Total	17	100%

Performance Indicators

Status	Number	Percentage
Green	6	40%
Amber	7	47%
Red	2	13%
Total	15	100%

7 Summary

- 7.1 Members may wish to identify any areas that require further consideration where targets are not currently being achieved.

8 Report Implications

8.1 Safer Communities Implications

- 8.1.1 There are community safety performance indicators which are reported to Executive Board.

8.2 Legal Data Protection and Human Rights Implications

8.2.1 The national indicators were specified by the Secretary of State for Communities and Local Government. They have now been ended and replaced by a single list of data returns to Central Government from April 2011.

8.3 Environment and Sustainability Implications

8.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. There are actions and indicators which contribute towards the priorities of the sustainable community strategy including the community fund, the HEART Board and preventing homelessness.

8.4 Risk Management Implications

8.4.1 Effective performance monitoring will enable the Council to minimise associated risks with the failure to achieve targets and deliver services at the required performance level.

8.5 Equality Implications

8.5.1 There are equality related actions and indicators highlighted in the report including the ICT Strategy, the borough care review and providing adaptations and preventing homelessness.

8.6 Links to Council's Priorities

8.6.1 There are targets and performance indicators contributing towards the priorities of responsible financial and resource management, creating safer communities and promoting sustainable and vibrant communities.

The Contact Officer for this report is Robert Beggs (719238).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
National Indicators for Local Authorities and Local Authority Partnerships	Department for Communities and Local Government	Statutory Guidance	February 2008

Resources Board 20/21

	Action	Priority		Reporting Officer	Quarter 2	Status	Direction	Quarter 3	Status	Direction
4	To update the 30 Year HRA Business Plan by January 2021, ensuring all Council housing meets the Decent Homes Standard and the opportunities for estate regeneration and safe car parking are assessed	Responsible Financial & Resource Management	Resources Board	Sue Garner/Angela Coates	Some preparatory work has begun	Green	↔	An updated 30 year Business Plan will be taken to Resources Board in January.	Green	↔
5	To continue to contribute to the effective provision of services through implementing the actions and projects which help deliver the ICT Strategy and to report on progress to the Resources Board by March 2021	Responsible Financial & Resource Management	Resources Board	Linda Bird	Office 365 deployment is nearing completion for Office based staff. Work on the replacement of the Council's Storage Area Network (SAN) is in progress as are projects to upgrade the Housing and the Payments systems.	Green	↑	The response to Covid-19 and supporting staff who are working from home has impacted on timescales. Some projects have not started as planned due to the availability of staff in the service departments. However, many projects are now progressing.	Amber	↓
6	To continue to improve cyber security measures and implement the Action Plan developed from the 2019 LGA Cyber Security Stocktake and report progress to the Resources Board by March 2021	Responsible Financial & Resource Management	Resources Board	Linda Bird	Work has started to prepare for the Annual ICT Security Health Check which is an essential part of our work on Security risk management and compliance.	Green	↑	The ICT Health check is planned. An attempted denial of service attack was resisted at the end of December. A member of staff is starting a formal security qualification which has been funded by the LGA. A report on Cyber Security is being prepared.	Green	↑
9	To continue to seek opportunities to rationalise the Council's property portfolio including:- a) Working with partners in the public and voluntary sectors and reviewing the Council's property assets to ensure they support the Council's priorities and deliver key services in the most efficient and cost-effective way, including delivery of the One Public Estate Programme and alternative models of housing development such as modular housing.	Responsible Financial & Resource Management	Resources Board	Richard Dobbs	OPE work is ongoing. Options for replacement leisure facilities are being included in shared service considerations and overall office requirements are being reviewed in light of new ways of working post Covid.	Green	↔	This work continues. Shared services, increased use of flexible working, new leisure facilities and alternative funding models are currently all being assessed as part of the project	Green	↔
9 (b)	Continue to work through a programme of capital and maintenance improvements to key Council buildings, community buildings, shops and industrial units, including seeking ways to reduce, where possible, our carbon footprint.	Responsible Financial & Resource Management	Resources Board	Richard Dobbs	This work is ongoing	Green	↔	This work is ongoing	Green	↔
9 (c)	Identify any land or property which is surplus to requirements (and dispose of, as appropriate) but also look to identify opportunities to expand the Council's corporate property portfolio where that would generate additional revenue income	Responsible Financial & Resource Management	Resources Board	Richard Dobbs	This work is ongoing	Green	↔	This work is ongoing	Green	↔
9 (d)	Develop a Local Authority Trading Company and explore investment opportunities for the company	Responsible Financial & Resource Management	Resources Board	Richard Dobbs/Sue Garner	No work carried out in quarter 2	Amber	↔	Work planned for quarter 4.	Amber	↔
10	To deliver the agreed Asset Management Plan from April 2018-22 and report to Resources Board on progress annually	Responsible Financial & Resource Management	Resources Board	Richard Dobbs/Angela Coates	This work is ongoing and linked to the work on property and shared services set out above	Green	↔	This work is ongoing and linked to the work on property and shared services set out above	Green	↔
11	To ensure good collection rates of rent revenue for the Council's Housing Revenue Account by taking action to mitigate risks to income from changes to welfare benefits and to report quarterly to Board	Responsible Financial & Resource Management	Resources Board	Angela Coates	The Tenancy Services Officers continue to prioritise rent collection. Procedures have changed recently because Government requires 6 months notice to be given & there are new procedures for possession hearings.	Green	↔	The Tenancy Services Officers continue to prioritise rent collection. Procedures have changed because Government requires 6 months notice to be given & there are new procedures for possession hearings. There has been an increase in tenants claiming Universal Credit over the last 12 months.	Green	↑
12	To continue to ensure that all debts due to the Council, wherever possible, are recovered efficiently in accordance with the Council's Corporate Debt Framework	Responsible Financial & Resource Management	Resources Board	Sue Garner	Recovery action was only progressed in a limited way during quarter 2, however the team continued to work with residents and businesses on the management of debt. Payment of available grant and discounts continued.	Green	↔	Recovery action has only been progressed in a very limited way, due to ongoing circumstances. The team have continued to work with residents and businesses on the management of debt. The payment of available grant and	Green	↔
13	To review the Local Council Tax Reduction Scheme, to ensure that it remains affordable and fit for purpose by December 2020	Responsible Financial & Resource Management	Resources Board	Sue Garner	To be carried out later in the year	Green	↔	Given current difficult circumstances, there are no proposals to change the scheme.	Green	↔

Resources Board 20/21

	Action	Priority		Reporting Officer	Quarter 2	Status	Direction	Quarter 3	Status	Direction
18	To review the future service requirements of Borough Care by March 2021	Creating Safer Communities	Resources Board	Angela Coates	A further report will be considered by the Resources Board in December when the consultation with customers and staff is complete.	Green	↔	Complete	Green	↔
37	Ensure the successful promotion and administration of the Community Fund, through which financial support will be given to projects of local importance across North Warwickshire and to report on the outcomes of the scheme by March 2021	Promoting Sustainable & Vibrant Communities	Resources Board	Simon Powell	The Local Community Fund has been launched and is being managed in accordance with the criteria approved by the C&E Board	Green	↔	The Local Community Fund has been launched and is being managed in accordance with the criteria approved by the C&E Board	Green	↔
41	To report on the recommendations from the review of the HEART Partnership and report to Board in May 2020	Promoting Sustainable & Vibrant Communities	Resources Board	Angela Coates	A report has been drafted for sign off by the HEART Board & will be submitted to the Resources Board at its meeting in January 2021.	Green	↑	Reported to Resources Board at its meeting on 25th January 2021.	Green	↔
42	To deliver the actions set out in the Homelessness Strategy and report on progress by September 2012	Promoting Sustainable & Vibrant Communities	Resources Board	Angela Coates	A report about homelessness nationally and locally will be considered by the Resources Board at its meeting in November 2020.	Green	↑	A Countywide strategy has now been signed off by the Health and Well Being Board	Green	↑
43	To report on the implications of new legislation with regard to standards and licensing in the private sector by September 2019	Promoting Sustainable & Vibrant Communities	Resources Board	Angela Coates	New requirements came into force in July 2020. A report will be submitted to the Resources Board.	Green	↔	Reported to Resources Board at its meeting on 25th January 2021.	Green	↑
45	To report by January 2021 on progress on the take-up of online services, the increased take-up of online forms and the success of driving channel shift electronic payments and social media	Promoting Sustainable & Vibrant Communities	Resources Board	Linda Bird	we are continuing to create new online services in response to new service demands. Our social media channels such as Facebook, Twitter and now Instagram and LinkedIn have been key to sharing Covid 19 messages and service updates. A redevelopment of the Council's website is being planned to coincide with a required	Green	↑	The impact of Covid-19 on our services means that the annual update report would be meaningless as it monitors online volumes such as leisure bookings, planning applications and online payments. New onlines service to support the Covid-19 response, such as grant payment processes and those to help support vulnerable	Green	↑

NWPI Resources 20/21

Ref	Description	Section	Priority	Year End Target 2020/21	Outturn 2019/20	April - Dec Performance	Traffic Light	Direction of Travel	Comments
NWLPI 052	The % of invoices for commercial goods and services which were paid by the authority within 30 days of such invoiced being received by the Authority (former BV8)	Management Accountancy	Public Services & Council Tax	98.00%	98.07%	95.09%	Amber	↔	Departments have had to prioritise workloads due to Covid-19, performance has therefore dipped but is improving. December 97.62%.
NWLPI 57	Percentage of calls answered through the Central Control system within 180 seconds. (TSA national standard 99%):	Community Support	Housing	99	99.33%	99.87%	Green	↑	
NWLPI 135	Percentage of response repairs completed right first time	Housing Maintenance	Housing	85.00%	81.79%	82.86%	Amber	↓	We have had some issues in sourcing carpentry materials. This should be resolved in the next few months.
NWLPI 068	Gas certificates completed	Housing Maintenance	Housing	100.00%	100.00%	98.63%	Amber	↑	We have had some issues gaining access due to concerns about COVID 19 infections. Progress is being made with access now.
@NW:NI156	Number of households living in temporary accommodation (snapshot at end of each quarter)	Housing Management	Housing	6	3	9	Amber	↓	We have been asked by Government to provide accommodation for some single applicants that would not usually access temporary accommodation.
NWLPI 136	Number of tenants with more than 7 weeks rent arrears - as an average over the year	Housing Management	Housing	2.75%	3.17%	4.71%	Amber	↓	More tenants are in receipt of Universal Credit & this has caused a change in arrears outstanding.
NWLPI 070	Average time taken to re-let local authority housing (former BV212)	Housing Management	Housing	35 days	47.8 days	50.14 days	Amber	↓	A number of properties have needed extensive works.
NWLPI 039	The percentage availability of corporate systems available to users Monday to Friday 8.30 am to 5.30 pm :	Computer Services	Public Services & Council Tax	99.7	99.98%	99.97%	Green	↔	
NWLPI 040	The percentage of initial response to helpdesk calls within two hours of a call being placed :	Computer Services	Public Services & Council Tax	95	98%	95%	Green	↔	
NWLPI 041	Percentage of Service Desk Calls resolved in target (total of IS3 to IS6)	Computer Services	Public Services & Council Tax	95	96%	95%	Green	↔	

NWPI Resources 20/21

Ref	Description	Section	Priority	Year End Target 2020/21	Outturn 2019/20	April - Dec Performance	Traffic Light	Direction of Travel	Comments
NWLPI 096	The Percentage of Calls answered in 20 seconds in the contact centre	Contact Centre	Public Services & Council Tax	75%	79%	79%	Green	↔	
NWNI181	The average time taken in calendar days to process all new claims and change events in Housing Benefit and Council Tax Benefit	Revenues & Benefits	Public Services & Council Tax	7.5	15.56	22.27	Amber	↓	The increase in the level of claims received, along with the extra burden of undertaking the Test & Trace isolation payments work, has together had an affect on the performance of the Benefits Team. However they are still working very hard to keep the situation under control.
NWLPI 106	The percentage of non-domestic rates due for the financial year which were received by the authority (former BV10)	Revenues & Benefits	Public Services & Council Tax	98.6	99.36%	87.39%	Red	↓	Due to the closure of businesses under the National Lockdown, there has been an understandable reduction in collection as businesses do not have the funds and therefore are not meeting their payments. We are offering support through discretionary grants whenever possible and alternative payment cycles etc, when customers contact
NWLPI 107	Proportion of Council Tax collected (former BV9)	Revenues & Benefits	Public Services & Council Tax	97.8	97.11%	84.10%	Red	↓	Also due to the National Lockdown, a significant number of workers have had a reduction in their pay through the loss of hours or have been furloughed, where they have seen other household bills as a priority over ctax. We have been offering support with CTS and Hardship payments. There has also been Budgeting support available and support to amend payment cycles and dates whenever a customer has contacted.
NWLPI 161	Percentage of abandoned calls in the Contact Centre	Contact Centre	Public Services & Council Tax	5%	4%	3%	Green	↑	

Agenda Item No 7

Resources Board

22 March 2021

**Report of the Corporate Director -
Resources**

**Update of the
Financial Regulations**

1 Summary

- 1.1 The Financial Regulations have been reviewed and some minor amendments have been made to the Regulations.

Recommendation to the Council

To accept the updated Financial Regulations attached at Appendix A and that the consequent amendments to the Constitution are made.

2 Introduction

- 2.1 The Council's Financial Regulations were last updated in 2018. A report was due to be considered at the March 2020 meeting of the Board, but due to the pandemic, this didn't take place.

3 Changes to the Regulations

- 3.1 No substantial changes to the content of the regulations are considered necessary. However responsibilities have been amended to reflect the changes in the senior management structure.
- 3.2 The opportunity has also been taken to update the write off levels in section 23, in line with the percentage increase previously agreed by this Board.

4 Report Implications

4.1 Finance and Value for Money Implications

- 4.1.1 The Corporate Director - Resources has statutory duties in relation to the financial administration and stewardship of the authority.

4.2 Legal, Data Protection and Human Rights Implications

4.2.1 The statutory duties arise from:-

- Section 151 of the Local Government Act 1972.
- Section 114 of the Local Government Finance Act 1988.

4.3 Risk Management Implications

4.3.1 Compliance with Financial Regulations will assist in reducing the risks associated with the Council's business.

4.4 Links to Council's Priorities

4.4.1 Financial Regulations provide the framework for the financial administration of the Council, helping to making the best use of resources.

The Contact Officer for this report is Sue Garner (719374)

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

FINANCIAL REGULATIONS AND PROCEDURES

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FINANCIAL REGULATIONS AND PROCEDURES**A FINANCIAL MANAGEMENT****1 FINANCIAL MANAGEMENT STANDARDS****Why is this important?**

- 1.1 All employees and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met. These standards are minimum requirements and must be complied with. Non-compliance may result in disciplinary action.

Key Controls

- 1.2 The key controls and control objectives for financial management standards are:
- (a) their promotion throughout the Authority
 - (b) monitoring processes and procedures to review compliance with financial standards.

Responsibilities of the Corporate Director - Resources

- 1.3 Is designated as the responsible officer in accordance with section 151 of the Local Government Act 1972 to ensure the proper administration of the financial affairs of the Authority; and section 114 of the Local Government Finance Act 1988 in relation to incurring unlawful expenditure.
- 1.4 To set the financial management standards and to monitor compliance with them.
- 1.5 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff in the Authority.
- 1.6 To advise on the key strategic controls necessary to secure sound financial management.
- 1.7 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- 1.8 To ensure that the revenue budget and capital programme are prepared
- 1.9 To ensure there is an effective treasury management system in place
- 1.10 To report to the Full Council and external auditor if the Council or one of its officers: -
- Has made, or is about to make, a decision which involves incurring unlawful expenditure
 - Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council
 - Is about to make an unlawful entry in the Council's account.
- 1.11 To report any breach of Financial Regulations to the Resources Board.

Responsibilities of Senior Officers are defined in this context as Extended Management Team and Principal Officers acting under delegated authority

- 1.12 To promote the financial management standards set by the Corporate Director - Resources in their divisions and to monitor adherence to the standards and practices, liaising as necessary with the Corporate Director - Resources.
- 1.13 To promote sound financial practices in relation to the standards, performance and development of staff in their divisions.
- 1.14 To ensure that Financial Regulations are followed by his/ her staff.
- 1.15 To consult with the Corporate Director - Resources with respect to any matters within his/her control which are liable to materially affect the finances of the Council. This should be carried out before any provisional or other commitment is made and before any report to Board.
- 1.16 The control of staff and the security, custody and control of all other resources, including plant, buildings, vehicles, materials, cash and stores relating to his/her Division.
- 1.17 To take adequate steps to ensure that all staff, consultants or agency placements responsible for any matter covered by Financial Regulations have access to them, understand the contents and are following them.
- 1.18 To report to the Corporate Director - Resources where the Regulations have not been followed. The Corporate Director - Resources will decide whether to investigate and report to the appropriate Board depending on the circumstances in each case.

2 MANAGING EXPENDITURE

Scheme of virement and budget transfer

Why is this important?

- 2.1 The scheme of virement is intended to enable Boards, senior officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Executive Board, and therefore to optimise the use of resources.

Key Controls

- 2.2 Key controls for the scheme of virement are:

- (a) It is administered by the Corporate Director - Resources within the guidelines below.
- (b) The overall budget is agreed by Executive Board and approved by the Full Council. Senior Officers and budget holders are therefore authorised to incur expenditure in accordance with the estimates that make up the budget.
- (c) Virement does not create additional overall budget liability. Senior Officers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Senior Officers must plan to fund such commitments from within their own budgets.

Ground Rules for Virement and Budget Transfer

2.3 The ground rules apply where:

- (i) An expenditure budget is going to be exceeded or there will be a shortfall in income.
- (ii) There is a saving on expenditure or additional income has been produced and a Senior Officer wishes to use it. In these circumstances the saving on expenditure or additional income will need to have resulted from specific action by the budget manager and not be due to circumstances outside his/her control.

2.4 For the purpose of these ground rules the following definitions apply:-

(a) Virement

The movement of budgetary provision between services. A service is defined as a line appearing in the summary page of the overall budget of a Board, eg:

- Refuse Collection
- Car Parks
- Pest Control

(b) Transfer

The movement of budgetary provision between budget heads within a service. A budget head is defined as a line appearing in a service budget, eg Service - Pest Control

- | | | |
|-------------|---|-----------------------|
| Budget head | - | Employee costs |
| | - | Premises |
| | - | Supplies and Services |

2.5 The procedures for dealing with virement and transfer are as follows:-

(i) Virement

- | | |
|------------------|---|
| Up to £5,000 | Senior Officer approval in consultation with the Corporate Director - Resources |
| £5,000 - £10,000 | Service Board approval |
| Over £10,000 | Resources Board approval |

(ii) Transfer

- | | |
|---------------|---|
| Up to £10,000 | Senior Officer approval in consultation with the Corporate Director - Resources |
| Over £10,000 | Service Board approval |

2.6 The figures relate to the value of total movements in any one financial year and not to the maximum value of a single transfer or virement.

2.7 Before a Senior Officer approves a transfer of budget provision, he/she should inform the Corporate Director - Resources in writing.

2.8 All cases of virement or transfer of budget provision will be recorded by the Corporate Director - Resources.

2.9 Virement or budget transfer is only to take place when the following conditions are satisfied: -

- (i) The proposed savings or additional income to fund any overspend are achievable;

- (ii) The additional expenditure will in fact happen and the particular budget head will be overspent or income will not be achieved;
 - (iii) The total budgets controlled by that Senior Officer will not be overspent;
 - (iv) Extra spending in future years will not be incurred;
 - (v) A change of policy is not involved.
- 2.10 Savings in non-recurring expenditure or additional income should not be used to finance additional recurring expenditure. The use of savings in recurring expenditure to finance additional recurring expenditure in excess of £5,000 will require the approval of the relevant Board.
- 2.11 Virement and transfers will not be made into or out of permanent staffing budgets. This includes payment for temporary staff covering a temporary vacancy, except with prior approval by the Corporate Director - Resources.
- 2.12 The approval of the Resources Board will be required where sums are being vired which result in the start of a new or additional commitment for expenditure, which is ongoing.
- 2.13 Expenditure on staffing, training, capital financing costs and recharges fall outside these ground rules.

3 ACCOUNTING POLICIES

Why is this important?

- 3.1 Divisions have many systems and procedures relating to the control of the Authority's assets even though there are corporate systems and methods for purchasing, costing and financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

Key Controls

- 3.2 The key controls for accounting policies are:
- (a) systems of internal control are in place that ensure that financial transactions are lawful;
 - (b) suitable accounting policies are selected and applied consistently;
 - (c) proper accounting records are maintained;
 - (d) financial statements are prepared which present fairly the financial position of the Authority and its expenditure and income.

Responsibilities of the Corporate Director - Resources

- 3.3 A professional responsibility to ensure that the Authority's financial systems are sound. He/she should therefore be notified of any new development or changes.
- 3.4 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared at 31 March each year, and covers such items as:
- (a) separate accounts for capital and revenue transactions
 - (b) the basis on which debtors and creditors at year end are included in the accounts
 - (c) details on substantial provisions and reserves
 - (d) property, plant and equipment
 - (e) depreciation
 - (f) intangible assets
 - (g) work in progress
 - (h) stocks and stores
 - (i) financial instruments
 - (j) accounting for value added tax
 - (k) government grants
 - (l) leasing
 - (m) pensions
 - (n) any other additional items as required
- 3.5 To arrange for the compilation of all accounts and accounting records of the Council or to ensure that they are prepared under his/ her direction.
- 3.6 To consult with other Senior Officers or staff where revisions are needed to systems of recording, not kept within the Resources Division.
- 3.7 To control the day to day financial administration of the Council by issuing detailed administrative and accounting instructions, as appropriate. These instructions have the same standing as Financial Regulations.

Responsibilities of Senior Officers

- 3.8 To adhere to the accounting policies and guidelines issued.

4 ACCOUNTING RECORDS AND RETURNS

Why is this important?

- 4.1 Maintaining proper accounting records is one of the ways in which the Authority discharges its responsibility for stewardship of public funds. It has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources.

Key controls

- 4.2 All Members, finance staff and budget managers operate within the required accounting standards and timetables.
- 4.3 All transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.

- 4.4 Procedures are in place to enable accounting records to be reconstituted in the event of systems failure.
- 4.5 Reconciliation procedures are carried out regularly to ensure transactions are correctly recorded.
- 4.6 Prime documents are retained in accordance with legislative and other requirements.

Responsibilities of the Corporate Director - Resources

- 4.7 To determine the accounting procedures and records for the Authority.
- 4.8 To arrange for the compilation of all accounts and accounting records under his/ her direction.
- 4.9 To comply with the following principles when allocating accounting duties: -
 - Separating the duties of calculating, checking and recording sums due to or from the Authority, from the duty of collecting or disbursing them;
 - Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- 4.10 To ensure that all claims for funds including grants are made by the due date.
- 4.11 To prepare and publish the audited accounts of the Authority for each financial year, in accordance with the statutory timetable and with the requirement for the Full Council to approve the statements of accounts before 31 July.
- 4.12 To administer the Authority's arrangements for under and overspendings to be carried forward to the following year.
- 4.13 To ensure the proper retention of financial documents in accordance with the requirements set out in the Document Retention Policy.

Responsibilities of Senior Officers

- 4.14 To maintain adequate records to provide a management trail leading from the source of income/ expenditure through to the accounting statements.
- 4.15 To consult with the Corporate Director - Resources before implementing any changes of systems or revised procedures or forms relating to financial matters.
- 4.16 To ensure that the following principles are observed in the allocation of accounting duties:
 - (i) the duties of calculating, checking and recording sums due to or from the Authority, must be separated as much as possible from the duty of collecting or using them;
 - (ii) officers charged with the duty of examining and checking the accounts of cash transactions may not themselves perform any of those transactions.
- 4.17 To ensure that the principles of internal check operate in his/her Division and that accounting procedures and financial records under his/her control are kept accurately and up to date.

5 THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

5.1 The Authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Full Council is responsible for approving the statutory annual statement of accounts.

Key Controls

5.2 The key controls for the annual statement of accounts are:

- the Authority is required to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Corporate Director - Resources.
- the Authority's statement of accounts must be prepared in accordance with proper practices, as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (the SORP)(CIPFA/LASAAC).

Responsibilities of the Corporate Director - Resources

5.3 To prepare the Authority's statement of accounts, in accordance with proper practices, as set out in the format required by the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC), for each financial year ending 31 March.

5.4 To select suitable accounting policies and to apply them consistently.

5.5 To make judgements and estimates that are reasonable and prudent.

5.6 To comply with the Statement of Recommended Practice.

5.7 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

5.8 To make proper arrangements for the audit of the Authority's accounts in accordance with the Local Audit and Accountability Act 2014.

Responsibilities of Senior Officers

5.9 To comply with accounting guidance provided by the Corporate Director - Resources and to supply him/her with information when required.

B FINANCIAL PLANNING

6 BUDGETING

Format of the Budget

Why is this important?

6.1 The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, and sets the level at which funds may be reallocated within budgets.

Key Controls

6.2 The key controls for the budget format are:

- the format complies with all legal requirements;
- the format complies with CIPFA's Code of Practice;
- the format reflects the accountabilities of service delivery.

Responsibilities of the Corporate Director - Resources

6.3 To decide upon the detailed form of capital and revenue estimates and agree with general directions of the Executive Board.

6.4 To collate the estimates approved by Boards and report to the Executive Board, which will recommend the local taxation to be charged for the next year.

Budget Preparation, Monitoring and Control

Why is this important?

6.5 Budget management ensures that once the budget has been approved by the Full Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Authority to review its budget targets during the financial year. By continuously identifying and explaining variances against the budget, the Authority can identify changes in trends and resource requirements at the earliest opportunity.

Key controls

6.6 The key controls for managing and controlling the revenue budget are:

- (a) budget managers are responsible only for income and expenditure that they can influence
- (b) there is a nominated budget manager for each cost centre
- (c) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities
- (d) budget managers follow an approved certification process for all expenditure
- (e) income and expenditure are properly recorded and accounted for
- (f) performance levels/levels of service are monitored in conjunction with the budget and any necessary action is taken to align service outputs and budget

(g) amounts provided under the annual revenue estimates are only vired in compliance with the rules set out in Regulation 2.3 above.

6.7 The inclusion of items in approved revenue estimates or capital programmes gives the right to incur such expenditure unless the Executive Board of the Council has placed a reservation on any such item. Expenditure on any such reserved item may only be incurred when that reservation has been removed.

6.8 Nothing in these Regulations will prevent the Chief Executive from incurring necessary expenditure through exercise of his emergency powers under Section 101(1) (a) of the Local Government and Finance Act 1972.

Responsibilities of the Corporate Director - Resources

6.9 To prepare estimates of income and expenditure on General Fund revenue accounts and the Housing Revenue Account in conjunction with Senior Officers. These should agree with the financial plans approved by the Council, taking into account all financial implications, including any impact upon Prudential Indicators set by the Council.

6.10 To establish an appropriate framework of budgetary management and control that ensures that: -

- Each Senior Officer has available timely information on income and expenditure on each of their budget heads which is sufficiently detailed to enable them to fulfil their budgetary responsibilities;
- Expenditure is only committed against an approved budget head;
- All officers responsible for committing expenditure comply with the relevant guidance and the financial regulations;
- Variances from approved budgets are investigated;
- Periodic Budgetary Monitoring reports are provided to all Boards;
- Consolidated Budgetary Monitoring reports are provided to Resources Board;
- Housing Revenue Account Budgetary Monitoring reports are provided to the Resources Board;
- Periodic monitoring reports of capital expenditure are provided to Resources Board;
- Before the beginning of each financial year all budget holders are provided with financial statements showing details of the budgets for which they are responsible;
- Budget holders receive or have direct access to accurate, timely and appropriate financial information to allow them to carry out effective control.

Responsibilities of Senior Officers

Estimates

6.11 To prepare estimates of income and expenditure on General Fund Revenue accounts, in consultation with the Corporate Director - Resources for submission to the appropriate Board. The estimates should agree with the financial plan(s) approved by the Council.

- 6.12 To take into account all financial implications, including any impact upon Prudential Indicators set by the Council, so that each individual Board may report on its budget requirement.
- 6.13 To submit revenue estimates for the Housing Revenue Account to the Resources Board.
- 6.14 To ensure that for any proposal to Board which involves additional expenditure during a period for which Council has already approved a budget or a programme of capital expenditure, a report is submitted to Board indicating the sufficiency or otherwise of the existing financial provision in the budget or capital programme.
- 6.15 To manage their divisions' budgets in accordance with these Regulations, either directly or by delegating to members of their staff, as appropriate.
- 6.16 To be accountable for all the financial operations of the services under their control.
- 6.17 To vire or transfer monies, if necessary, under the rules drawn up by the Corporate Director - Resources, shown in this document.
- 6.18 Not to charge any expenditure or income to another budget controlled by another budget holder without that Officer's prior agreement.

Monitoring – Budgetary Control

- 6.19 To maintain budgetary control within their departments according to the principles agreed, and to ensure that all income and expenditure is properly recorded and accounted for.
- 6.20 To ensure that an accountable budget manager is identified, as appropriate, for income and expenditure under their control.
- 6.21 To monitor expenditure and income against budgets for which they have responsibility and to ensure that budget heads are not overspent, by taking appropriate corrective action where variations from the approved budget are forecast.
- 6.22 To ensure that a monitoring process is in place to review performance levels/ levels of service in conjunction with the budget and is operating effectively.
- 6.23 To ensure compliance with the scheme of virement.
- 6.24 To ensure that no expenditure or income is charged to a budget controlled by another budget holder without that Officer's prior agreement.
- 6.25 To ensure that, where it appears that the amount of any approved estimate head may be exceeded, or the amount of any head of approved income may not be reached (after allowing for any virement or transfer made in accordance with FR 2.4 to 2.13), that the Corporate Director - Resources is consulted and the relevant Board informed.

Board Responsibilities

- 6.26 Amounts provided under the various heads of the approved annual revenue estimates will not be vired to other purposes by a Board without the approval of the Resources Board, except that approval is not required below £10,000, provided that virement is consistent with approved policy and budgeting decisions and exclude any proposal which would mean additional expenditure in later years.
- 6.27 Any Board of the Council must, before incurring any expenditure which cannot be met from within an approved estimate (after allowing for any virement or transfer made in accordance with Financial

Regulations) submit to Executive Board a supplementary estimate request with a detailed statement of the proposed expenditure. This requirement also applies to an expected reduction in income.

6.28 Where a Board proposes:

- a new commitment for ongoing expenditure;
- additional expenditure for existing activities ; or
- a variation in the means or time-scale of implementing existing activities which affects or may affect the Council's finances

it must submit a report to Executive Board, which will report these to the Council.

6.29 Nothing in these Regulations will prevent the Chief Executive from incurring necessary expenditure through exercise of his emergency powers under Section 101 (1)(a) of the Local Government and Finance Act 1972.

6.30 Nothing in these Regulations will prevent a spending Board from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or which is referable to Section 138 of the Local Government Act 1972, subject to their action being reported to the following meeting of the Executive Board.

7 CAPITAL PROGRAMME

Why is this important?

7.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Authority, such as land, buildings and major items of plant, equipment and vehicles. Capital assets shape the way services are delivered in the long-term and create financial commitments for the future in the form of financing costs and revenue running costs.

7.2 The Government places strict controls on the financing capacity of the Authority. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

Key controls

7.3 The key controls for a capital programme are: -

- Specific approval by the Executive Board for the capital programme expenditure;
- A scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared;
- The development and implementation of an asset management plan;
- Accountability for each proposal is accepted by a named manager;
- Monitoring of progress in conjunction with expenditure and income and comparison with approved budget.

Responsibilities of the Corporate Director - Resources

- 7.4 To prepare capital estimates jointly with Extended Management Team Directors and to report them to Executive Board for approval.
- 7.5 To prepare and submit reports to the Resources Board on the projected income, expenditure and resources compared with the approved estimates.
- 7.6 To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques.
- 7.7 To determine the definition of 'capital', having regard to government regulations and accounting requirements.

Responsibilities of Senior Officers

- 7.8 To comply with guidance concerning capital schemes and controls issued by the Corporate Director - Resources.
- 7.9 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued.
- 7.10 To ensure that adequate records are maintained for all capital contracts.
- 7.11 To proceed with projects only when there is adequate provision in the capital programme that has been approved by the Executive Board.
- 7.12 To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Corporate Director - Resources and, if applicable, approval of the scheme through the capital programme.
- 7.13 To ensure that, before a Board recommends to the Executive Board any scheme involving capital expenditure, the following procedure has been followed:
 - To consult with the Corporate Director - Resources
 - An estimate has been provided which includes the associated likely revenue expenditure and income, for approval by the appropriate Board. The estimate should be prepared on the standard form and include the following:
 - (a) Outcomes expected
 - (b) Options for delivery
 - (c) Estimate of the cost of the proposed work
 - (d) Estimated annual running costs
 - (e) Work (if any) to be replaced
 - (f) Method of financing recommended
 - (g) Any income produced by the scheme
 - (h) Any external funding
 - (i) Chosen options and reasons
 - (j) Benefits
 - (k) Link to priorities
 - (l) Lifetime costs

8 MAINTENANCE OF RESERVES

Why is this important?

- 8.1 The Authority must decide the level of general reserves it wants to maintain before it can decide the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Authority to provide for unexpected events and so protect it from overspending, should such an event occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

Key controls

- 8.2 To maintain reserves in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC) and agreed accounting policies.
- 8.3 For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- 8.4 Authorisation and expenditure from reserves by the appropriate Senior Officer in conjunction with the Corporate Director - Resources.

Responsibilities of the Corporate Director - Resources

- 8.5 To advise Executive Board and / or the Full Council on prudent levels of reserves for the Authority, and to take account of the advice of the external auditor in this matter.

Responsibilities of Senior Officers

- 8.6 To ensure that resources are used only for the purposes for which they were intended.

C RISK MANAGEMENT AND CONTROL OF RESOURCES

9 RISK MANAGEMENT

Why is this important?

- 9.1 The Authority, in all its undertakings, faces risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve our objectives, caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure our assets and to ensure our continued financial and organisational well-being. It is, therefore, an integral part of good business practice. It is concerned with the measures we have in place to manage identified risks and then recommending the action we need to take to control those risks effectively.
- 9.2 It is the responsibility of Resources Board to approve the Risk Management Policy and Strategy, and to promote a culture of risk management throughout the Authority.

Key Controls:

- 9.3 Key controls for Risk Management and Control of Resources are:
- (a) Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating efficiently throughout the Authority.
 - (b) A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
 - (c) Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
 - (d) Provision is made for losses that might result from the risks that remain.
 - (e) Procedures are in place to investigate claims within required timescales.
 - (f) Acceptable levels of risk are determined and insured against, where appropriate.
 - (g) The Authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Corporate Director - Resources

- 9.4 To prepare and promote the Authority's risk management policy statement and strategy.
- 9.5 To develop risk management controls in conjunction with other senior officers.
- 9.6 To arrange all insurance cover and negotiate all claims in consultation with other Officers, where necessary.
- 9.7 To review all insurances annually, or at such other period as is necessary and in consultation with other Senior Officers, as appropriate.
- 9.8 To arrange for suitable fidelity guarantee and professional indemnity insurance for all appropriate employees of the Council.

Responsibility of Senior Officers

- 9.9 Senior Officers will take responsibility for risk management, having regard to advice from the Corporate Director - Resources or his / her representative, and other specialist officers.
- 9.10 Senior Officers will ensure that there are regular reviews of risk within their departments and are responsible for maintaining risk registers in the agreed corporate form.
- 9.11 All Senior Officers will complete an annual declaration of prioritised risks within their divisions, together with details of controls in place and action taken and any proposed measures to reduce the risk in the following year. Any new risks facing the service and details of any Partnerships in which it is involved must also be reported in the annual declaration.
- 9.12 Senior Officers will promptly inform the Corporate Director - Resources of all new risks, properties or vehicles which need to be insured and of any alterations affecting existing insurances. Senior Officers shall consult with the Head of Legal Services in respect of all terms of indemnity, which the Council is requested to give.
- 9.13 Senior Officers will straightaway inform the Corporate Director - Resources in writing of any loss, liability or damage or anything likely to lead to an insurance claim and supply any necessary supporting records as may be needed.
- 9.14 Senior Officers must ensure that employees, Members or anyone covered by the Authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

10 INTERNAL CONTROL

Why is this important?

- 10.1 The Authority is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives. It has statutory obligations, and so needs internal controls to identify and monitor compliance with these obligations.
- 10.2 It faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage those risks.
- 10.3 The system of internal controls is established in order to provide the measurable achievement of:
- (a) Efficient and effective operations
 - (b) Reliable financial information and reporting
 - (c) Compliance with laws and regulations
 - (d) Risk management

Key Controls

- 10.4 The key controls and control objectives for internal control systems are: -
- (a) Key controls should be reviewed on a regular basis and the Authority should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively.
 - (b) Managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The

key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.

- (c) Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
- (d) An effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the *Public Sector Internal Audit Standards (April 2017 update)*(PSIAS) and the *Local Government Application Note*, which supplements the PSIAS by providing more detailed guidance and with any other statutory obligations and regulations.

Responsibilities of the Corporate Director - Resources

- 10.5 To assist the Authority to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

Responsibilities of Senior Officers

- 10.6 To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risk.
- 10.7 To review existing controls in the light of changes affecting the Authority and to establish and implement new controls in line with guidance from the Corporate Director - Resources.
- 10.8 To ensure staff have a clear understanding of the consequences of lack of control.

11 AUDIT REQUIREMENTS

Internal Audit

Why is this Important?

- 11.1 The requirement for an internal audit function is implied by section 151 of the Local Government Act 1972, which requires that Authorities make arrangements for the proper administration of their financial affairs. The Accounts and Audit Regulations 2015 regulation 5, more specifically require that “a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
- 11.2 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Key Controls

- 11.3 That it is independent in its planning and operation.
- 11.4 The Head of Internal Audit has direct access to the head of paid service, all levels of management and directly to elected Members.
- 11.5 The Internal Auditors comply with the *Public Sector Internal Audit Standards (April 2017 update)* and the *Local Government Application Note*, which supplements the PSIAS by providing more detailed guidance.

Responsibilities of the Corporate Director - Resources

- 11.6 To ensure that Internal Auditors have the authority to:
- (a) Enter at all times any property of the Council;
 - (b) Have access to all records, documents, minutes and correspondence relating to any financial and other related dealings of the Council which are within the Council's safekeeping or control, including any partnerships in which the Council is involved;
 - (c) Ask for and receive such explanations as are necessary concerning any matter under examination;
 - (d) Require any employee of the Council to produce cash, receipts, books, vouchers, stores, accounting records, plant or any other Council property under his/her control;
 - (e) Access records belonging to third parties, such as contractors, when required;
 - (f) Directly access the head of paid service, all levels of management and elected Members;
 - (g) Review, assess and report to the Senior Officer of the Division being audited on the suitability and use of financial and other controls and the protection of the Council's property and assets against loss due to fraud and wasteful practices, poor value for money or other causes;
 - (h) To ensure that there is effective liaison between external and internal audit.

Responsibilities of Senior Officers

- 11.7 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purpose of their work.
- 11.8 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- 11.9 To consider and respond promptly to recommendations in audit reports.
- 11.10 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.

External Audit

Why is this important?

- 11.11 The Local Audit and Accountability Act 2014 requires an independent external audit of a Local Authority's accounts. The external auditor has rights of access to all documents and information necessary for audit purposes.
- 11.12 The general duties of the external audit are defined in the Local Audit and Accountability Act and the audit must be performed in accordance with the Code of Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General. The auditor's responsibilities under the Code are to:
- Give an opinion on the Council's financial statements (including the Annual Governance Statement); and
 - Satisfy themselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Key controls

- 11.14 External auditors are appointed by Public Sector Audit Appointments, normally for a period of five years. External auditors follow a Code of Practice when carrying out their duties.

Responsibilities of the Corporate Director - Resources

- 11.15 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that they consider necessary for the purposes of their work.
- 11.16 To ensure that there is effective liaison between external and internal audit.
- 11.17 To work with the external auditor and advise the Full Council, Boards and Senior Officers of their responsibilities in relation to external audit.

Responsibilities of Senior Officers

- 11.18 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that they consider necessary for the purposes of their work.
- 11.19 To ensure that all records and systems are up to date and available for inspection.

12 PREVENTING FRAUD AND CORRUPTION

Why is this important?

- 12.1 The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority. The expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practice.
- 12.2 The Authority also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the Authority with integrity and without thought or actions involving fraud and corruption.

Key Controls

12.3 The key controls regarding the prevention of fraud and corruption are that:

- (a) The Authority has an effective anti fraud and corruption policy and maintains a culture that will not tolerate fraud and corruption;
- (b) All Members and staff act with integrity and lead by example;
- (c) Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt;
- (d) High standards of conduct are promoted amongst Members;
- (e) A register of interests should be maintained in which any hospitality or gifts accepted above an agreed limit, must be recorded;
- (f) Whistle blowing procedures must be in place and operate effectively;
- (g) Legislation regarding the Public Interest Disclosure Act 1998 and the Employment Rights Act 1996 must be adhered to.

Responsibility of the Corporate Director - Resources

12.4 To develop and maintain an anti fraud and anti-corruption policy.

12.5 To maintain adequate and effective internal control arrangements.

Responsibilities of Senior Officers

12.6 To ensure that all suspected irregularities are reported to the Head of Internal Audit.

12.7 To instigate the Authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

12.8 To ensure that where financial impropriety is discovered, the Corporate Director - Resources is informed.

13 ASSETS

Security

Why is this important?

13.1 The Authority holds assets in the form of property, vehicles and equipment worth millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up to date asset register is a pre-requisite for proper fixed asset accounting and sound asset management.

Key Controls

13.2 The key controls for the security of resources such as land, buildings, equipment, software and information are:

- (a) Resources are used only for the purpose of the Authority and are properly accounted for;
- (b) Resources no longer required are disposed of in accordance with the law and the regulations of the Authority so as to maximise benefits;
- (c) An asset register is maintained for the Authority, assets are recorded when they are acquired by the Authority and this record is updated as changes occur with respect to the location and condition of the asset;
- (d) All moveable items in the asset register should be marked as Council property and a serial number should be recorded and cross referenced
- (e) All staff are aware of their responsibilities with regard to safeguarding the Authority's assets and information, including the requirements of the General Data Protection Regulation, the Law Enforcement Directive, or their re-enactments and software copyright legislation;
- (f) All staff are aware of their responsibilities with regard to safeguarding the security of the Authority's computer and internet security policies.

Responsibility of the Corporate Director - Resources

- 13.3 To ensure that an asset register is maintained in accordance with the following deminimis levels:
- Equipment £5,000,
 - Land and Buildings £10,000.
- 13.4 The function of the asset register is to provide the Authority with information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained.
- 13.5 To decide on the frequency of the revaluation of assets in conjunction with the Corporate Property Officer in accordance with the Accounting Code of Practice.
- 13.6 To ensure that assets are valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC) for inclusion in the Financial Statements, and to obtain alternate valuations as required, such as for insurance purposes.
- 13.7 To ensure the security of all computers and computer software, and to control the access to all records, in compliance with the requirements of the General Data Protection Regulation, the Law Enforcement Directive or their re-enactments.

Responsibilities of the Head of Legal

- 13.8 To have custody of all title deeds, agreements, contracts, leases, easements and any other documents and items under his control and be responsible for their security and safe-keeping.
- 13.9 To provide details to the Corporate Director – Resources of all lease agreements entered into or cancelled.

Responsibilities of the Corporate Property Officer

- 13.10 To keep a record of all properties owned by the Council, identifying the purpose for which held, location, extent and plan reference, together with details of purchase, nature of interests, rents payable and details of tenancies granted.

- 13.11 To decide on the frequency of the revaluation of assets in conjunction with the Corporate Director - Resources and in accordance with the Accounting Code of Practice.

Responsibilities of Senior Officers

- 13.12 To notify all acquisitions and disposals of properties (land and buildings) to the Corporate Director - Resources within a month of acquisition or disposal.
- 13.13 Where land and buildings are surplus to requirements, to report the recommendation for sale to Board.
- 13.14 To ensure the proper security of all buildings and other assets under their control.
- 13.15 To consult with the Corporate Director - Resources in any case where security is thought to be inadequate or where it is considered that special security arrangements may be needed or where arrangements agreed with the Council's insurers may be affected.
- 13.16 To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate.
- 13.17 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Authority.
- 13.18 To ensure that any limits for cash holdings are agreed with the Corporate Director - Resources and are not to be exceeded without his/her express permission.
- 13.19 To ensure that proper security and privacy is maintained with regard to information held on personal computers, and in written form, and for security of other such confidential information held in that Division and for informing the Head of Legal Services of any new applications so they can be assessed for notification under the data protection legislation.
- 13.20 To ensure that any Officers holding keys to safes, similar containers, buildings and vehicles are responsible at all times for their safekeeping. The loss of any safe keys must be reported to the Corporate Director – Resources straightaway. A record should be maintained by each Senior Officer of all such keys under his/her control, showing the name of the holder, the date of issue and the receiving Officer's signature. The loss of any other keys should be reported to the appropriate Senior Officer, who will take the necessary action.
- 13.21 To ensure that the appropriate staff are aware of the following procedures:
- (13) Key-holders should notify the Senior Officer of transfers of keys straightaway. Transfers of keys should be evidenced by the timed and dated signature of the receiving officer;
 - (b) Combination lock holders are responsible for keeping such combinations, which should be changed periodically and on the termination of service of any such combination holder, or change of responsibility.
- 13.22 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 13.23 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged or may possess some intrinsic value, and its disclosure or loss could result in a cost to the authority in some way. All employees should comply with the instructions and guidance issued by Information Services and the Head of Legal Services.

- 13.24 To ensure that all employees are aware that they have a personal responsibility for the security of their photo access card to council buildings. In the event that an access card is lost or misplaced, employees must inform the Facilities Management section immediately, so that the card can be cancelled. If an employee leaves the Authority, they must return their access card to their line manager.

14 INVENTORIES

Why is this important?

- 14.1 The Authority holds assets which fall below the deminimis levels for inclusion on the Council's asset register. It is important that these smaller items are safeguarded and used efficiently in service delivery.

Key Controls

- 14.2 The key control is managing the use and storage of smaller items of equipment and assets, with any disposals recorded.

Responsibilities of Senior Officers

- 14.3 To maintain an annual check of all items on the inventory, for taking action in relation to surpluses or deficiencies and noting the inventory accordingly. All discrepancies must be reported to the Corporate Director - Resources straightaway. A copy of each inventory should be made available to the Corporate Director - Resources annually for insurance/audit purposes.
- 14.4 To ensure that no Authority asset is subject to personal use by an employee without proper authority.
- 14.5 To ensure that Council's property is not removed except in the ordinary course of the Council's business or used otherwise than for the Council's purpose unless specific directions are issued by the Senior Officer concerned.
- 14.6 To ensure that all property, machinery, plant and other items are to be included on inventories straightaway when received, and should, as far as possible, be marked in a suitable way as the property of the Council. Valuable and portable items, such as computers, cameras and video/DVD recorders should be identified with security markings as belonging to the Authority.

15 STOCKS AND STORES

Why is this important?

- 15.1 The Authority holds stock items, which need to be safeguarded and used efficiently in service delivery.

Key Controls

- 15.2 The key control is the regulation of stocks, with approved procedures for stock purchase, issue and any write offs.

Responsibilities of Senior Officers

- 15.3 To ensure the safekeeping of the stocks and stores of his/her Division.

- 15.4 To ensure that stocks are maintained at reasonable levels and are subject to at least an annual and independent (as far as practicable) physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion. Any differences revealed on items of stock when a comparison is made between physical and book-stock must be reported to Internal Audit and adjustments to stores records shall only be made with the approval of the Head of Internal Audit.
- 15.5 To implement effective arrangements for the issuance of stock and to ensure that no articles or goods may be removed from any store or depot without following these procedures.
- 15.6 To ensure that valuation methods and records of stores issued and goods received are in a suitable form to be agreed by the Corporate Director - Resources.
- 15.7 To supply to the Corporate Director - Resources any information as he/she requires in relation to stores for the accountancy, costing and financial records of the Council.

16 INTELLECTUAL PROPERTY

Why is this important?

- 16.1 Intellectual property is a generic term that includes inventions, writing and software development. If these are created by the employee during the course of employment, then they belong to the Authority.

Responsibility of Senior Officers

- 16.2 To ensure that controls are in place so that staff do not carry out private work in Council time and that staff are aware of the Council's rights with regard to intellectual property.

17 ASSET DISPOSAL

Why is this important?

- 17.1 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources, or those declared surplus to requirements under Contract Standing Orders and Property Procedures, should be disposed of in accordance with the law and the Authority's regulations.

Key Controls

- 17.2 That procedures protect staff involved in the disposal from accusations for personal gain.
- 17.3 Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Authority, and best price is obtained, bearing in mind other factors such as environmental issues and in accordance with Contract Standing Orders and the Property Procedures.

Responsibility of the Corporate Director - Resources

- 17.4 To ensure that appropriate accounting entries are made to remove the value of disposed assets from the Authority's records and to include the sale proceeds if appropriate.

Responsibilities of Senior Officers

- 17.5 To ensure that assets including property, vehicles, equipment, furniture, stocks or stores which are no longer required should be disposed of in accordance with the law and Contract Standing Orders.
- 17.6 To ensure that any disposal of surplus or obsolete materials and stores, or equipment recorded on inventories, below the value of £1,500, are notified to the Corporate Director - Resources in writing.
- 17.7 Where assets for disposal are valued at £1,500 and above, the relevant Senior Officer must give approval for the disposal; at £20,000 and above approval must also be given by the Corporate Director - Resources.
- 17.8 To seek advice from purchasing advisors on the disposal of surplus or obsolete materials, stores or equipment, and consider all suitable methods available, including auction and internet sites.
- 17.9 To ensure that income received for the disposal of an asset is properly banked and coded.

18 TREASURY MANAGEMENT

Why is this important?

- 18.1 Millions of pounds pass through the Authority's books each year. This led to the establishment of codes of practice. These aim to provide assurance that the Authority's money is properly managed in a way that balances risk with return, but with the over-riding consideration being given to the security of the Authority's capital sum.

Key Controls

- 18.2 That the Authority's borrowings and investments comply with Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (2017 Edition) and the Authority's treasury management policy statement and strategy.
- 18.3 The Council will create and maintain, as the cornerstones for effective treasury management:
 - (a) a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - (b) Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

- (ii) Full Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- (iii) The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Resources Board, and for the execution and administration of treasury management decisions to the Corporate Director - Resources, who will act in accordance with the Council's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

- (iv) The Council retains the responsibility for ensuring effective scrutiny of the treasury management strategy and policies.

Responsibilities of the Corporate Director - Resources

- 18.4 To make and administer treasury decisions in accordance with the policy statement, TMPS and CIPFA's Standard of Professional Practice.
- 18.5 To report to Resources Board not less than twice in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers given to him/her. One such report will be an Annual Report which must be presented to the Board by 30 September.
- 18.6 To maintain a register of stock, bonds and mortgages (if applicable) and keep records of all borrowing of money by the Authority.
- 18.7 To make arrangements for the safe keeping of all securities which are the property of or in the name of the Council or its nominees.
- 18.8 To ensure that all investments of money are in the name of the Authority.
- 18.9 To ensure that all borrowings are in the name of the Authority.
- 18.10 To operate bank accounts as are considered necessary.
- 18.11 To prepare Prudential Indicators for Treasury Management, which will be considered together with the strategy and the annual report on activities.
- 18.12 All executive decisions on borrowing, investment or finance are given to the Corporate Director - Resources or through him/her to his/ her staff, who are all required to act in accordance with CIPFA's *Treasury Management in the Public Services :Code of Practice and Cross-sectoral Guidance Notes 2017*.
- 18.13 All money in the hands of the Council will be aggregated for the purpose of treasury management and will be under the control of the appropriate officer for the purposes of Section 151 of the Local Government Act 1972, referred to in the Code as the Chief Financial Officer, who in this Authority is the Corporate Director – Resources.

19 BANKING ARRANGEMENTS AND CHEQUES

Why is this important?

- 19.1 To prevent fraudulent use of Council funds and to ensure the efficient management of the Council's cashflow.

Key Controls

- 19.2 All arrangements with the Council's bankers concerning the Council's bank accounts and the issue of cheques will be made through the Corporate Director - Resources.
- 19.3 Computer-printed cheques in excess of £20,000 will bear the personal signature of the Corporate Director - Resources or other such Officer authorised to sign cheques by the Council. All hand-written cheques will be personally signed by the Corporate Director - Resources or his/her authorised representative.

19.4 Instructions to the Council's bankers to make bank transfers will only be signed by the Corporate Director - Resources or his/her authorised officers, as may be approved by the Resources Board.

19.5 Money transferred by use of a computer link may only be released by the Corporate Director - Resources or his/her authorised officers, as may be approved by the Resources Board.

Responsibilities of the Corporate Director - Resources

19.6 To open and operate such banking accounts as necessary, including the management of overdraft facilities. Such accounts must be in the name of North Warwickshire Borough Council.

19.7 To make arrangements for suitable signatories to the Council's bank accounts.

Responsibilities of the Information Services Manager

19.8 To arrange for the provision of cheques and arrange for their safekeeping.

20 CASH FLOATS AND PETTY CASH

Responsibilities of the Corporate Director - Resources

20.1 To give cash floats to Officers for the payment of minor expenses of the Council. Each cash float will be of such amount as the Corporate Director - Resources considers necessary and he/she may issue conditions in connection with spending as he/she may consider necessary.

Responsibilities of Senior Officers

20.2 To request any new floats or increases to existing floats, together with valid reasons for the increase, to the Corporate Director - Resources.

20.3 To review and approve the arrangements made for the safekeeping of the float.

20.4 To ensure that where staff are leaving the employ of the Authority or otherwise ceasing to hold a float, the float is properly handed in and accounted for.

Responsibilities of Staff

20.5 An Officer responsible for a cash float will give the Corporate Director - Resources a certificate stating the balance of his/her cash advance at the 31 March each year, and at any other time the Corporate Director - Resources requires.

20.6 To record all transactions as they occur. Vouchers and cash balances must be available for checking at any time by the Corporate Director - Resources (or his/her representative).

20.7 To ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.

20.8 To make arrangements for keeping the cash balances and vouchers in a safe place.

20.9 To ensure that any income received on behalf of the Council is not paid into a cash float but is banked or paid to the Authority.

20.10 To limit purchases through petty cash to minor items (£20 or less) and to such other items as the Corporate Director - Resources may approve. Any purchase must be supported by a receipted

voucher. Where appropriate, Value Added Tax vouchers must accompany any taxable payment made.

21 STAFFING

Why is this important?

21.1 In order to provide the highest level of service, it is crucial that the Authority recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

Key Controls

21.2 An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched.

21.3 Procedures are in place for forecasting staffing requirements and cost.

21.4 Controls are implemented that ensure that staff time is used efficiently and to the benefit of the Authority.

21.5 Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

Responsibility of the Corporate Director - Resources

21.6 To ensure that budget provision exists for all new and existing employees.

21.7 To make payment of all salaries, gratuities, compensation and other items to all employees or former employees or under arrangements approved and controlled by him/her.

Responsibilities of Senior Officers

21.8 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary costs.

21.9 To ensure that both Human Resources and Payroll are notified promptly of any new staff or any leavers.

21.10 To notify Payroll in an agreed form and time of all staff absence from work for sickness.

21.11 To provide a list of officers who are authorised to sign timesheets, invoices, orders, etc on behalf of the Senior Officer. This should be on the prescribed form and include specimen signatures, together with any specified limits.

21.12 To ensure that all timesheets or other pay documents are certified and returned to Payroll for processing.

D FINANCIAL SYSTEMS AND PROCEDURES**22 GENERAL****Why is this important?**

- 22.1 Divisions have many systems and procedures relating to the control of the Authority's assets. They are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 22.2 The Corporate Director - Resources has a professional responsibility to ensure that the Authority's financial systems are sound and should therefore be notified of any new developments or changes.

Key Controls

- 22.3 Basic data exists to enable the Authority's objectives, targets, budgets and plans to be formulated.
- 22.4 Performance is communicated to the appropriate managers in an accurate, complete and timely basis.
- 22.5 Early warning is provided of deviation from target, plans and budgets that require management attention.
- 22.6 Operating systems and procedures are secure.

Responsibilities of the Corporate Director - Resources

- 22.7 To make arrangements for the proper administration of the Authority's financial affairs including:
- Issuing advice, guidance and procedures for officers and others acting on the Authority's behalf.
 - Establishing arrangements for the audit of the Authority's financial affairs.
 - Approving any new financial systems to be introduced.
 - Approving any changes to existing financial systems.
- 22.8 To determine the accounting system, form of accounts and supporting financial records and follow recommended published standards and codes of practice.
- 22.9 To arrange for the accounts and accounting records to be produced.
- 22.10 To consult with other Senior Officers before revising any procedures.
- 22.11 To establish a scheme of delegation identifying officers authorised to act on Senior Officers' behalf with regard to financial matters.
- 22.12 To control the day to day financial administration of the Council by issuing detailed administrative and accounting instructions, as appropriate. These instructions will have the same standing as Financial Regulations.

Responsibilities of Senior Officers

- 22.13 To obtain agreement of the Corporate Director - Resources before introducing any revised system, books or forms relating to finances.
- 22.14 To ensure that the principles of internal check operate within his/her Division and that accounting procedures and financial records under his/her control are kept accurately and up to date.
- 22.15 To ensure that the following principles are observed in the allocation of accounting duties:
- The duties of calculating, checking and recording sums due to or from the Council are separated as much as possible from the duty of collecting or using them.
 - Relevant standards and guidelines for computer systems are observed.
 - Compliance with the copyright, designs and patent legislation and, in particular, to ensure that: only software legally acquired and installed by the Authority is used on its computers
 - Staff are aware of legislative provisions
 - In developing systems, due regard is given to the issue of intellectual property rights
- 22.16 Officers charged with the duty of examining and checking the accounts of cash transactions may not themselves perform any of those transactions.

Responsibility of the Information Services Manager

- 22.17 To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Back-up information should be securely retained in a fireproof location, preferably off site.
- 22.18 To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.

23 INCOME

Why is this important?

- 23.1 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services, as this improves the Authority's cash flow and also avoids the time and cost of administering debt. However, this may not always be possible.

Key Controls

- 23.2 All income due to the Authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed.
- 23.3 All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery.
- 23.4 All money received by an employee on behalf of the Authority is paid without delay to the Corporate Director - Resources straightaway, or as he/she directs to the Authority's bank or National Giro account, and properly recorded. The responsibility for collection should be separated from that:

- Of identifying the amount due
- Of reconciling the amount due to the amount received

- 23.5 Effective action is taken to pursue non-payment within defined timescales.
- 23.6 Formal approval for debt write-off is obtained.
- 23.7 Appropriate write-off action is taken within defined timescales.
- 23.8 Appropriate accounting adjustments are made following write off action.
- 23.9 All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule.
- 23.10 Money collected and deposited is reconciled to the bank accounts by a person who is not involved in the collection or banking process.

Responsibilities of the Corporate Director - Resources

- 23.11 To control the collection of all money due to the Council.
- 23.12 All monies received on behalf of the Council in any Division must be paid to the Corporate Director - Resources straightaway or, as he/she may direct, to the Council's bank account. No deduction may be made from such monies unless the Corporate Director - Resources specifically agrees to it.
- 2.13 The Corporate Director - Resources has the right to inspect any documents or other evidence in connection with contracts, leases, agreements and other arrangements entered into, which involve the receipt of money by the Council.
- 23.14 To ensure that there are proper arrangements for the control of all receipt forms, books, tickets and other such items including ordering and supplying them.
- 23.15 To make arrangements for the collection of monies due for sundry invoices.
- 23.16 To write off, under delegated powers, uncollectable amounts of sundry debt of £1,500 or less and to report such write-offs to Board from time to time. Sums due to the Council in excess of £1,500 may not be written off except with the consent of the Resources Board.
- 23.17 To hold securely receipts, tickets and other records of income for the appropriate period.
- 23.18 To make arrangements for the payment of Council Tax and Non-Domestic Rates.
- 23.19 To write-off, under delegated powers, uncollectible amounts of Council Tax, NDR, Housing Benefit Overpayments and Former Tenant Arrears of £6,440 or less and to report such write-offs to Board from time to time. Sums due to the Council in excess of £6,440 may not be written off except with the consent of the Resources Board. This amount will be increased annually in line with the average Council Tax increase in the Borough.
- 23.20 To hold securely receipts, tickets and other records of income for the appropriate period.

Responsibilities of the Information Services Manager

- 23.21 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.

Responsibilities of Senior Officers

- 23.22 To ensure that each Officer who banks money does so in accordance with the instructions of the Corporate Director - Resources.
- 23.23 To ensure that staff are aware that personal cheques must not be cashed out of monies held on behalf of the Council.
- 23.24 To ensure that any transfer of official money from one member of staff to another is noted in the records of the Division concerned by the timed and dated signature of both officers.
- 23.25 To give the Corporate Director - Resources details of work done, goods supplied or services provided and of all other amounts due, to enable accounts to be issued promptly for the collection of the income due.
- 23.26 To ensure that no new charges or changes in existing charges are made unless reported to the appropriate Board, unless the Board has given authority to a Council Officer.
- 23.27 To ensure that each Board reviews, at least once in each year, as part of the budget process, whether the fees and charges for facilities and services under its control should be amended in any way.
- 23.28 To notify the Corporate Director - Resources promptly of all monies due to the Council and of contracts, leases and other agreements and other arrangements entered into which involve the receipt of money by the Council.
- 23.29 To notify the Corporate Director - Resources of any outstanding income relating to the previous year as soon as possible after 31 March and in line with the timetable issued.

General

- 23.30 All cheques will be crossed specifically to the account of the Council when received, and to ensure that personal cheques are not cashed out of monies held on behalf of the Council.
- 23.31 Post-dated cheques will not be accepted in payment of debt, except by special arrangement with the Corporate Director - Resources.
- 23.32 All accounts for income due to the Council will be produced through the Corporate Director - Resources unless otherwise authorised, except accounts for rents which will be produced through the Director of Housing. Accounts must be in the name of North Warwickshire Borough Council.

24 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this important?

- 24.1 Public money should be spent with demonstrable probity and in accordance with the Authority's policies. We have a statutory duty to achieve best value in part through economy and efficiency. Our procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with Contract Standing Orders and the Procurement Policy and Strategy.

Key Controls

- 24.2 The key controls for ordering and paying for work, goods and services are:

- (a) Financial checks are carried out on new suppliers, before orders are placed.
- (b) All goods and services are ordered only by appropriate persons and are correctly recorded.
- (c) All goods and services shall be ordered in accordance with Contract Standing Orders.
- (d) Goods and services received are checked to ensure they are in accordance with the order. Wherever possible, goods should not be received by the person who placed the order.
- (e) Payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- (f) All appropriate evidence of the transaction and payment documentation are retained and stored for the defined period, in accordance with the document retention policy.
- (g) All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- (h) In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of the Corporate Director - Resources

- 24.3 To ensure that all the Authority's financial systems and procedures are sound and properly administered.
- 24.4 To carry out financial checks on new suppliers.
- 24.5 To make payments from the Authority's bank accounts having authorised that the expenditure has been duly incurred in accordance with financial regulations.
- 24.6 To approve any changes to the existing financial system and to approve any new system before it is introduced.
- 24.7 To make payments to contractors on the certification of the appropriate senior officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 24.8 To approve the form of official orders.
- 24.9 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a Court Order.
- 24.10 To provide advice and encouragement on making payment by the most economical means.
- 24.11 To ensure that a budgetary control system is established that enables commitments incurred by placing orders against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.

Responsibilities of Senior Officers

- 24.11 Each Senior Officer is responsible for all orders issued from his/her Division, and must keep a list of all persons he/she has authorised to sign orders on his/her behalf, including any consultants or agency placements who have also been given appropriate authorisation. Orders will be raised, at the time of committing expenditure, using the Council's Procurement System (TOTAL) and

approved by the Budget Holder. Any change in authorised officers must be notified straightaway to the Corporate Director - Resources.

- 24.12 To ensure that each order for the supply of goods complies with the Council's approved Purchasing Strategy document, and that a financial and insurance check has been carried out for new suppliers.
- 24.13 To ensure that the cost of official orders is within the overall approved estimates; represents value for money and that Contract Standing Orders have been complied with. Where expenditure is incurred in an emergency, the relevant Senior Officer is responsible for obtaining any subsequent authorisation that may be required.
- 24.14 To ensure that official orders clearly show the nature and quantity of the materials, works or services required, and details of the agreed price (or estimated price), discounts and terms in relation to packing and delivery.
- 24.15 To ensure that best value is obtained from purchases by obtaining competitive prices for goods and services of the appropriate quality in line with the Council's Contract standing Orders.
- 24.16 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, wherever possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories.
- 24.17 To ensure that before authorising an invoice, the following processes have been carried out:-
- The work, goods or services to which the account relates have been received, carried out, examined and approved;
 - The prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct;
 - The relevant expenditure has been properly incurred, and is within the relevant estimate provision;
 - The account has not been previously passed for payment and is a proper liability of the Council.
- 24.18 Prepayments for goods and services may only be allowed in exceptional circumstances where a significant benefit may be obtained. This should be agreed with the Corporate Director - Resources before any commitment is made, to allow checks to be carried out on the supplier if appropriate. The reason for the prepayment should be noted on the invoice/ cheque requisition.
- 24.19 To ensure that two members of staff are involved in the ordering, receiving and invoice authorisation process. If possible a different officer from the person checking a written invoice should authorise the invoice.
- 24.20 To ensure that any amendments to the names of officers authorised to sign off orders and invoices is notified to the Corporate Director - Resources without delay, along with specimen signatures.
- 24.21 To ensure that an agreement to pay any suppliers by direct debit is not entered into without the agreement of the Corporate Director - Resources.
- 24.22 To ensure that all invoices are paid within 30 days, unless the supplier's terms of trade vary. The only exception is where the invoice is disputed. In this instance, the Creditor's section must be notified promptly of the dispute.

- 24.23 To ensure that leasing or rental arrangements are not entered into without prior agreement of the Corporate Director - Resources. This is because of the potential impact on the Authority's borrowing powers, to protect the Authority from entering into unapproved credit arrangements and to ensure that value for money is being obtained.
- 24.24 To notify the Corporate Director - Resources of outstanding expenditure relating to the previous year as soon as possible after 31 March and in line with the timetable issued.
- 24.25 To notify the Corporate Director - Resources immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 24.26 To ensure that any payment by the Council's debit card or purchasing card is in accordance with the instructions issued by the Corporate Director - Resources.
- 24.27 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention policy.

General

- 24.28 Every officer and member of the Authority has a responsibility to declare any links or personal interests that they have with purchasers, suppliers and/or contractors if they are engaged in any contractual or purchasing decisions on behalf of the Authority, in accordance with the appropriate codes of conduct.
- 24.29 All orders must be in the name of North Warwickshire Borough Council and must be in a form approved by the Corporate Director - Resources. All goods must be delivered to North Warwickshire Borough Council. In cases of an emergency, approval of the Corporate Director - Resources must be obtained in advance of placing the order and providing an alternative delivery address.
- 24.30 Official electronic orders must be issued for all work, goods or services to be supplied to the Council except for supplies of gas, electricity, water and telephone services, work carried out under written contracts, for periodical payments such as rent or rates, for petty cash purchases, for purchase card purchases, payment of Officers' professional fees or other exceptions as the Corporate Director - Resources approves.
- 24.32 Verbal orders must be confirmed by electronic order the same day / next day if after 2pm and be marked "Confirmation Order."
- 24.33 The Officer issuing the order has overall responsibility for examining, verifying and authorising the related invoice.
- 24.34 Apart from petty cash, the normal method of payment is by BACS or cheque or by other approved method, drawn on the Authority's bank account. The use of direct debit for payments requires the agreement of the Corporate Director - Resources. The use of purchase cards must comply with the guidelines issued by the Corporate Director - Resources.
- 24.35 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of any of the Authority's contracts. Personal accounts, such as Amazon, must never be used for official purchases.
- 24.36 No officer is allowed to certify an invoice or claim form for reimbursement of expenditure to him/herself.
- 24.37 Any alterations to manual entries shown on an invoice must be initialled by the officer authorising the payment.

25 CONTRACTS

Responsibilities of the Corporate Director - Resources

- 25.1 To carry out financial appraisals of potential contractors, where appropriate, and provide an assessment of their financial suitability.
- 25.2 Where a contractor is unable to complete the material works of a contract, due to financial instability, bankruptcy, etc, to arrange for alternative insurance cover and assess the financial and contractual position.

Responsibilities of the Information Services Manager

- 25.2 To maintain a register of all Council-wide contracts and update on a regular basis. This is to be maintained on the Internet.

Responsibilities of Senior Officers

- 25.3 To keep a record of payments made by instalments to show the state of account on each contract between the Council and the contractor.
- 25.4 To examine final accounts for contracts, to the extent he/she considers necessary, and to make all such enquiries and receive such explanations as he/she may require to satisfy himself/herself as to the accuracy of the accounts.
- 25.5 To comply with the Council's Contract Standing Orders and notify the Corporate Director - Resources as soon as possible of all contracts, agreements, awards or other methods involving the payment or receipt of money on behalf of the Council.
- 25.6 To authorise payments on account to contractors on a certificate which complies with all tax requirements, issued by the appropriate Officer or other authorised Officer of the Council or other person appointed by the Council, showing the total amount of the contract, the value of work done to date, retention money, amount paid to date and the amount now certified as due.
- 25.7 Every variation, addition to, omission from, or alteration in identity of the parties to a contract should be authorised in writing by the appropriate Officer or other person in control of the works. The notification should specify the estimated cost or saving involved and a copy of all such notifications should be sent to the Corporate Director - Resources.
- 25.8 To report to the appropriate Board where a variation of a contract exceeds £10,000 or 10% of the contract sum, whichever is the greater, or any contract exceeds its contract sum by more than 10%, for whatever reason, details of the variation or overspend and the reason(s) for it, as soon as practicable and to every following appropriate Board until the scheme is completed.
- 25.9 It is the responsibility of the Senior Officer concerned to ensure that the final account is correct before being sent to the Corporate Director - Resources for payment.
- 25.10 To refer claims from contractors in respect of matters not clearly within the terms of an existing contract to the Head of Legal Services for consideration of the Council's legal liability, and where necessary, to the Corporate Director - Resources for financial consideration before a settlement is reached.
- 25.11 Where a contractor is unable to complete the material works of a contract, due to financial instability, bankruptcy, etc, the Senior Officer will report to the Board concerned and will secure the

site immediately, arrange with the Corporate Director - Resources for alternative insurance cover and assess the financial and contractual position. Arrangements will be made for alternative contractors to continue or complete the works, by following contract standing orders as to the employment of contractors.

- 25.12 Where completion of a contract over £40,000 is delayed beyond the contract period, to take appropriate action in respect of any claim for liquidated damages and to report this to the Board concerned.
- 25.13 To notify the Corporate Director - Resources of any leasing or rental agreements prior to entering into such a contract.
- 25.14 To notify the Information Services Manager of all contracts entered into and contracts being arranged to enable monitoring of financial limits according to Contract Standing Orders, and to facilitate value for money.

General

- 25.15 Officers must not purposely disaggregate orders/contracts to avoid the limits and processes set out in contract standing orders.
- 25.16 Where orders for goods, services, materials, or for the execution of any work are made on a continuous basis for the same type of work with the same supplier, and it is envisaged that the total amount of such purchases in any one year will exceed the amounts specified in Contract Standing Orders, then the provisions and limits within those Standing Orders will apply. Orders of this type should be subject to competition.
- 25.17 Where contracts entered into by the Council are supervised and managed by persons other than the Council's own employees the agreement with the person having control of the works shall provide for the Council's Contract Standing Orders to be followed.

26 PAYMENTS TO EMPLOYEES AND MEMBERS

Why is this important?

- 26.1 Staff costs are the largest item of expenditure. It is therefore important that payments are accurate, timely, made only where they are due for services to the Authority and that payments are in accordance with individual's conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised in accordance with the scheme adopted by the Council.

Key Controls

- 26.2 Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:

- Starters;
- Leavers;
- Variations; and
- Enhancements

and that payments are made on the basis of timesheets or claims if appropriate.

- 26.3 Frequent reconciliation of payroll expenditure against approved budget and bank account.

26.4 All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention scheme.

26.5 That Inland Revenue regulations are complied with.

Responsibilities of the Corporate Director - Resources

26.6 To arrange and control secure and reliable payment of salaries, compensation or other emoluments to existing and former employees, in accordance with prescribed procedures on the due date.

26.7 To make arrangements for the accurate and timely payment of tax, superannuation and other deductions.

26.8 To arrange and control secure and reliable payment of Members allowances, in accordance with prescribed procedures on the due date.

26.9 To make arrangements for payment of all travel and subsistence claims or financial loss allowances.

Responsibilities of Senior Officers

26.10 To ensure that appointments, resignations, dismissals, suspension, secondments and transfers are made in accordance with the regulations of the Authority and approved establishments, grades and scales of pay and that adequate budget provision is available.

26.11 To ensure that adequate and effective systems and procedures are operated, so that:

- Payments are only authorised to bona fide employees
- Payments are made only where there is a valid entitlement
- Conditions and contracts of employment are correctly applied
- Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness

26.12 To send an up to date list of the names of officers to sign timesheets and claims to Payroll.

26.13 To give careful consideration to the employment status of individuals employed on a self-employed consultant or sub-contract basis. The Inland Revenue applies a tight definition for employee status, and in cases of doubt, advice should be sought from Payroll.

26.14 To certify travel, subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that Payroll is informed, where appropriate.

26.15 To ensure that Payroll is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax assessment system.

26.16 To notify the Corporate Director - Resources in an agreed form and time of all absences from work for sickness.

Responsibilities of Members

26.17 To submit claims for Members' travel and subsistence allowances on a monthly basis.

27 TAXATION**Why is this important?**

27.1 Like all organisations, the Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

Key Controls

27.2 The key controls for taxation are:

- (a) budget managers are provided with relevant information and kept up to date on tax issues
- (b) budget managers are instructed on required record keeping
- (c) all taxable transactions are identified, properly carried out and accounted for within stipulated timescales
- (d) records are maintained in accordance with instructions
- (e) returns are made to the appropriate Authorities within the stipulated timescale

Responsibilities of the Corporate Director - Resources

27.3 To complete all Inland Revenue returns regarding PAYE.

27.4 To complete a monthly return of VAT inputs and outputs to HM Customs and Excise.

27.5 To provide details to the Inland Revenue regarding the construction industry tax deduction scheme.

27.6 To provide advice to colleagues in other departments, as required, on the implementation and effective application of taxation with regard to the provision of council services.

Responsibilities of Senior Officers

27.7 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Customs and Excise regulations.

27.8 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.

27.9 To ensure that all persons employed by the Authority are added to the Authority's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.

27.10 To follow the guidance on taxation issued by the Corporate Director - Resources.

28 TRAVEL, SUBSISTENCE AND FINANCIAL LOSS ALLOWANCES**Responsibilities of the Corporate Director - Resources**

28.1 Payment to approved individuals/groups who are entitled to claim travelling or other allowances will be made by the Corporate Director - Resources upon receipt of the appropriate completed form.

- 28.2 To set in place a process to check the insurance, license and MOT details for any officer or member using his/her car for official business.

Responsibilities of Senior Officers

- 28.3 To send the names of Officers authorised to certify travel and subsistence claims to the Corporate Director - Resources, together with specimen signatures and to amend this, as appropriate. The certification by or on behalf of the Senior Officer means that the Certifying Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.

Staff responsibility

- 28.4 It is the responsibility of each officer using his/her car for official business to have up-to-date insurance and MOT cover. This includes the appropriate cover where a partner's car is used. Details should be provided at least annually to the Corporate Director - Resources or his/her representative. Travel allowance will not be paid to any officer who does not produce the necessary documentation.
- 28.5 To ensure that all claims for payment of car allowances, subsistence payments, travelling and incidental expenses are submitted, certified in a form approved by the Corporate Director - Resources, to him/her, within seven days of a specified day of each month.
- 28.6 Any change in the status of the driving licence, including penalty points, must be notified to the Corporate Director - Resources promptly. Where an employee has become disqualified or has a medical condition which impacts on their ability to drive, they should inform their manager immediately and stop undertaking business journeys.
- 28.7 Officers are responsible for any parking or speeding fines, even if incurred whilst on official business.
- 28.8 Officers' claims submitted more than three months after the expenses were incurred will be paid only with the approval of the Corporate Director - Resources.

Responsibilities of Members

- 28.9 It is the responsibility of each Member using his/her car for official business to have up-to-date insurance and MOT cover. This includes the appropriate cover where a partner's car is used. Details should be provided at least annually to the Corporate Director - Resources or his/her representative. Travel allowance will not be paid to any Member who does not produce the necessary documentation.
- 28.10 Payments to Members, including co-opted Members of the Council or its Boards who are entitled to claim travelling or other allowances will be made by the Corporate Director - Resources upon receipt of the appropriate completed form. All claims for a financial year should be submitted within one month of 31 March.

E EXTERNAL ARRANGEMENTS

29 PARTNERSHIPS

Why is this important?

- 29.1 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local Authorities often work in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities deliver some services directly, but also have a leadership role to bring together the contributions of a variety of stakeholders. They therefore need to deliver a shared vision of services based on user wishes.
- 29.2 Local Authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local Authorities will be measured by what they achieve in partnership with others.

General

- 29.3 The main reasons for entering into a partnership are:
- (a) the desire to find new ways to share risk
 - (b) the ability to access new resources
 - (c) to provide new and better ways of delivering services
 - (d) to forge new relationships.
- 29.4 A partner is defined as either:
- (a) an organisation (private or public undertaking), part funding or participating as a beneficiary in a project; or
 - (b) a body whose nature or status give it a right or obligation to support the project
- 29.5 Partners participate in projects by:
- (a) acting as a project deliverer or sponsor, solely or in concert with others
 - (b) acting as a project funder or part funder
 - (c) being the beneficiary group of the activity undertaken in a project.
- 29.6 Partners have common responsibilities:
- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation
 - (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives
 - (c) be open about any conflict of interests that might arise
 - (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors

- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
- (f) to act wherever possible as ambassadors for the project.

Key Controls

29.7 The key controls for Authority partners are:

- (a) if appropriate, to be aware of their responsibilities under the Authority's financial regulations and the code of practice on tenders and contracts
- (b) to ensure that risk management processes are in place to identify and assess all known risks
- (c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- (d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- (e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

Responsibilities of the Corporate Director - Resources

29.8 To advise on effective controls that will ensure that resources are not wasted.

29.9 To advise on the key elements of funding a project. They include:

- (a) a scheme appraisal for financial viability in both the current and future years
- (b) risk appraisal and management
- (c) resourcing, including taxation issues
- (d) audit, security and control requirements
- (e) carry-forward arrangements

29.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of Senior Officers

29.11 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Corporate Director - Resources.

29.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Corporate Director - Resources.

29.13 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Authority.

29.14 To ensure that all agreements and arrangements are properly documented.

APPENDIX A

- 29.15 To provide appropriate information to the Corporate Director - Resources to enable a note to be entered into the Authority's statement of accounts concerning material items.
- 29.16 To report annually to the appropriate Board, or more frequently if required to Management Team, on the progress of the Partnership.

30 EXTERNAL FUNDING

Why is this important?

- 30.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority. Local Authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies, such as the National Lottery and the single regeneration budget, provide additional resources to enable the Authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Authority's overall plan.

Key Controls

- 30.2 The key controls for external funding are:
- (a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
 - (b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Full Council.
 - (c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Corporate Director - Resources

- 30.3 To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.
- 30.4 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 30.5 To ensure that audit requirements are met.

Responsibilities of Senior Officers

- 30.6 To ensure that the Corporate Director - Resources is notified of all applications and approvals for external funding.
- 30.7 To ensure that all claims for funds are made by the due date.
- 30.8 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

31 WORK FOR THIRD PARTIES

Why is this important?

- 31.1 Current legislation enables the Authority to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise.
- 31.2 Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is intra vires.

Key Controls

- 31.3 The key controls for working with third parties are:
 - (a) to ensure that proposals are costed properly in accordance with guidance provided by the Corporate Director - Resources;
 - (b) to ensure that contracts are drawn up using guidance provided by the Corporate Director - Resources and that the formal approvals process is adhered to.

Responsibilities of Senior Officers

- 31.4 To ensure that the approval of the appropriate Board is obtained before any negotiations are concluded to work for third parties.
- 31.5 To maintain a register of all contracts entered into with third parties.
- 31.6 To ensure that appropriate insurance arrangements are made through the Corporate Director - Resources. Senior Officers shall consult with the Head of Legal in respect of all terms of indemnity, which the Council is requested to give.
- 31.7 To ensure that the Authority is not put at risk from any bad debts.
- 31.8 To ensure that no contract is subsidised by the Authority, unless this decision has been approved by Resources Board.
- 31.9 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 31.10 To ensure that the department/unit has the appropriate expertise to undertake the contract.
- 31.11 To ensure that such contracts do not impact adversely upon the services provided for the Authority.
- 31.12 To ensure that all contracts are properly documented.
- 31.13 To provide appropriate information to the Corporate Director - Resources to enable a note to be entered into the statement of accounts.

Agenda Item No 8

Resources Board

22 March 2021

Changes to the Non Domestic Discretionary Retail Rate Relief Scheme 2021/22

Report of the Corporate Director Resources

1 Summary

The purpose of this report is to request Members to adopt the National Non Domestic Discretionary Retail Discount (NNDR) scheme attached at Appendix A which reflects the changes announced in the Budget on the 3 March 2021.

1.1 The changes that were announced were to provide the ability for Councils to:

- Extend the Expanded Retail relief until the 30 June 2021 to all eligible hereditaments; and
- Award a further 66% relief from the 1 July 2021 to 31 March 2022 to all hereditaments that meet the eligibility criteria.

Recommendation to the Council

- a To adopt the Non Domestic Discretionary Retail Discount Scheme, as attached at Appendix A, with effect from 1 April 2021; and**
- b That a further report is brought to Board in May to recommend any review of the Non Domestic Discretionary Retail discount for Leisure, Hospitality and Nursery premises for 1 July 2021 to 31 March 2022.**

2 Background

2.1 Under Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act), the Council has been given discretionary power to:

- Extend the Expanded Discretionary Retail Relief until the 30 June 2021 to all eligible hereditaments; and

- Review the Expanded Discretionary Retail Reliefs from the 1 July 2021 and consider awarding a 66% to all hereditaments that meet the eligibility criteria as recommended by the government announcement in the budget on the 3 March 2021.
- 2.2 All Councils require a Member endorsed Scheme which explains and adopts its approach to considering any applications for discretionary rate reliefs under these new provisions. As such, officers have drafted a scheme based on the Governments proposed approach that confirms that the Council will look to support all businesses who meet the qualifying criteria.
- 2.3 If adopted, the updated scheme will require the Council to either seek written applications for relief to be made or alternatively review the occupation of each property where the changes may be affected. At this stage it has not yet been decided which approach to take. At the time of writing this report, it is not possible to accurately forecast how many businesses will actually qualify for this support.

3 Proposed Scheme

- 3.1 The proposed scheme is provided at Appendix A and will enable assistance to be provided to ratepayers of properties occupied for the purposes of retail activity.
- 3.2 The system used to administer business rates does not have the capacity to split the relief criteria part way in the financial year. To overcome this, it is planned to:
- Implement the 100% relief, subject to a review which will make any required reductions which need to be implemented from 1 July 2021;
 - Review the 100% relief as needed, to ensure that the additional reliefs meet the criteria for reimbursement by the government;
 - Send each ratepayer a letter with their bill explaining why their bill shows a full year of 100% relief and that there will be a need for a further bill from 1 July 2021; and
 - Include a note on each bill to warn ratepayers who may be affected.
- 3.3 The proposed scheme builds on the guidelines previously used. The updated scheme at Appendix A will enable assistance to be provided to ratepayers of properties occupied for the purposes of retail activity, if adopted.
- 3.4 Since the Government guidance on the approach to exercising this extended power only applies until 30 June 2021, requiring further provision from 1 July 2021, it is suggested that a further report will be brought to the Board's meeting in May to recommend any appropriate changes to the proposed scheme.

4 Report Implications

4.1 Finance and Value for Money Implications

4.1.1 The Department for Housing Communities and Local Government (DHCLG) has confirmed that local authorities will be fully compensated for offering this discretionary business rates retail relief scheme, using its provisions under Section 31 of the Local Government Act 2003.

4.2 Legal and Human Rights Implications

4.2.1 Adopting a scheme will ensure that the Council's position with regard to discretionary relief under the Local Government Finance Act 1988 is transparent. The clearly laid down criteria will ensure a consistent approach is taken in all cases in the event of an application or an appeal against any decision which is made.

4.3 Human Resources Implications

4.3.1 The impact of implementing the proposed scheme should have minimal impact on staffing levels.

The Contact Officer for this report is Rachael Dobson (719338)

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
Guidance Note issued to allow a revised approach as enabled by Section 47 Local Government Finance Act 1988 (as amended by the Localism Act)	DHCLG	Guidance Note	4/12/18

Business Rates

Retail Discount Scheme 2021-22 (Part1)

Introduction

In Budget 2018, the Government announced that it would provide a business rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. Then in the Queen's speech in December 2019 it was announced that further support would be implemented, and this was extended further in the Budget announcement on 11 March 2020.

Following the announcement on 23 March 2020 of further measures to limit the spread of coronavirus, the Government confirmed that some of the exclusions for this relief would be removed, so that retail, leisure, hospitality, and nursery properties that would have had to close due to the result of the restriction measures, would be eligible for the relief.

In the budget of the 3 March 2021, the government announced an extension to the period of the 100% Retail Discount scheme for eligible properties.

This relief will continue to apply to occupied retail, leisure, hospitality, and nursery hereditaments up to the 30 June 2021. There will be no rateable value limit on the relief for these properties during this period.

The extra value of discount will be to extend the business rate retail relief, by amending any discount to 100% up to the 30 June 2021. It must be applied after mandatory reliefs and other discretionary reliefs have been applied. This discount will also be applied to the leisure, hospitality, and nursery sectors.

With Newspaper Relief, the Government initially provided funding to local authorities to provide a discount worth £1,500 for the years 2017/18 and 2018/19 for office space occupied by local newspapers. This was then extended to allow the relief to be granted in 2019/20. The Government has now announced a further extension of the discount for an additional 5 years until 31 March 2025.

Local billing authorities are required to adopt a local scheme and decide in each individual case when to grant relief under section 47. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.

As the grant of the relief is discretionary, authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the authority's wider objectives for the local area.

The government confirmed that there would be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021, relief will be capped at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.

Ratepayers will be required to apply for the relief to ensure that retail relief granted complies with EU law on state aid, a condition of receiving the relief will be for the recipient to immediately notify us of any disqualifying conditions such as already receiving state aid or where there is a change to a non-qualifying use of the premises.

Rate payers may wish to refuse the Expanded Retail Discount and Nursery Discount. Any business that chooses to refuse the relief in relation to their premises must notify the Authority accordingly.

Properties that will benefit from Retail Discount Relief

Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:

- A. as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
- B. for assembly and leisure; or
- C. as hotels, guest & boarding premises and self-catering accommodation

In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The government consider shops, restaurants, cafes, drinking establishments and live music venues to mean:

Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc.)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc.)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing

- DVD/ video rentals
- Tool hire
- Car hire
- Employment agencies
- Estate agents and letting agents
- Betting shops

Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

The lists set out above is not intended to be exhaustive and each application will be considered to determine whether they are broadly similar in nature to those listed.

Hereditaments which are being used as cinemas

Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.2

Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs and institutions

We consider hotels, guest & boarding premises and self-catering accommodation to mean:

Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief. For the avoidance of doubt, hereditaments which have closed due to the government's advice on COVID19 should be treated as occupied for the purposes of this relief.

Properties that will not benefit from relief

The government does not consider retail use for the purpose of this relief as:-

Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Professional services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting office

or hereditaments that are not reasonably accessible to visiting members of the public

Calculation of Relief

The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

The relief will be applied against the net bill after all other reliefs.

The relief should be applied on a day to day basis. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de Minimis limits (see below).

Newspaper Relief-2017/18 onwards

This relief applies to:

- local newspapers only
- The property must be occupied by a local newspaper and used wholly or mainly as offices for journalists and reporters
- Only one discount is available per newspaper title and per property

The award of this discount is considered to amount to state aid.

The Government fully funds the awarding of this relief.

State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Retail Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

Although the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during an implementation period State aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. Local authorities should therefore continue to apply State aid rules, including De Minimis, to the relief for during the implementation period.

Agenda Item No 9

Resources Board

22 March 2021

Report of the Corporate Director - Resources

Internal Audit Plan 2021/22 and Counter Fraud Activity

1 Summary

- 1.1 The purpose of this report is to set out the proposed Internal Audit Plan for 2021/22 and update Board members on the work of the Counter Fraud Officer.

Recommendation to the Board

That the Internal Audit Plan at Appendix A be approved, and that the work of the Counter Fraud Officer be noted.

2 Internal Audit Plan

- 2.1 The Public Sector Internal Audit Standards (PSIAS) require an annual internal audit plan to be developed using a risk-based assessment process. The assessment process at North Warwickshire Borough Council considers factors such as:-

- the extent of change and development;
- Staffing issues, e.g. potential inadequate training, high vacancy levels or extensive delegation;
- the complexity of the system;
- previous audit reports/agreed action plans and the length of time since the last review;
- frauds detected or investigated;
- the sensitivity of the system, for example the impact to the authority of something going wrong; and
- the value and volume of transactions.

- 2.2 From the assessment, a risk score is allocated to each system, which is then used to prioritise audits and determine the frequency of each review. Scores of 100 or below are deemed to be too low a risk to warrant a review; 101 to 200 are medium risk, which require a review every 3 to 5 years and scores of 201 or more are high risk and will be reviewed at least once every 2 years. On completion of each review

the assessment will be updated to ensure that it remains reasonable and is based on sound judgement.

- ...
- 2.3 The proposed plan at Appendix A includes the risk score established from the risk assessment process described above and an indication of when the work is likely to be completed; although there has to be some flexibility in this as some reviews will run over from one quarter to the next at times for various reasons. In determining the timing of the reviews, consideration has been given this year to the impact that the COVID-19 pandemic has had on services to avoid unnecessary work pressures rather than the risk scores.
 - 2.4 The plan includes work that the team were unable to complete during 2020/21, those audits that have been carried forward are marked with an Asterix. The pandemic has made it more difficult to complete audit reviews partly because staff are working from home so it is more difficult to obtain information, partly due to lockdown and not being able to access buildings and partly because some teams have had other high priority tasks to deal with. Also, there has been a resource problem within the audit team as both part-time members left in 2020, one in September and one in December. A recruitment exercise to replace them is currently underway.
 - 2.5 In developing the 2021/22 plan, it has been assumed that the impact on services from the pandemic will reduce as lockdown restrictions are lifted. If this is not the case, and as a result we find it difficult to complete some of the proposed audits, a revised plan will be presented to the Board for approval.
 - 2.6 Follow-up reviews are completed after the final report has been issued to ensure that all agreed actions have been addressed as planned; the timing of these reviews is dependent upon when the report was finalised, and the audit opinion given.

3 Counter Fraud Activity

- 3.1 The current Counter Fraud Officer has been employed by the Council since June 2018, this is a shared role with Nuneaton and Bedworth Borough Council (NBBC), on average the Officer spends 40% of his time investigating fraud allegations at NWBC and 60% at NBBC.
- 3.2 So far this year, at NWBC the Officer has investigated 134 cases and identified cashable savings to the public purse of approximately £61,000 and notional savings of approximately £27,000. Notional savings are the estimated future savings to the public purse because of the intervention and successful fraud investigation. For example, it is assumed that had it not been for the investigation a housing benefit claim would have continued to be paid at the higher rate for at least 21 weeks. The notional saving calculations are in line with those used by the Cabinet Office for their data matching exercise, the National Fraud Initiative, which is conducted to assist in the prevention and detection of fraud with data being provided by some 1,200 organisations from both the public and private sectors, NWBC being one of them.

4 Report Implications

4.1 Risk Management Implications

4.1.1 The Audit Plan for 2021/22 takes specific account of the Council's strategic and operational risks.

4.2 Links to Council's Priorities

4.2.1 The Audit Plan for 2021/22 is based on a risk assessment which will ensure the best use of resources to provide a high-quality service.

The Contact Officer for this report is Linda Downes (719416).

Internal Audit Plan 2021/22

System Reviews	Risk Score	Timing of Review
Cesspool Emptying Service	116 - Medium	Quarter 2
Civic Silver and Security	122 - Medium	Quarter 3
Cleaning (HRA) *	103 – Medium	Quarter 3
Community Centres	124 - Medium	Quarter 4
Contaminated Land *	105 - Medium	Quarter 1
Discretionary Grant Scheme Payments *	One-off Review	Quarter 1
Environmental Protection	137 - Medium	Quarter 3
Corporate Feedback (complaints and compliments)	129 - Medium	Quarter 2
Economic Development	139 - Medium	Quarter 1
Environmental Protection	137 - Medium	Quarter 1
Events and Publicity	132 - Medium	Quarter 4
Housing Lettings *	176 - Medium	Quarter 2
Housing Repairs (excluding voids)	196 - Medium	Quarter 1
Leaseholder Management *	188 - Medium	Quarter 1
Petty Cash Procedures – Leisure Centres *	New process	Quarter 3
Recycling *	193 - Medium	Quarter 2
Self-Isolation Scheme Payments *	One-off Review	Quarter 1
Stores *	114 - Medium	Quarter 3
Annual Reviews		
Leisure	242 - High	Quarter 4
Follow-up Reviews	Original Opinion And Date Finalised	
Corporate Feedback (Complaints and Compliments)	Satisfactory – Nov 20	Quarter 2
Corporate Governance	Satisfactory – July 20	Quarter 1
Council Tax	Being Finalised	Quarter 3
Domestic Refuse	Satisfactory – June 20	Quarter 1
Equalities	Limited – Oct 20	Quarter 1
Fly Tipping	Being Finalised	Quarter 3
Food Hygiene and Inspection	Being Finalised	Quarter 3
Insurance	Being Finalised	Quarter 3
Risk Management	Satisfactory – Oct 20	Quarter 2
Partnerships and Shared Services	Being Finalised	Quarter 3
Transport	Being Finalised	Quarter 3

Agenda Item No 11

Resources Board

22 March 2021

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 12

Confidential Extract of Minutes of the Resources Board held on 25 January 2021

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Agenda Item No 13

High Street, Coleshill – Report of the Corporate Director (Streetscape)

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

In relation to the items listed above members should only exclude the public if the public interest in doing so outweighs the public interest in disclosing the information, giving their reasons as to why that is the case.

The Contact Officer for this report is Emma Humphreys (719226).