



Oadby and Wigston Borough Council

TO COUNCILLOR:

G S Atwal
E Barr
L A Bentley
G A Boulter
J W Boyce

M L Darr
B Dave
Mrs L Eaton
R Fahey
D A Gamble (Vice-Chair)

J Kaufman
K J Loydall
Mrs S B Morris (Chair)
R E R Morris

Dear Councillor et al

I hereby summon you to attend a meeting of the **POLICY, FINANCE AND DEVELOPMENT COMMITTEE** to be held at the **COUNCIL OFFICES, STATION ROAD, WIGSTON** on **TUESDAY, 19 JULY 2016** at **7.00 PM** for the transaction of the business set out in the Agenda below.

Yours faithfully

Council Offices
Wigston
11 July 2016

Mark Hall
Chief Executive

AGENDA

PAGE NO'S

1. Apologies for Absence

2. Appointment of Substitutes

To appoint substitute Members in accordance with Rule 4 of Part 4 of the Constitution.

3. Declarations of Interest

Members are reminded that any declaration of interest should be made having regard to the Members' Code of Conduct. In particular, Members must make clear the nature of the interest and whether it is 'pecuniary' or 'non-pecuniary'.

4. Minutes of the Previous Meeting held on 29 March 2016

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To read, confirm and sign the minutes of the previous meeting in accordance with Rule 17 of Part 4 of the Constitution.

5. Action List Arising from the Meeting held on 29 March 2016

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6. Petitions and Deputations

To receive any Petitions and, or, Deputations in accordance with Rule 24 of Part 4 of the Constitution.

7.	Overall Provisional Budget Outturn Report 2015/16	11 - 18
8.	Provisional Committee Outturn 2015/16	19 - 23
9.	Resident Forum Outturn Budget Position and Allocation Requests	24 - 28
10.	Review of the Council's Financial Regulations	29 - 61
11.	Collection and Write-Off of Miscellaneous Debtors	62 - 63
12.	Draft Annual Governance Statement 2015/16	64 - 85
13.	Internal Audit Annual Report 2015/16	86 - 100
14.	KMPG Technical Update	101 - 127
15.	Leicester and Leicestershire Strategic Growth Plan - Strategic Growth Statement	128 - 170
16.	Revision of The Borough of Oadby and Wigston (Off-Street Parking Places) Order 2015	171 - 178
17.	Refurbishment and Potential Sponsorship of Borough Entry Signs	179 - 181
18.	Contamination Land Incident (By Asbestos Containing Materials) - Part I	182 - 183
19.	Exclusion of the Press and Public	
	The Press and Public are likely to be excluded from the remainder of the meeting in accordance with Section 100(A)(4) of the local Government Act 1972 (Exempt Information) during consideration of the item below on the grounds that it involves the likely disclosure of exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A of the Act , and that the public interest in maintaining the exempt item outweighs the public interest in disclosing the information.	
20.	Contamination Land Incident (By Asbestos Containing Materials) - Part II (Exempt)	184 - 185

**MINUTES OF A MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE
HELD AT THE COUNCIL OFFICES, STATION ROAD, WIGSTON ON TUESDAY, 29 MARCH
2016 COMMENCING AT 7.00 PM**

<u>IN ATTENDANCE:</u>		
Chair - Councillor Mrs S B Morris Vice-Chair - Councillor D A Gamble		
<u>COUNCILLORS (11):</u>		
G S Atwal	J W Boyce	Mrs S Z Haq
L A Bentley	B Dave	J Kaufman
Ms A R Bond	Mrs L Eaton	K J Loydall
G A Boulter	B Fahey	
<u>OFFICERS IN ATTENDANCE (3):</u>		
S J Ball	S Glazebrook	M Hone
<u>OTHERS IN ATTENDANCE (4):</u>		
A Persaud	O Campbell	M Vigil
	M Luke	

Min Ref.	Narrative	Officer Resp.
79.	<u>APOLOGIES FOR ABSENCE</u> An apology for absence was received from Councillors M L Darr, R E R Morris and T Barr.	
80.	<u>APPOINTMENT OF SUBSTITUTES</u> Councillors Mrs S Z Haq and Ms A R Bond and substituting for Councillors M L Darr and T Barr, respectively.	
81.	<u>DECLARATIONS OF INTEREST</u> Councillor G S Atwal declared that he was a signatory to the Oadby Swimming Pool Site Petition and that he had spoken to the Petitioner, in respect of agenda items 6a and 6b. The Member attended the meeting without prejudice and with an open mind.	
82.	<u>READING, CONFIRMATION AND SIGNING OF MINUTES</u> Councillor B Dave requested that the mismarking of his forename initial be corrected in the minutes of the meeting of the Committee held on 02 February 2016. RESOLVED THAT: (i) Subject to the correction aforementioned, the minutes of the previous meeting of the Committee held on 02 February 2016 be taken as read, confirmed and signed; and	

	(ii) The minutes of the extraordinary meeting of the Committee held on 18 February 2016 be taken as read, confirmed and signed.	
83.	<p><u>ACTION LIST ARISING FROM THE MEETING HELD ON 02 FEBRUARY 2016</u></p> <p>The Interim Chief Financial Officer reported that all items had been duly actioned.</p> <p>RESOLVED THAT:</p> <p>The Action List be noted by Members.</p>	
84.	<p><u>PETITIONS AND DEPUTATIONS</u></p> <p>Two Petitions were received by the Committee in respect of the Oadby Swimming Pool Site as set out at agenda items 6a and 6b respectively (at pages 17 - 35).</p>	
85.	<p><u>OADBY SWIMMING POOL SITE PETITION(S)</u></p> <p>Mr Matthew Luke presented and spoke upon the Petition(s) at agenda items 6a and 6b.</p> <p>Mr Luke stated that there were two requests within the Petition: the retention of ownership and recreational usage. He suggested that an indoor skate park or a soft play centre could make for the best indoor use of the site, thus limiting noise objections and providing a safer environment for young people. He further purposed a Community Arts Centre or the building's conversation into a Squash Centre. It was said that these options had the advantage of retaining the existing building and would benefit other visitors to Ellis Park. Mr Luke further suggested that the site could be returned to a green space in keeping with the original use of the land, potentially attracting external grants for redevelopment such as a sensory garden or raised communal planters to form part of the Edible Food Trail Lottery Bid. He invited the Council to engage in a meaningful dialogue with residents and appealed for cross-party agreement on the side of retention for a recreational use of the site in question.</p> <p>Councillor J W Boyce stated all the available options for future use of the site, including those raised by the residents of Oadby and the Petitioner, would be considered as part of the ongoing feasibility study currently being undertaken.</p> <p>Councillor Ms A R Bond supported the suggestions raised by the Petitioner.</p> <p>Councillor K J Loydall emphasised that Opposition Members had previously voiced their support for other potential uses of the site, including a general practitioners' surgery, additional schooling facilities and social/affordable housing.</p> <p>Councillor J Kaufman welcomed the views of the residents of Oadby and the Petitioner and noted that any intended future use of the land, whether that be recreational or otherwise, was to serve as betterment to the residents of the Oadby area.</p>	

86.	<p><u>INTERNAL AUDIT PROGRESS REPORT 2015/16 AND AUDIT PLAN 2016/17</u></p> <p>The Committee gave consideration to the report and appendices (at pages 36 - 78) as jointly-delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer) and Audit Manager at CW Audit Services, Mr Anand Persaud, which should be read together with these minutes as a composite document.</p> <p>Councillor B Dave welcomed the report and the opportunity to meet with the Audit Manager. With reference to 'Void Property Management' at paragraph 4 citing the recommendation for 'periodic reports ... detailing analysed debt levels' etc. (at page 50), the Member requested what timescales were to be given in respect of the same.</p> <p>The Interim Chief Financial Officer advised that six-monthly reports would be brought to the Committee for Members' consideration.</p> <p>With reference to 'Leavers' Access to Council's IT System' at paragraph 3.2 (at page 40), Councillor J Kaufman enquired as to whether this control applied to those Officers that had been suspended.</p> <p>The Interim Chief Financial Officer answered affirmatively.</p> <p>The Chair commended the correct identification of issues in the report and welcomes the progress made to date.</p> <p>Councillor J W Boyce requested that the nine 'High Risk Outstanding Issues' at paragraph 4 (at pages 45 – 51) be directly incorporated into the Action List.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <ul style="list-style-type: none"> (i) The content of the Progress Report for 2015/16 be noted by Members; (ii) The Audit Plan for 2016/17 be approved; and (iii) The Audit Plan for 2016/17 be noted as indicative at this stage insofar as the days allocated to each audit may change following the reviews in 2015/16. 	
87.	<p><u>EXTERNAL AUDIT REPORT ON GRANT CLAIMS AND RETURNS AND THE EXTERNAL AUDIT PLAN 2016/17</u></p> <p>The Committee gave consideration to the report and appendices (at pages 79 - 103) as jointly-delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer) and Assistant Audit Manager at KMPG, Mr Owen Campbell, which should be read together with these minutes as a composite document.</p> <p>Councillor J Kaufman enquired as to why the planned audit fee for 2015/16 was 25% less than for 2014/15.</p> <p>The Assistant Audit Manager advised that the Public Sector Audit Appointments (PSAA) were responsible for the setting of audit fees.</p> <p>With reference to the 'Pooling of Housing Capital Receipts' (at page 87),</p>	

	<p>Councillor J W Boyce enquired as to whether the implication was fixable or if there existed a long-term problem. The Member further requested a report regarding audit tendering.</p> <p>The Assistant Audit Manager advised that there had been a one-off, isolated error that had since been resolved.</p> <p>Councillor G A Boulter enquired as to whether a future report was to be brought to this Committee setting out the implementation of the report's recommendations. The Member further sought clarification as to criterion to be used for identifying the Council's highest-valued housing stock for intended disposal.</p> <p>The Interim Chief Financial Officer advised that the recommendations and their implications would feature in the revised Council's Medium Term Financial Strategy (MTFS) due before the meeting of the Council on Tuesday, 19 April 2016. It was further advised that, due to the ongoing government-led consultation process, there was still uncertainty as to criteria to be used: however, it was noted that any intended disposal(s) would have an impact upon Housing Revenue Account (HRA).</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The contents contained within the report be noted by Members</p>	
88.	<p><u>RESIDENTS' FORUM BUDGET POSITION AND ALLOCATION REQUESTS</u></p> <p>The Committee gave consideration to the report and appendices (at pages 104 - 108) as delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer), which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Financial Officer advised that the Oadby Residents' Forum request at paragraph 3.2.2 required further investigation before being resolved by the Committee.</p> <p>Councillor J W Boyce requested that the information herewith contained in the Forums' Budget report take account of the renewed position from start of this Council's lifecycle (i.e. April 2015).</p> <p>Councillor J W Boyce moved the recommendations as set out at paragraphs 2.1 and 2.2 of the report and subject to delegated authority being granted to the Chief Financial Officer to address the Oadby Residents' Forum request at paragraph 3.2.2.</p> <p>The Chair seconded the recommendations (as amended).</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <ul style="list-style-type: none"> (i) The position of the Forums' Budget be noted by Members; and (ii) To the exclusion of paragraph 3.2.2, the allocation requested by the Forums (as set out at paragraphs 3.2 to 3.4 of the report) be approved; and (iii) Delegated authority be granted to the Chief Financial Officer to 	

	address the Oadby Residents' Forum request at paragraph 3.2.2.	
89.	<p><u>PROVISION OF ADVICE AND INFORMATION SERVICES IN THE BOROUGH</u></p> <p>The Committee gave consideration to the report and appendices (at pages 109 - 112) as delivered and summarised by the Interim Community Services Manager, which should be read together with these minutes as a composite document.</p> <p>The Interim Community Services Manager added that the dates, times and locations of advisory sessions would be discussed as part of the pre-contract negotiations with the Helping Hands Advice Centre (HH) and the Citizens' Advice Bureau (CAB) and Members would be advised of the same in due course.</p> <p>Councillor D A Gamble moved the recommendation as set out at paragraph 2 of the report.</p> <p>The Chair seconded the recommendation.</p> <p>Councillor G A Boulter requested that any pre-contract negotiations make clear the finality of the budget and that liability would be joint and several between both HH and CAB should one party be no longer to honour its contractual obligations.</p> <p>Councillor J W Boyce requested that once the contract specification had been finalised, that the information relating to advisory sessions be published.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The Citizens' Advice Bureau and Helping Hands Advice Centre be appointed to provide advice and information services to the residents of Oadby and Wigston for a period of 3 years at a total cost of £55,000 per year commencing on 1 June 2016.</p>	
90.	<p><u>DRAFT HEALTH AND SAFETY POLICY</u></p> <p>The Committee gave consideration to the report and appendices (at pages 113 - 133) as delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer), in the absence of the Director of Services, which should be read together with these minutes as a composite document.</p> <p>Councillor L A Bentley welcomed the report and extensive work undertaken by Officers. The Member raised a concern as to the volume of the draft Health and Safety Policy ("the Policy"). He recommended that the Policy ought to consist of a more simplified, two-to-three page high-tier policy document with a number of detailed, policy documents operating underneath. He requested that greater emphasis be placed upon personal protection equipment and risk assessments.</p> <p>Councillor L A Bentley moved the recommendations as set out at paragraphs 2.1 to 2.3 of the report.</p>	

	<p>Councillor K J Loydall suggested that the Policy should incorporate a more defined structure as to the exact designations of responsibility and operating standards.</p> <p>Councillor B Dave echoed the sentiments of Councillor L A Bentley.</p> <p>RESOLVED THAT:</p> <ul style="list-style-type: none"> (i) The draft Health and Safety Policy be approved and adopted; (ii) The position on health and safety training be noted by Members; and (iii) The Director of Services be granted delegated authority, in consultation with the Chair, to make any changes to the policy in light of legislation or other changes in circumstances. <p>Votes For 12 Votes Against 0 Abstentions 1</p>	
91.	<p><u>EQUALITY ASSESSMENTS</u></p> <p>The Committee gave consideration to the report (at pages 134 - 137) as delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer), in the absence of the Director of Services, which should be read together with these minutes as a composite document.</p> <p>Councillor K L Loydall suggested that a single, inclusive policy document was required to specifically identify those Officers responsible and their attendant obligations under, and in respect of the completion of, Equality Assessments.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The contents contained within the report be noted by Members</p>	
92.	<p><u>SOCIAL MEDIA POLICY</u></p> <p>The Committee gave consideration to the report (at pages 138 - 141) as jointly-delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer) and the Managing Director at Big Sound Marketing, Mr Mark Vigil, in the absence of the Director of Services, which should be read together with these minutes as a composite document.</p> <p>The Chair enquired as to how a formal tone of voice, oft-expected and suited to a local authority, was to maintained and communicated on social media platforms and whether training was to be provided to members of staff to achieve this.</p> <p>Mr Vigil advised that it was important communications be grammatically-coherent and avoid a colloquial use of language to maintain the appropriate tone. He stated that two members of staff were to be appropriately trained.</p> <p>Councillor Mrs S Z Haq enquired as to whether Member's would be notified if they were the subject of a social media communication.</p>	

	<p>Mr Vigil confirmed that Members would be notified as a courtesy.</p> <p>Councillor Mrs L M Broadley enquired as to the robustness of the intended social media platforms against incidents of abuse, inappropriate content or “trolling”.</p> <p>Mr Vigil advised that both platforms were well-governed and abusive or inappropriate content could be moderated and deleted, accordingly. He warned, however, that there was a possibility that inappropriate content may be seen before deletion.</p> <p>Councillor G A Boulter voiced reservations about the use of social media if the channels of communication were not managed or moderated effectively. The Member further requested more information as to safeguards and long-term costings.</p> <p>Councillor B Fahey enquired as to what number of users and, or, followers would be considered a success and the timescales expected to achieve those numbers.</p> <p>Mr Vigil advised that a user/followship of approximately 10,000 was to be considered a success and sought to achieve this with 12-18 months of the platforms’ inception.</p> <p>Councillor J W Boyce noted the significance and relevancy of social media in the modern day as a means of a two-way communication, allowing easier and wider-interactions to be possible between the Council, its residents and stakeholders.</p> <p>Councillor J W Boyce moved the recommendation as set out at paragraph 2 of the report.</p> <p>Councillor J Kaufman seconded the recommendation.</p> <p>Councillor B Dave recognised the importance of social media as a means to better engage the young people of the Borough in aspects of the Council’s work.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The proposals within the report as the basis for a Social Media Policy be approved.</p> <table><tr><td>Votes For</td><td>11</td></tr><tr><td>Votes Against</td><td>0</td></tr><tr><td>Abstentions</td><td>2</td></tr></table>	Votes For	11	Votes Against	0	Abstentions	2	
Votes For	11							
Votes Against	0							
Abstentions	2							
93.	<p><u>UPDATE ON OPEN SPACES AND LAND MATTERS ACROSS THE BOROUGH</u></p> <p>The Committee gave consideration to the report and appendices (at pages 142 - 146) as delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer), in the absence of the Director of Services, which should be read together with these minutes as a composite document.</p>							

	<p>Councillor D A Gamble moved the recommendations as set out at paragraphs 2.1 to 2.3 of the report.</p> <p>The Chair seconded the recommendations.</p> <p>Councillor J W Boyce enquired as to whom the legal proprietor of the Archery Field at the Sports Ground at Leicester Road, Countesthorpe was. He further enquired as to whether the receipt of £15,000 was a one-off payment for the grant of rights in respect of construction and operations: if this was the case, the Member moved for delegated authority be granted to the Chief Financial Officer, in consultation with the Chair, to seek further consideration for ongoing access to the Solar Farm at Leicester Road, Countesthorpe.</p> <p>Councillor D A Gamble and the Chair agreed with Councillor J W Boyce's amendment.</p> <p>The Interim Chief Financial Officer advised that the ownership of land would be ascertained and the Member informed in due course. He further reported that the receipt was a one-off payment in respect of construction and maintenance.</p> <p>Councillor B Dave commended the prompt action taken by Officers in securing the adoption of the open space play area at Florence Wragg Way, Oadby.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <ul style="list-style-type: none"> (i) The completion of the adoption of the open space play area at Florence Wragg way, Oadby as shown on the attached appendix A and the adoption of a further piece of open space at Hill Field, Oadby as shown on the attached appendix B be noted by Members; (ii) The position with the sale of the Sports Ground at Leicester Road, Countesthorpe to Blaby District Council be noted by Members; and (iii) Delegated authority be granted to the Chief Financial Officer, in consultation with the Chair, to seek further consideration for ongoing rights of access over the Council owned access strip as shown on the attached appendix C for the construction and operation of the Solar Farm at Leicester Road, Countesthorpe. 	
94.	<p><u>MELTON LOCAL PLAN - EMERGING OPTIONS (DRAFT PLAN)</u></p> <p>The Committee gave consideration to the report (at pages 147 - 148) as delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer), in the absence of the Director of Services, which should be read together with these minutes as a composite document.</p> <p>The Chair moved the recommendation as set out at paragraph 2 of the report.</p> <p>Councillor D A Gamble seconded the recommendation.</p> <p>UNANIMOUSLY RESOLVED THAT:</p>	

	The comments set out in paragraphs 3.1 to 3.6 of the report as Oadby and Wigston Borough Council's formal response to Melton Borough Council's consultation on its Local Plan be noted by Members.	
95.	<p><u>NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL GYPSY AND TRAVELLER SITE ALLOCATION CONSULTATION DOCUMENT</u></p> <p>The Committee gave consideration to the report (at pages 149 - 150) as delivered and summarised by the Interim Chief Financial Officer (Section 151 Officer), in the absence of the Director of Services, which should be read together with these minutes as a composite document.</p> <p>Councillor J Kaufman raised a concern as to the 'Equality Implications' citing 'No significant concerns' (at page 150) given the subject-matter of the report.</p> <p>Councillor J W Boyce advised that the recommendation as set out at paragraph 2.1 of the report (at page 149) sought to address the Member's concern.</p> <p>The Chair moved the recommendation as set out at paragraph 2.1 of the report.</p> <p>Councillor D A Gamble seconded the recommendation.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The comments set out in paragraph 3.3 of the report as Oadby and Wigston Borough Council's formal response to the Gypsy and Traveller Site Allocation Consultation Paper be noted by Members.</p>	

THE MEETING CLOSED AT 9.02 PM



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CHAIR
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TUESDAY, 19 JULY 2016
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Agenda Item 5

POLICY, FINANCE AND DEVELOPMENT COMMITTEE

ACTION LIST

ARISING FROM A MEETING HELD ON TUESDAY, 29 MARCH 2016

Min Ref.	Title	Action To Be Taken	Officer(s)	Target Date	On Target
86.	Internal Audit Progress Report 2015/16 and Audit Plan 2016/17	The nine 'High Risk Outstanding Issues' outlined at paragraph 4 of the Internal Audit Progress Report 2015/16 (March 2016) (at pages 45 - 51) be tasked and addressed.	AC/SG/KP/BK	Jul-16	Yes (See Agenda Item 13)
87.	External Audit Report on Grant Claims and Returns and the External Audit Plan 2016/17	To provide a report to a subsequent meeting of the Committee on the subject of audit tendering.	MHo/CR	Sep-16	Yes
90.	Draft Health and Safety Policy	To simplify the Health and Safety Policy and to make more robust in respect of protection equipment and risk assessments.	KP/PE	Jul-16	Yes
88.	Residents' Forum Budget Position and Allocation Requests	The information contained in the Forums' Budget report take account of the renewed position from the start of the Council's new lifecycle.	MHo/CR	Jul-16	Yes
92.	Social Media Policy	To provide further information as to safeguards and long-term costings associated with the Social Media Policy.	AC	Sep-16	Yes Communications and Business Performance Management Officer only recently appointed.



Policy, Finance and Development Committee	Tuesday, 19 July 2016	Matter for Information and Decision
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Title: Overall Provisional Budget Outturn Report 2015/16

Author: Martin Hone (Interim Chief Finance Officer/Section 151 Officer)

1. Introduction

This report gives a summary of the overall provisional outturn position for the financial year 2015/16 including the effect on the reserves as at 31 March 2016.

The provisional outturns for both the General Fund shows a small overspend while the Housing Revenue Account (HRA) is under spends against the revised budgets. The draft annual financial statements have been prepared and signed off by the Section 151 Officer before the statutory deadline of 30 June 2016 but will not be finalised until after the external audit process is finished at the end of September. These figures are, therefore, subject to revision.

2. Recommendations

- 2.1. Note the report and overall provisional outturn positions for both the General Fund (Appendix 1) and the Housing Revenue Account 2015/16 (Appendix 2).
- 2.2. Approve the requested revenue and capital carry forwards for both the General Fund and Housing Revenue Account as set out in Appendix 3.

3. Information

- 3.1. The following commentary summarises the outturn position for each of the Council's funds in respect of both revenue and capital expenditure and compares these with the corresponding revised budget for the year. A statement of reserves and balances in hand at 31 March 2015 is also included.

3.2. General Fund

In 2015/16 the Council has seen a slight net deficit of £18,000 which reduces the General Fund Reserve to £996,000. After taking the recommended transfers to earmarked reserves into consideration and £43,000 of budget items to be carried forward to 2016/17 (Appendix 3). There is a provisional overall under spend net expenditure against the revised budgets for 2015/16 of £133,000, however many of the general grants that the Council had been receiving prior to this year were stopped for 2015/16 resulting in a reduction in funding of £151,000. A summary of the position is shown at Appendix 1. The main reasons for the variances are explained below.

- The Council has received a larger than anticipated amount of funding from the distribution of Non Domestic (Business) Rates amounting to £132,000. This partly compensated for the reduction in general grants.
- A salaries saving target of £197,000 was set as part of the 2015/16 budget. Only £5,000 of this was attained in year due, in part, to the higher cost of employing the large number of agency staff to fill vacancies. This is something which is now being

addressed successfully by the Council as a whole.

- 2015/16 has seen a major fall in the market for recyclates which carried on throughout the year. This resulted in a reduction in income against revised budget of £79,000.
- The Municipal Mutual Scheme of Arrangement was again triggered toward the end of the financial year with the Council contributing a further £30,000. There is still a significant potential liability for the Authority however it is unknown when if ever this will be triggered
- There have been savings made in a large proportion of budgets across all services. This has been due to the diligent ongoing work carried out by officers in seeking out and implementing savings and efficiencies required to meet the financial challenges of future years. Further details of these are contained in the committee specific reports for both this committee and Service Delivery. However some of the larger items are listed below:-

	£ 000's
Troubled Families Grant to Leicestershire County Council	23
Reduction in Hostel expenses for homelessness prevention	27
Final profit share payment from Leisure Connection	18
Overall Net Cost of Housing Benefits Reduced	42
Corporate and Health and Safety Training	34

3.3. Housing Revenue Account

In February 2016, the revised forecast for the HRA was that a contribution would be required from balances of £2.131m leaving a balance of £0.593m at 31 March 2016. However, the provisional outturn position shows a deficit of £1.392m for the year with a closing balance of £1.332m. This represents a £0.739m under spend against the revised budget.

The headline variances are explained below:-

- A substantial part of the Housing Capital Programme has been deferred to 2016/17 which means that the revenue contribution from the Housing Revenue Account has not been required in full this year. This funding, totalling £0.721. will be retained in balances to be allocated once those projects have finished.
- Supervision and Management Costs have increased due to a re-evaluation of recharges to the Housing Revenue Account
- Improved debt collection has meant that the provision put in place for bad and written off debts has not been fully utilised.
- Overall rental income is down as a result of the length of time properties have remained void. This is principally due to the extensive refurbishment programme being undertaken.

Full details of the HRA provisional outturn position are given at Appendix 2.

3.4. Capital Programmes (General Fund and HRA)

Details of the provisional outturn position for 2015/16 on both the housing and non-housing capital programmes together with details of their funding are shown below.

Committee	Revised Allocation	Provisional Outturn	Variance
	£ 000's	£ 000's	£ 000's
Service Delivery (Housing			

Related)			
Housing Revenue Account	3,800	3,265	(535)
General Fund	495	415	(80)
	<u>4,295</u>	<u>3,680</u>	<u>(615)</u>
Service Delivery (Other General Fund)	8,399	8,102	(297)
Policy, Finance and Development	270	381	111
Total	<u>12,964</u>	<u>12,163</u>	<u>(801)</u>
Financed By			
Capital Receipts		66	
Government Grants		237	
Borrowing		7,459	
External Funding		67	
Revenue and Reserves		3,149	
Major Repairs Allowance		1,185	
Total		<u>12,163</u>	

The above programme shows an under spend on the total programme of £0.8m.

The under spend is mainly associated with four schemes

	£ 000's
Boulter Crescent Refurbishment	186
Central Heating Replacement	160
Front Door Replacement	93
Leisure Centre Redevelopment	318

More specific reasons for the variances are given in the respective committee provisional outturn reports.

4. Reserves as at 31 March 2016

All revenue reserves form part of the General Fund, but they may be earmarked for specific purposes. The overall provisional reserve position at 31 March 2016 is shown in the table below. The balances shown at 31 March 2016 are after allowing for budget carry forward items.

General Fund (Revenue Reserves)	Balance 1 April 2015	Movement in Year	Balance 31 March 2016
	£ 000's	£ 000's	£ 000's
General Fund Reserve	1,013	(18)	995
Budget Equilibrium Reserve	600	0	600
Management of Change Reserve	455	(397)	58
Contingency Reserve	200	0	200
Other Earmarked Reserves	3,047	(1,138)	1,909
Total	<u>5,315</u>	<u>(1,553)</u>	<u>3,762</u>

This year has seen a significant planned use of earmarked reserves for funding both Capital and Revenue, most notably £0.93m on the purchase of 6 new refuse vehicles using government grant money.

The Housing Revenue Account Reserve balance (and the associated earmarked

reserves) may only be used for housing purposes. The overall provisional reserves position is again shown in the table below.

HRA Reserves	Balance 1 April 2015 £ 000's	Movement in Year £ 000's	Balance 31 March 2016 £ 000's
HRA Reserve	2,724	(1,378)	1,346
Regeneration Reserve	500	(139)	361
Major Repairs Reserve	0	0)	0
Budgets Carried Forward HRA	0	14	14
Total	3,224	(1,503)	1,721

The Council has an approved Policy on reserves and confirmed its approach to levels of reserves in the Budget Proposals Report 2016/17 which was approved at Council on 18 February 2016.

It is the availability of reserves, that has enabled the Council to plan ahead with confidence, meet exceptional expenditure items, mitigate against significant budget risk and uncertainty and keep the Council Tax at reasonable levels.

The continued uncertainties surrounding public expenditure were outlined in the Budget Proposals Report 2016/17, in particular the sections on the robustness of the estimates, the tax setting calculations and the adequacy of the proposed financial reserves. The section highlighted key assumptions and risks surrounding the 2016/17 budget setting in particular those relating to government grant in 2016/17 and future years. With the current national economic situation and the Government's position on financial support to local authorities it is important to ongoing financial sustainability that reserves are maintained at appropriate levels. In addition, the Council will need to continue the transformation programme in order to deliver budget efficiency savings. This may require further use of earmarked reserves such as the Contingency, Budget Equilibrium and Management of Change Reserve to support this programme. In addition it will require officers to diligently find savings and efficiencies as the year progresses.

5 Carry Forwards

Details of requested carry forward budgets for both revenue and capital have been included at Appendix 3 for approval by committee. These figures have been included in the provisional outturn positions for 2015/16 for both the General Fund and the Housing Revenue Account.

Background Documents:-

Report to Council on 16 February 2016 – Budget Proposals 2016/17

Email: chris.raymakers@oadby-wigston.gov.uk

Tel: (0116) 257 2891

Implications	
Financial (CR)	As set out in the report.
Legal (AC)	No significant implications.
Risk (CR)	CR1 - Decreasing financial resources. CR9 – Economy.
Equalities (CR)	No significant implications.
	Equality Assessment:-

	<input type="checkbox"/> Initial Screening	<input type="checkbox"/> Full Assessment	<input checked="" type="checkbox"/> Not Applicable
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OUTTURN SUMMARY 2015/16				
GENERAL FUND	Budget 2015/16 £	Revised Estimate 2015/16 £	Outturn 2015/16 £	Variance Revised to Outturn £
Policy, Finance and Development	2,325,960	2,365,320	2,318,851	(46,469)
Service Delivery	3,583,500	3,797,120	3,622,464	(174,656)
Development Control	491,450	518,390	440,853	(77,537)
Children and Young Persons	14,500	11,900	10,800	(1,100)
Licensing and Regulatory	4,760	16,800	72,067	55,267
Net Committee Expenditure	6,420,170	6,709,530	6,465,035	(244,495)
Capital Financing	306,180	311,940	320,518	8,578
Total Expenditure	6,726,350	7,021,470	6,785,554	(235,916)
Contributions to/(from) :				
H.P.D.G. Reserve		54,010	(5,416)	(59,426)
Grants Reserve			54,992	54,992
Budgets Carried Forward Reserve		(106,350)	(63,470)	42,880
Capital Reserve	10,000	10,000	14,746	4,746
Grounds Maintenance	(23,400)	(23,400)	(23,400)	0
Troubled Families Reserve		(23,330)		23,330
Disabled Facilities Grant Reserve			15,358	15,358
Management of Change	(140,750)	(350,750)	(322,040)	28,710
Income Profiling Reserve			(103,626)	(103,626)
Capital Receipts Reserve			(9,378)	(9,378)
Budget Equilibrium Reserve	(103,626)	(103,626)		103,626
Operations Reserve		(30,000)	(30,000)	0
Land Valuation Reserve			(2,950)	(2,950)
Greening the Borough Reserve		(12,450)	(12,450)	0
Land Charges Reserve		33,000	37,375	4,375
Net Expenditure	6,468,574	6,468,574	6,335,295	(133,279)
Financed By :				
RSG	(1,129,857)	(1,129,857)	(1,049,141)	80,716
NNDR Contribution	(1,356,967)	(1,356,967)	(1,489,215)	(132,248)
NNDR Pool (Surplus/(Deficit)	0	0	(24,178)	(24,178)
Council Tax Surplus/(Deficit)	(42,900)	(42,900)	(42,900)	0
NNDR Surplus/(Deficit)	173,618	173,618	173,618	0
Other General Grants	(373,216)	(373,216)	(57,165)	316,051
Council Tax Freeze Grant	(38,290)	(38,290)	(127,334)	(89,044)
New Homes Bonus	(317,765)	(317,765)	(317,718)	47
Precept on Local Tax Payers	(3,383,197)	(3,383,197)	(3,383,197)	0
Reserves (Movement on GF)			(18,065)	(18,065)
	(6,468,574)	(6,468,574)	(6,335,295)	133,279
Reserves Balance as at 1st April	1,013,583	1,013,583	1,013,583	0
Reserves Used in Year	0	0	(18,065)	(18,065)
Reserves Balance as at 31st March	1,013,583	1,013,583	995,518	(18,065)

Housing Revenue Account Provisional Outturn Report 2015/16

Service Head	Original Budget 2015/16	Revised Budget 2015/16	Actual 2015/16	Variance
	£	£	£	£
Housing Revenue Account	(3,843,710)	(3,831,130)	(4,112,549)	(281,419)
Estate Management	1,086,800	1,164,310	1,209,046	44,736
Older Persons Services and Community Care :				
Churchill Close	21,270	10,820	11,310	490
Marriott House	36,770	38,320	41,023	2,703
William Peardon Court (Kings Drive)	32,420	30,040	21,147	(8,893)
Communal Services	132,700	123,080	129,254	6,174
Housing Support Officer	21,100	21,890	22,602	712
Caretakers Services :				
Elizabeth Court	28,120	28,140	29,186	1,046
Bennett Way	16,120	20,790	21,060	270
Boulter Crescent	27,160	20,970	22,847	1,877
Burgess St, Maromme Sq, Junction Rd	15,980	9,650	32,916	23,266
TOTAL SUPERVISION & MANAGEMENT	(2,425,270)	(2,363,120)	(2,572,158)	(209,038)
REPAIRS AND MAINTENANCE	1,326,430	1,354,020	1,197,444	(156,576)
NET COSTS OF SERVICES	(1,098,840)	(1,009,100)	(1,374,714)	(365,614)
Capital Charges	574,000	524,190	528,649	4,459
NET OPERATING EXPENDITURE	(524,840)	(484,910)	(846,065)	(361,155)
Appropriations	1,871,040	2,615,541	2,223,820	(391,721)
DEFICIT / (SURPLUS) FOR THE YEAR	1,346,200	2,130,631	1,377,755	(752,876)
HRA DEFICIT/(SURPLUS) BOUGHT FORWARD	(1,646,342)	(2,723,825)	(2,723,825)	0
DEFICIT / (SURPLUS) FOR THE YEAR	1,346,200	2,130,631	1,377,755	(752,876)
HRA DEFICIT/(SURPLUS) CARRIED FORWARD	(300,142)	(593,194)	(1,346,070)	(752,876)

Revenue Budget Carried Forward

Expenditure Narrative	Revised Budget 15/16 £	Committed Spend 15/16 £	Requested Carry Forward £
<u>General Fund</u>			
Health & Safety - Training Expenses	20,000	7,600	12,400
Human Resources - Corporate Training	22,000	700	21,300
Economic Development - Horsewell Lane Project	8,000	1,200	6,800
Eco development - Community Assets Strategy	3,130	755	2,375
Total General Fund			42,875
<u>Grants Received</u>			
Edith Murphy Trust Fund	14,199	4,261	9,938
Total Grants			9,938
<u>Housing Revenue Account</u>			
Estates Management - Stock Condition Survey	20,000	5,670	14,330
Total HRA			14,330

Capital Budgets Carried Forward

Expenditure Narrative	Revised Budget 15/16 £	Committed Spend 15/16 £	Requested Carry Forward £
<u>General Fund</u>			
Disabled Facilities Grant	495,719	415,418	80,301
Cemeteries Memorial Safety	21,870	0	21,870
Wigston Cemetery Wall	6,750	0	6,750
Refurbishment of Bus Shelters	26,000	0	26,000
Brocks Hill building Redevelopment	85,976	50,210	35,766
Council Office Refurbishment	6,000	4,422	1,578
IT Replacement Programme	20,450	17,618	2,832
Public Realm	16,787	6,138	10,649
MS Office Suite Upgrade	20,000	15,166	4,834
Server OS Upgrade	8,000	1,701	6,299
Building Control Public Access Module	10,000	0	10,000
<u>Housing Revenue Account</u>	£	£	£
Boulter Crescent Whole Unit Refurbishment	2,854,952	2,669,176	185,776
Central Heating	217,516	57,414	160,102
Heating, Ventilation and Insulation	18,478	0	18,478
Front & Rear Doors	95,000	1,770	93,230
Car hard Standings	47,364	9,160	38,204
Fire Safety Work	61,465	0	61,465
Decent Homes Work	77,613	32,280	45,333
Orchard Upgrade	10,000	0	10,000
Asset management Software	38,000	0	38,000
Arbitas Software	5,000	0	5,000



Policy, Finance and Development Committee	Tuesday, 19 July 2016	Matter for Information
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Title: **Provisional Committee Budget Outturn Report 2015/16**

Author: **Martin Hone (Interim Chief Finance Officer/Section 151 Officer)**

1. Introduction

- 1 This report provides Members with details of the Committee's provisional outturn position for capital and revenue for 2015/16. The Council's full provisional outturn position is being reported in a further report on this agenda.

2. Recommendations

That Members note the outturn position for 2015/16.

3. Information

- 3.1. The outturn position for 2015/16 is still only provisional because at the time of writing, it is still subject to audit.
- 3.2. In February 2015, the Council approved a 2015/16 budget for this committee of £2.326m. These estimates were later revised to £2.365m, which was approved at Council in February 2016. The provisional outturn position for 2015/16 is £2.319m, which represents a £46,000 under spend for the financial year as compared with the revised estimate.
- 3.3. The provisional outturn position figures shown in Appendix 1 have been adjusted to remove those technical accounting adjustments, such as depreciation and impairment, that would normally be shown in the statutory year end Statement of Accounts but do not affect the balance on the General Fund. This makes the figures comparable to the approved budgets for the year.

The headline variances are explained below.

- Staffing costs are overspent against revised budget by £151,000 principally caused by the increase in hired staff required to fill posts left vacant.
- The proportion of rent rebate and housing benefit subsidy received against expenditure was much higher than expected causing a reduction in net cost of benefit of £42,000
- Funding received for crime and disorder prevention was not fully utilised causing an under spend in year however this grant has been appropriated to reserves to be spent in 2016/17.
- The Municipal Mutual Scheme of arrangement was invoked again, requiring a contribution from the Council of around £30,000
- Non Distributed Costs shows an under spend of £35,000 against net committee costs. This however is due to a technical accounting entry made against this cost centre and which does not affect the bottom line of the general fund outturn.

4. Capital Programme

The revised capital programme for this Committee had a total budgeted cost of £348,000. The provisional outturn for these schemes is £384,000 which represents an over spend of £35,000.

Details of each scheme are given in Appendix 3.

5. Budgets Carried Forward

Details of requested carry forward budgets for capital only (no revenue requested) have been included for approval in the main Council outturn report elsewhere on this agenda but are shown for information at Appendix 4.

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Implications	
Financial (CR)	As set out in the report.
Legal (AC)	No significant implications.
Risk (CR)	No significant implications.
Equalities (AC)	No significant implications.
	Equality Assessment
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

Policy Finance & Development Committee Provisional Outturn Summary 2015/16

Cost Centre	Service Head	Original Budget 2015/16 £	Revised Budget 2015/16 £	Actual 2015/16 £	Variance Revised vs. Actuals (Under) / Over £
30001	Information and Public Relations	105,470	103,280	94,482	(8,798)
30002	Corporate Management	334,450	424,370	434,841	10,471
30004	Health and Safety	37,050	32,140	27,707	(4,433)
30006	Crime and Disorder Partnership	20,330	20,540	(4,698)	(25,238)
30011	Structural Maintenance	61,030	67,550	57,857	(9,693)
30101	Local Land Charges	6,350	(22,350)	(4,448)	17,902
30201	Democratic Representation and Management	496,740	518,570	504,786	(13,784)
30301	Council Tax	332,870	285,930	349,133	63,203
30302	NNDR	26,050	51,730	58,828	7,098
30303	Housing Benefits	269,650	288,820	288,463	(357)
30304	Council tax Benefits	160,390	163,440	155,242	(8,198)
30303/04	Net Cost of Benefit	43,070	15,310	(27,169)	(42,479)
30401	Register of Electors	74,640	61,030	56,953	(4,077)
30402	Election Expenses	158,880	133,570	153,674	20,104
30501	Non Distributed Costs	44,100	58,100	23,642	(34,458)
30701	Civil Contingencies and Emergency Planning	27,520	27,520	27,805	285
41001	Economic Development	127,370	135,770	121,751	(14,019)
	Total	2,325,960	2,365,320	2,318,851	(46,469)

Holding Accounts (Fully recharged to frontline services)

39901	Senior Management Team	332,460	543,790	583,726	39,936
39902	Human Resources	193,210	267,280	231,849	(35,431)
39904	Legal Section	139,540	111,100	113,013	1,913
39905	Internal Audit	70,400	70,370	69,389	(981)
39906	Finance	483,710	524,290	534,350	10,060
39907	ICT Section	403,390	416,190	394,210	(21,980)
39908	Customer Services	351,820	541,060	554,407	13,347
39909	Council Offices	158,600	160,800	144,494	(16,306)
39910	Head of Customer Services	211,610	137,240	142,688	5,448
39913	Corporate Services	234,130	204,010	214,791	10,781

Service Delivery Committee (General Fund) Provisional Revenue Outturn Position 2015/16
List of Major Budget variances (above £10,000)

Cost Centre Code		Service Head	Expense Head	Original Budget 2015/16 £	Revised Budget 2015/16 £	Actual 2015/16 £	Variance Revised vs. Actual (Under) / Over £	Comments
30002	5167	Corporate Management	Municipal Mutual Scheme of Assurance	0	0	30,475	30,475	Scheme triggered in March 2016 at 10% of liability
30002	5912	Corporate Management	Bad Debts Written-Off	0	0	20,435	20,435	Increase in general debtor bad debt provision required
30004	0800	Health and Safety	Training	15,500	20,000	7,598	(12,403)	Health and Safety officer now in place. Training to take place in 2016/17
30006	5319	Crime and Disorder	C&D Projects	29,500	29,500	18,590	(10,910)	Projects not required in 2016/17
30006	9097	Crime and Disorder	Leicestershire CC Contribution	0	0	(19,150)	(19,150)	Grant received in excess of original budget. Unspent monies to be utilised in 2016/17
30011	1020	Structural Maintenance	Repairs to Buildings	25,030	25,030	13,654	(11,376)	Savings on maintenance programme achieved in 2015/16
30101	2401	Local Land Charges	Contractors Fees	0	0	23,099	23,099	Fees for carrying out Local land Charges due to vacancies in the establishment
30201	0200	Democratic Representation and Management	Hired Staff	0	35,000	20,022	(14,978)	To cover vacancies in the establishment
30301	0100	Council Tax	Salaries	269,560	230,560	219,226	(11,334)	Vacancies in the establishment
30301	9100	Council Tax	Court Costs Recovered	(116,000)	(140,000)	(115,922)	24,078	Fewer court summonses than budget for.
30303/04		Net Cost of Benefit	Net Cost	43,070	15,310	(27,169)	(42,479)	Higher percentage of Benefit expenditure received as subsidy than originally expected.
30402	0200	Elections	Hired Staff	13,000	0	24,933	24,933	Vacancies in the establishment

Holding Accounts - Completely Recharged into the Services Above

39901	0100	Senior Management Team	Salaries	247,700	247,700	232,532	(15,168)	Vacancies in the establishment
39901	0200	Senior Management Team	Hired Staff	37,500	37,500	107,685	70,185	Vacancies in the establishment
39901	5156	Senior Management Team	Change Management	0	210,000	181,289	(28,711)	Work ongoing into 2016/17. Money kept in reserve.
39902	5178	Human Resources	Corporate Training	25,000	22,000	643	(21,357)	Training to take place in 2016/17
39907	2423	Information Communications and Technology	Professional Services	42,420	56,430	33,300	(23,130)	Reduction in cost of the contract
39908	0100	Customer Services	Salaries	201,350	205,350	282,061	76,711	Vacancies in the establishment
39908	0200	Customer Services	Hired Staff	0	0	22,257	22,257	Vacancies in the establishment
39909	1400	Council Offices	Electricity	19,580	19,580	5,625	(13,955)	Refund received relating to previous year.

POLICY FINANCE AND DEVELOPMENT COMMITTEE - CAPITAL PROGRAMME

Project Code Reference	Scheme	2015/16 Revised budget	Expenditure to 31st March 16	Budget Remaining	Comments
		£	£	£	
	POLICY FINANCE AND DEVELOPMENT				
56001	Council Office Refurbishment/Demolition	6,000	4,422	(1,578)	Works continuing in 2016/17
56003	Customer Service Centre	232,200	302,534	70,334	
56006	IT Strategy	0	660	660	Project completed
56010	IT Replacement Programme	20,450	17,618	(2,832)	Scheme to continue 2016/17
56026	Integra Upgrade	18,000	17,250	(750)	Project completed
56027	41 Canal Street CPO	0	0	0	To be completed in 2015/16
56037	PARIS Upgrade	6,645	8,400	1,755	Residual works
56053	Public Realm	16,787	6,138	(10,649)	Scheme to continue 2016/17
56060	MS Office Suite Upgrade	20,000	15,166	(4,834)	Scheme to continue 2016/17
56061	Uninterruptible Power Supply Replacement	10,000	10,000	0	Project completed
56062	Server OS Upgrade	8,000	1,701	(6,299)	Scheme to continue 2016/17
56063	Building Control Public Access Module	10,000	0	(10,000)	Scheme to continue 2016/17
	TOTAL COMMITTEE EXPENDITURE	348,082	383,889	35,807	

Agenda Item 9



**Policy, Finance and
Development
Committee**

Tuesday, 19 July 2016

**Matter for Information
and Decision**

Title: Resident Forum Outturn Budget Position and Allocation Requests

Author: Martin Hone (Interim Chief Finance Officer/Section 151 Officer)

1. Introduction

This report is to update members as to the financial position of the Local Residents Forums at 30 June 2016 and give an indication of the amount of unallocated balances.

2. Recommendations

- 2.1. That Members should note the position of the Forum's budget.
- 2.2. That Members approve the allocation requested by the forums as set out below.
- 2.3. That Members approve any ongoing forum scheme's budgets are carried forward for completion in 2016/17.

3. Information

- 3.1. The attached report (Appendix 1) shows the financial position for the three Local Residents Forums at 30 June 2016. The report shows the actual spend at the end of June for each scheme approved by the forums. Once a scheme is complete any under spend on that scheme is placed back into the spending pot for future allocation. Members should take note of the current position when considering requests for funding

Forum	Original Allocation	Budgets Allocated	Unused Balances for Reallocation	Total Unallocated Funds	Spend to 30 June 2016
	£	£	£	£	£
Wigston	230,000	209,422	10,492	31,070	188,793
South Wigston	115,000	108,140	7,436	14,296	89,489
Oadby	230,000	208,832	11,494	32,662	183,582
	575,000	516,014	29,422	88,408	456,214

- 3.2. The South Wigston Residents Forum met on the 8 June 2016 at which the following requests were made.
 - (i) That a grant be given to the South Wigston Traders of £4,000 to fund 2016 the Christmas Capers event.
 - (ii) That St Thomas's Church be given a grant of £400 to allow them to start up a youth club.
- 3.3. The Wigston Residents Forum met on the 12 July 2016, after this report was written. A verbal update of any funding requests will be given at the meeting by the Chief Financial Officer, which members are asked to approve.
- 3.4. The Oadby Residents Forum met on the 6 July 2016, there were no formal proposals put forward at that meeting.

Background Documents:-
None.

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Implications	
Financial (CR)	As set out in the report
Legal (AC)	No significant implications.
Risk (CR)	CR1 - Decreasing financial resources.
Equalities (AC)	No significant implications.
	Equality Assessment
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

SOUTH WIGSTON RESIDENT FORUM	Approved amount	Actual amount spent at 30/06/16	Completed projects - balance available for reallocation	Progress Report
	£	£		
	115,000	115,000		
Total allocated budget				
Approved spending				
Christmas Decorations	17,000	17,974	974	Job Complete balance to be re-allocated
William Gunning Park Fence	10,000	5,050	(4,950)	Quotations came in less than budget. Job Complete
Fairfield Road Bus Shelters	9,160	9,060	(100)	Job Complete balance to be re-allocated
Gloucester Crescent Bus Shelters	2,000	400	(1,600)	Job Complete balance to be re-allocated
Planters/ Litter bins (Policy 31st March 09)	5,000	3,807	(1,193)	Job Complete balance to be re-allocated
Planters, hanging baskets etc particularly for Blaby Road (Forum 24/6/09)	10,000	0	0	Delayed due to other capital works. Will start shortly
Bus Shelters 2010-11	2,000	2,000	0	Job Complete
Information Boards 2010-11	1,600	1,600	0	Job Complete
Saffron Road bus shelter	2,500	2,460	(40)	Job Complete balance to be re-allocated
William Gunning Park additional equipment	5,000	4,400	(600)	Job Complete balance to be re-allocated
Christmas Capers 2012	4,000	4,000	0	Job Complete
Flagpole at Blaby Road Park (PFD July 13)	490	423	(67)	Job complete
S Wigston Chamber of Commerce to buy Christmas Lighting (PFD July 13)	12,500	12,640	140	Job Complete
S Wigston Chamber of Commerce for Christmas Capers (PFD July 13)	4,000	4,000	0	Job Complete
Rascals Mother and Toddler Group (PFD Feb 2014)	590	590	0	Job Complete
S Wigston Chamber of Commerce for Christmas Capers (PFD March 14)	4,000	4,000	0	Job Complete
Mobile Speed Awareness Sign (PFD Feb 15)	3,000	2,663	0	Job Complete
Grant to Community First Response (PFD March 15)	2,000	2,000	0	Job Complete
S Wigston Traders 2 events in Christmas Capers (PFD March 15)	4,200	4,200	0	Job Complete
S Wigston Traders Provision of Festive Lights (PFD March 15)	3,150	3,522	0	Job Complete
Grant to the Oadby and Wigston Lions (PFD March 15)	1,000	1,000	0	Job Complete
Grant to Family Foodies Project (PFD July 15)	2,000	2,000	0	Job Complete
South Wigston Market Traders Community Newsletter (PFD Oct 15)	500	0		
Phoenix Therapies Grant (PFD Oct 15)	1,700	1,700	0	
Civic Orchestra Commemorative Event (PFD Feb 16)	500	0	0	
Oadby and Wigston Civic Society plaque at Train Station (PFD March 16)	250			
Total committed	108,140	89,489	(7,436)	
Completed projects - balance available for reallocation	7,436			
Funds remaining	14,296			

WIGSTON RESIDENT FORUM	Approved amount	Actual amount spent at 30/06/16	Completed projects - balance available for reallocation	Progress Report
	£	£	£	
Total allocated budget	230,000	230,000		
Approved spending				
St. Wistan's Church Path	15,000	11,908	(3,092)	Quotations came in less than budget. Job Complete
Peace Memorial Park Interpretation Sign	4,000	2,852	(1,148)	Job Complete balance to be re-allocated
Christmas Decorations	30,000	30,000	0	Job Complete
Peace Memorial Park Bins	1,860	1,860	0	Job Complete
Provision of seats within Wigston	3,700		(3,700)	Project not going forward - money to be reallocated
Meadows - Junior Play Area	45,000	47,000	2,000	Job Complete balance to be re-allocated
All Saints Church	2,000	2,000	0	Job Complete
Wigston Club for Young People	5,000	5,000	0	Job Complete
Additional Christmas Lighting - Wakes Road, etc	10,000	8,395	(1,605)	Job Complete balance to be re-allocated
Bus Shelters - Rolleston Road	5,000	5,156	156	Job Complete
				Quotations came in less than budget. Job Complete
Planters (Policy 31st March 09)	6,252	3,807	(2,445)	balance to be re-allocated
Room of Remembrance Re-rendering external walls (R&R 30th June 09)	1,000	1,000	0	Job Complete
Replacement CCTV camera at the opening of Bell Street (Forum 9/9/09)	6,000	6,000	0	Job Complete
Bell Street - Additional planters	5,000	4,459	(541)	Job Complete balance to be re-allocated
Bus Shelters 2010-11	4,000	4,000	0	Job Complete
Information Boards 2010-11	3,200	3,200	0	Job Complete
Horsewell Lane - Multiplay Unit	5,820	5,820	0	Job Complete
Horsewell Lane - Bench	600	600	0	Job Complete
Bell Street Public Art Work (PFD Cttee Sept 12/Jan 13)	850	840	(10)	Job Complete
Grant to Lions for Community Work (PFD July 13)	1,000	1,000	0	Job Complete
Mobile Vehicle Activated Sign (PFD July 13)	3,000	2,663		Job now commenced.
Grant to Wigston Traders for Purchase of Festive lights (PFD March 2013)	10,000	10,344	344	Job Complete
Grant to little Hill Residents Forum for Mowers (PFD Oct 13)	540	540	0	Job Complete
15 Grit Bins positioned around Wigston (PFD Feb 2014)	3,200	2,800	(400)	Job Complete
Friends of Peace Memorial Park (Peace Sculpture) (PFD Feb 2014)	750	750	0	Job Complete
Grant to Wigston Traders for Purchase of Festive lights (PFD March 2014)	17,000	16,999	(1)	Job Complete
Grit Bins to be placed in Mere Road area (PFD March 2014)	600	600	0	Job Complete
All Saints Church War Memorial(PFD 28 Oct 14)	4,000	0	0	
Replacement Bus Shelter Seats (PFD 28 Oct 14)	1,000	950	(50)	Job Complete
Grant to Community First Response (PFD March 15)	1,000	1,000	0	Job Complete
Grant to the Oadby and Wigston Lions (PFD March 15)	1,000	1,000	0	Job Complete
Grant to All Saints Church re Bell Tower Lighting (PFD March 15)	1,200	0	0	
Bus Shelter with seating Paddock Street (PFD March 15)	4,000	2,625	0	Order has been placed
Grant to Friends of Brocks Hill (PFD July 15)	1,000	1,000	0	Job Complete
Bus Shelter Horsewell Lane (PFD July 15)	3,000	2,625	0	Order has been placed
Phoenix Therapies Grant for Bi-Polar Group (PFD Feb 16)	1,700	0	0	
Civic Orchestra Commemorative Event (PFD Feb 16)	500	0	0	
Seat to be Placed in Bus Shelter near the health centre (PFD March 16)	250	0	0	
Oadby and Wigston Civic Society Trees for Willow Avenue area (PFD March 16)	400	0	0	
Total committed	209,422	188,793	(10,492)	
Completed projects - unused balance available for reallocation	10,492			
Funds remaining	31,070			

OADBY RESIDENT FORUM	Approved amount	Actual amount spent at 30/06/16	Completed projects - balance available for reallocation	Progress Report
	£	£	£	
Total allocated budget	230,000	230,000		
Approved spending				
Christmas Decorations	17,000	17,000	0	Job Complete
East Street Car Park Improvements	12,400	12,255	(145)	Job Complete balance to be re-allocated
Florence Wragg Way Bus Shelters	6,400	4,830	(1,570)	Job Complete balance to be re-allocated
Benches at Chestnut Avenue	900	150	(750)	Job Complete balance to be re-allocated
Wickham Road Artwork	575	430	(145)	Job Complete balance to be re-allocated
Sandhurst Street Car Park Wall	3,840	3,842	2	Job Complete
Bus Shelters Briar Walk, Burton's Corner, Ashtree Road	9,600	8,498	(1,102)	Job Complete balance to be re-allocated
Information Boards - Fludes Lane and Coombe Park	3,000	1,500	(1,500)	Job Complete balance to be re-allocated
Uplands Park Play Area	20,000	20,000	0	Job Complete
Coombe Park Play Equipment	4,500	4,426	(74)	Job Complete balance to be re-allocated
Brocks Hill Springer	900	792	(108)	Job Complete balance to be re-allocated
				Project Changed from Roundabout to See Saw to save money -
Rosemead Park See Saw & Safety Surface	4,500	2,092	(2,408)	Job Complete balance to be re-allocated
Benches for Rosemead Park, Uplands Park and Coombe Park	2,700	2,700	0	Job Complete
Bridge at Fludes Lane (P&R Aug 07)	3,000	2,530	(470)	Job Complete balance to be re-allocated
Litter Bins - Coombe Rise, A6 and Ashtree Road, London Road, Lowcroft Drive.	1,200	1,712	512	Job Complete
Iliffe Avenue Play Area	20,000	19,941	(59)	Job Complete balance to be re-allocated
Planters (Policy 31st March 09)	7,927	7,015	(912)	Job Complete balance to be re-allocated
Mobile CCTV camera (R&R 30th June 09)	11,000	11,000	0	Job Complete
Bridge over Brook at Coombe Park	3,000	1,150	(1,850)	Job Complete balance to be re-allocated
Installation of lockable gates at Coombe Park - Dec 09	1,398	1,446	48	Job Complete
Installation of two litter bins at Coombe Park- Dec 09	700	700	0	Job Complete
Chicken Ally development	6,000	6,584		Work to be started end of May 2016
Play Equipment (Uplands)	4,000	3,900	(100)	Job Complete balance to be re-allocated
Bus Shelters 2010-11	4,000	4,000	0	Job Complete
Information Boards 2010-11	3,200	3,200	0	Job Complete
Bus shelter seating (various sites)	1,020	990	(30)	Job Complete balance to be re-allocated
Bus Shelter - Severn Rd / Windrush Dv junction	4,000	2,860	(1,140)	Job Complete balance to be re-allocated
Adult play equipment surrounds - Uplands Park	2,000	0		Scheme on Hold - Pending assessment of ground conditions
St Peters Church Hall access ramp	5,000	5,000	0	Job Complete
War Memorial Refurbishment	3,000	3,084	84	Job Complete
Uplands Park footpaths	8,000	7,191		Tree planting to be done to complete scheme
Rosemead Drive Kerb Improvements	1,000	785	(215)	Job Complete balance to be re-allocated
Multi-Cultural Event contribution	500	0		Payment not yet been made
Grant to Oadby Traders to buy Festive Lights (PFD July 13)	5,000	5,480	480	Job Complete
Ellis Park Bench replacement 3 benches (PFD July 13)	1,950	1,950	0	Job Complete
Grant to Pride of the Borough for tree works (PFD Oct 13)	650	650	0	Job Complete
6 Grit Bins positioned around Oadby (PFD Oct 13)	1,200	1,200	0	Job Complete
Local Bus Stop - Briar Walk (PFD Feb 2014)	180	185	5	Job Complete
Grant Oadby Traders to buy Festive Lights (PFD July 14)	5,000	4,953	(47)	Job Complete
Grant to Oadby Stakeholders for WWI Commemorative Banner (PFD July 14, Oct 14 and Feb 15)	4,562	4,562	0	Job Complete
Bench at Burtons Courner (PFD Feb 15)	1,000	0	0	
Grant to Community First Response (PFD March 15)	2,000	2,000	0	Job Complete
Grant to Friends of Brocks Hill (PFD July 15)	1,000	1,000	0	Job Complete
Ellis Park drinking fountain/notice board refurbishment (PFD July 15)	1,800	0	0	Work to be carried out July 2016
Litter Bin placed on Uplands Park nr Manor Rd School (PFD July 15)	450	0	0	awaiting confirmation of exact location
Oadby Market Traders Festive Lights Grant (PFD Oct 15)	1,000	0	0	
Grant to Friends of Brocks Hill (PFD Feb 16)	1,000	0	0	
Howden Close Bus Shelter (PFD March 16)	3,500	0	0	
Grant to St peters Church to fund the Church Clock refurbishment (PFD March 16)	1,380	0	0	
Litter bins - Coombe Park (PFD March 16)	900	0	0	
Total committed	208,832	183,582	(11,494)	
Completed projects - unused balance available for reallocation	11,494			
Funds Remaining	32,662			



Policy, Finance and Development Committee	Tuesday, 19 July 2016	Matter for Information
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Title: **Review of the Council's Financial Regulations**

Author: **Martin Hone (Interim Chief Finance Officer/Section 151 Officer)**

1. Introduction

Financial Regulations have been adopted by the Council and form an essential part of the control framework within which the Council operates. There is a requirement that the Chief Financial Officer should periodically review the Regulations. The last review took place in 2014.

A proposed revised set of Regulations is attached as Appendix 1 to this report.

2. Recommendations

That Members consider the draft Financial Regulations attached as Appendix 1 to this report and recommend to Council that they be adopted.

3. Information

The Council's Financial Regulations were last updated in 2014. The Chief Financial Officer has reviewed the Regulations and the attached draft has the following amendments compared to the current document:

- References to Overview & Scrutiny Committee have been removed throughout the document;
- Section 6.3 (Virement) has been expanded to allow virement within individual cost centres to be agreed between the relevant Head of Service and their Service Accountant;
- Section 19.7 (Income and Banking) has been amended to reflect the changes in the handling of cheques and cash since the opening of the Customer Service Centre;
- Sections 21.2 and 25.9 have been amended to require two signatories for all cheques over £5,000 (previously only one signatory was required for cheques of £10,000 and over);
- Section 25.21 (Non-compliance) has been slightly amended to require the Chief Finance Officer to report instances of non-compliance with the Financial Regulations to the Senior Management Team.

These Regulations are designed to ensure that financial decisions are taken in a considered and informed manner by assuring that consistent, high quality financial information is available to Members and Officers. In this way we can be confident that financial management ensures that the Council's objectives are met in an economical, effective and efficient way whilst still maintaining the highest levels of accountability.

The Regulations should be used in conjunction with Contract Procedure Rules which document important rules concerning the conduct of Council staff and the procedures they must follow. The general principals contained in the Regulations may be supplemented by detailed procedures specified by or agreed with the Chief Financial

Officer. Responsibility for approving and recommending changes to the financial control framework rests with the Chief Financial Officer who will be pleased to receive any comments on the operation of the Financial Regulations or Contract Procedure Rules.

All staff are bound by these Regulations and will be affected by them to some degree depending on their duties. Training will be provided for those staff who are regularly involved in the application of Financial Regulations or Contract Procedure Rules. Management Team and Heads of Service will be responsible for ensuring that appropriate officers/employees:

- (a) Receive a full copy of these Regulations, where appropriate
- (b) Receive appropriate training in order that they understand and comply with the Regulations.

Every officer has a responsibility to read and be familiar with these Regulations.

4. Legislation/Policy

The Chief Financial Officer has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government Finance Act 1989
- The appropriate Accounts and Audit Regulations
- The Local Government Act 2000
- The Local Government Act 2003

5. Relevant Considerations

There are no other relevant considerations from this report.

Background Documents:-
None.

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Implications	
Financial (MHo)	There are no financial implications arising from this report.
Legal (MHo)	Having appropriate and up-to-date regulations helps to mitigate financial and reputational risks that might arise through poor governance.
Risk (MHo)	Please see section 4 above.
Equalities (MHo)	There are no direct inclusion, diversity or community cohesion implications arising from this report.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

APPENDIX 1: Draft Financial Regulations

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INTRODUCTION

These Regulations have been adopted by the Council and form an essential part of the control framework within which the Council operates. Each section includes general guidelines to staff on the practical application of the Regulations. Useful contacts are also included in each section of this document.

These Regulations are designed to ensure that financial decisions are taken in a considered and informed manner by assuring that consistent, high quality financial information is available to Members and Officers. In this way we can be confident that financial management ensures that the Council's objectives are met in an economical, effective and efficient way whilst still maintaining the highest levels of accountability.

The Regulations should be used in conjunction with Contract Procedure Rules which document important rules concerning the conduct of Council staff and the procedures they must follow. The general principals contained in the Regulations may be supplemented by detailed procedures specified by or agreed with the Chief Financial Officer. Responsibility for approving and recommending changes to the financial control framework rests with the Chief Financial Officer who will be pleased to receive any comments on the operation of the Financial Regulations or Contract Procedure Rules.

All staff are bound by these Regulations and will be affected by them to some degree depending on their duties. Training will be provided for those staff who are regularly involved in the application of Financial Regulations or Contract Procedure Rules. Management Team and Heads of Service will be responsible for ensuring that appropriate officers/employees:

- (a) Receive a full copy of these Regulations, where appropriate
- (b) Receive appropriate training in order that they understand and comply with the Regulations.

Every officer has a responsibility to read and be familiar with these Regulations.

Martin Hone

Interim Chief Financial Officer

1. STATUS OF FINANCIAL REGULATIONS

1.1 Financial Regulations provide the framework for managing the Council's financial affairs. They apply to every Member and Officer of the Council and anyone acting on its behalf.

1.2 The Regulations identify the financial responsibilities of the Full Council, Committee(s), the Head of Paid Service, the Monitoring Officer, the Chief Financial Officer and their Officers.

1.3 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

1.4 The Chief Financial Officer is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the Policy, Finance and Development Committee for approval. The Chief Financial Officer is also responsible for reporting, where appropriate, breaches of the Financial Regulations to the Council and/or to the Policy, Finance and Development Committee.

1.5 The Authority's detailed financial procedures are contained in the relevant sections of these Financial Regulations.

1.6 Management Team and Heads of Service are responsible for ensuring that all staff in their Service, are aware of the existence and content of the Authority's Financial Regulations and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their services. Copies are also available on the intranet.

1.7 The Chief Financial Officer is responsible for issuing advice and guidance to underpin the Financial Regulations that Members, Officers and others acting on behalf of the Authority are required to follow.

1.8 Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.

1.9 Head of Paid Service (and Chief Executive)

The Head of Paid Service is responsible for the corporate and overall strategic management of the Council as a whole. He or she must report to and provide information for the Full Council and Committees. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Full Council's decisions (see below).

1.10 Monitoring Officer (Director of Services)

(a) The Monitoring Officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the Standards Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the Full Council, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

(b) The Monitoring Officer must ensure that Council decisions and the reasons for them are made public. He or she must also ensure that Members are aware of

decisions made by the Council and of those made by Officers who have delegated responsibility.

(c) The Monitoring Officer is responsible for advising all Councillors and Officers about who has authority to take a particular decision.

(d) The Monitoring Officer is responsible for advising the Committees or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

(e) The Monitoring Officer (together with the Chief Financial Officer) is responsible for advising the Committees or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

- initiating a new policy
- committing expenditure in future years to above the budget level
- causing the total expenditure financed from Council Tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

(f) The Monitoring Officer is responsible for maintaining an up-to date constitution.

1.11 Chief Financial Officer

(a) The Chief Financial Officer has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government Finance Act 1989
- The appropriate Accounts and Audit Regulations
- The Local Government Act 2000
- The Local Government Act 2003

(b) The Chief Financial Officer is responsible for:

- The proper administration of the Authority's financial affairs
- Setting and monitoring compliance with finance management standards
- Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- Providing financial information
- Preparing the revenue budget and capital programme
- Treasury management and banking.
- Providing an opinion on the 'Annual Governance Statement' in the Statement of Accounts.
- Measures to prevent/detect the laundering of illegally obtained money through the Council.

(c) Section 114 of the Local Government Finance Act 1988 requires The Chief Financial Officer to report to Full Council, Policy, Finance and Development Committee 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 authority
- Is about to make an unlawful entry in the authority's accounts Section 114 of the 1988 Act also allows:
- The Chief Financial Officer, if required, to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally. There is currently no member of staff suitably qualified for this position and therefore an external person would have to be appointed if this was considered necessary.
- The Authority to provide The Chief Financial Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.

1.12 Heads of Service

(a) Heads of Service are individually responsible for the proper financial management of resources allocated to their Service through the budget process and for the identification of and accounting for income which falls due within their area. This includes control of staff and the security, custody and control of all other resources including plant, buildings, materials, cash stores or equipment.

(b) Heads of Service shall ensure that their staff receive sufficient training to enable them to be aware of and comply with the requirements of Financial Regulations and Contract Procedure Rules.

(c) Heads of Service are responsible for ensuring that Committee Members are advised of the financial implications of all proposals and that the financial implications have been agreed by The Chief Financial Officer.

(d) It is the responsibility of Heads of Service to consult with The Chief Financial Officer and seek approval on any matter liable to affect the Authority's finances materially, before any commitments are incurred.

2. BUDGET SETTING – CAPITAL

CONTACT: Finance Manager

2.1 The detailed form of the Capital Programme shall be determined by The Chief Financial Officer.

2.2 The Chief Financial Officer, in conjunction with Management Team and Heads of Service, shall submit to the Policy, Finance and Development Committee the estimates of capital payments to be incurred in the ensuing financial years.

2.3 The Policy, Finance and Development Committee shall consider the overall capital programme and the resources available, make amendments as thought fit, and shall recommend an overall programme to Council.

2.4 All new schemes, prior to inclusion in the capital programme, must first have been considered as part of the Service and Financial Planning process. This must include details of the objectives of the scheme, the resources required, the timescale and the revenue implications. The de minimis level for a scheme to be considered as a capital scheme has been set at £3,000.

2.5 Any proposal to amend a project beyond its current policy or include a new project in the capital programme must be considered by the Council in accordance with the Budget and Policy Framework, included in the Constitution. Amendments to an existing project solely involving budgetary change which is being met from the virement process can be approved in accordance with Section 6 of these Regulations. Supplementary capital estimates must be sought from the Policy, Finance and Development Committee where sufficient budgetary provision is not available.

2.6 The inclusion of a scheme in the approved Capital Programme shall constitute authority to incur expenditure with the exception of schemes of a budgeted value exceeding £250,000 which shall be specifically reported to the Policy, Finance and Development Committee for approval to progress.

2.7 However, when the in year capital programme exceeds the resources available at the 1 April of that year, any scheme partly or wholly funded from capital receipts may not commence unless identified in the capital programme. All other schemes partly/wholly funded from capital receipts must not be implemented unless specific Policy, Finance and Development Committee approval is agreed and the funding for the scheme is identified.

2.8 The Management Team and Heads of Service monitor the delivery of capital schemes, capital expenditure and resources.

3. BUDGET SETTING – REVENUE

CONTACT: Finance Manager

3.1 The detailed form of the Revenue Budget shall be determined by The Chief Financial Officer.

3.2 Revenue budgets include the General Fund Revenue Account and Housing Revenue Account.

3.3 The Chief Financial Officer, in consultation with the relevant Heads of Service, shall prepare revenue estimates. These estimates shall be submitted by the Chief Financial Officer and shall detail estimates of expenditure and income for the ensuing financial year and current year. The estimates shall show in respect of each item of expenditure and income:

- (a) Actual results for the last financial year.
- (b) Original and working budgets for the current financial year.
- (c) Original estimate for the following financial year.

In relation to (b) and (c) above, The Chief Financial Officer or the appropriate Heads of Service shall report on the reasons for material variations.

3.4 The Council shall approve a strategy for fees and charges in line with the Council's overall policies for the coming year. The detailed fee increases will be submitted to the relevant Service Committee before being recommended to the Policy, Finance and Development Committee. Heads of Service will implement changes to fees and charges in accordance with this strategy and the scheme of delegation. The Committee is required to approve Heads of Service proposals in respect of fees and charges where these are not in accordance with the approved strategy.

3.5 The Policy, Finance and Development Committee shall consider the overall revenue budget and the sources available, make amendments as thought fit, shall consult with the Service Delivery and Overview and Scrutiny Committees, and shall recommend an overall budget to the Full Council.

3.6 It is the responsibility of The Chief Financial Officer to advise the Policy, Finance and Development Committee and/or the Full Council on prudent levels of reserves for the Authority. This will be based on a risk assessment of General Fund and Earmarked reserves.

4. SUPPLEMENTARY ESTIMATES

CONTACT: Chief Financial Officer

4.1 Supplementary estimates reduce the Council's reserves, and therefore must be used sparingly so as to not jeopardise the Council's Financial Strategy. Services should endeavour to find the resources from their own budgets, financing the project or variance through budget virement (see Section 6 of these Regulations). Supplementary estimates should represent a last option for financing a project or variance.

4.2 The Chief Financial Officer can approve Supplementary Estimates up to £10,000 in consultation with the Chief Executive, from £10,001 but less than £30,000 in consultation with the Chair of Policy, Finance and Development Committee. Supplementary Estimates above these levels, either individually or cumulatively, require the approval of Policy, Finance and Development Committee.

4.3 A Supplementary Estimate shall only be requested from the Policy, Finance and Development Committee where expenditure will be incurred that cannot be accounted within a budget head by way of virement. In this context, any reduction to

income shall be deemed to be expenditure, except where it relates to seasonal or periodic variations which are not anticipated to affect the annual budgeted figure.

4.4 The Policy, Finance and Development Committee can approve supplementary estimates or as part of the quarterly revenue budget monitoring report to the Committee.

5. BUDGETARY CONTROL

CONTACT: Chief Financial Officer

5.1 The Chief Financial Officer shall make available to Management Team and Heads of Service, information concerning all income and expenditure falling within their respective responsibilities and such other information that may be relevant. This information shall allow comparison between actual expenditure, including committed expenditure, against the current budget.

5.2 Each Head of Service is responsible for ensuring that all expenditure and income is processed in a timely manner and charged to an appropriate account code to enable budgetary control information to be produced as per 5.1 above.

5.3 Each Head of Service is responsible for ensuring that all expenditure committed by their Service is within a revenue or capital budget. Any expenditure or income likely to vary significantly from an approved budget shall be reported to the Chief Financial Officer. All virement and supplementary requests require approval before expenditure is committed, the only exceptions are in connection with emergency events. If appropriate a virement or supplementary estimate will be obtained and reported to the Policy, Finance and Development Committee as part of the quarterly revenue and capital budget monitoring process.

5.4 The inclusion of items in approved revenue or capital estimates shall constitute authority to incur such expenditure subject to compliance with any requirements mentioned elsewhere in these Regulations and Contract Procedure Rules.

5.5 Any proposal outside the budget and policy framework that involves:

(a) Capital expenditure not specifically included in the capital budget (see also conditions in paragraph 2.7).

(b) Revenue expenditure on a new service or project that has not been specifically provided for in any of the revenue budgets.

(c) A new source of income or significant variation in an existing source of income.

(d) The sale or disposal of land, buildings or other property of the Council, (other than those for which delegated authority has been given) shall be subject to the specific approval of the Council on the recommendation of the Policy, Finance and Development Committee. Should, at any time during the project, the likely cost exceed the amount specifically approved or the scope of the project altered, then further specific approval will be sought unless the financial implications can be

accommodated by Virement. The initial or any subsequent submission of such proposals to the Council shall be subject to the procedures in Section 4.

5.6 In a situation that necessitates expenditure or the acceptance of quotes/tenders in contravention of these Regulations, the relevant Head of Service and the Chief Financial Officer, in conjunction with the Director of Services, shall have authority to sanction such expenditure. The Chief Financial Officer shall report such approvals in the schedule prepared under Regulation 4.4.

5.7 Nothing in these Financial Regulations shall prevent expenditure being incurred where an emergency or disaster involving destruction of or danger to life or property occurs or is imminent. Where in the opinion of the relevant Heads of Service, in consultation if possible with the Chief Executive and the Chief Financial Officer, the urgency of the situation will not permit delay, nothing in the Financial Regulations or Standing Orders shall prevent the relevant Head of Service from incurring expenditure. Action under this Financial Regulation shall be reported to the next meeting of the Policy, Finance and Development Committee.

6. TRANSFER OF BUDGETS (VIREMENT)

CONTACT: Finance Manager

6.1 Virement is a transfer between approved budgets. Heads of Service should endeavour to finance projects or variances from within this Service by way of virement before a supplementary estimate is considered.

6.2 Virements shall only be made in accordance with the authorisation limits and criteria shown in 6.3 and 6.4 and the general conditions shown below:

(a) All virements will be submitted to the Chief Financial Officer in a form approved by the Chief Financial Officer where the appropriate authorisation is required.

(b) All approved virements will be reflected in the Council's Financial Information System (FIS) by the Chief Financial Officer.

(c) The Chief Financial Officer reserves the right to refer any virement request to the Policy, Finance and Development Committee for approval.

(d) The destination of the proposed virement must be a project, scheme or budget that has previously been approved for funding.

(e) No virements shall be made:

- from budgets held for support service recharges, central and departmental recharges, and capital financing charges.
- between the Revenue and Capital accounts of the Council or between the Housing Revenue Account and General Fund.
- that create an ongoing expenditure commitment for the Council.

(f) No virements shall be made from salary budgets unless approved by the Chief Financial Officer, so that the annual transitional vacancy target is met each year.

(g) Virements shall only be made within and not between the budget heads of the Council as defined in the Council's Budget and Policy Framework

i.e.

- General Fund Revenue Account
- Housing Revenue Account
- General Fund Capital Programme
- Housing Capital Programme

(h) There must be sufficient budget provision remaining in the source of the virement to meet all expenditure for the rest of the year.

6.3 Virement Authorisation Limits

Virement Type	Authorisation Level:			
	Head of Service	Chief Financial Officer in consultation with Chair of PFD Committee	Policy, Finance and Development Committee	Council
(a) Within a cost centre	In consultation with Service Accountant			
(b) Within a Budget Head	Less than £25,000	£25,000 - £49,999	£50,000 - £250,000	More than £250,000
(c) Between Budget Heads but within a Service	Less than £25,000	£25,000 - £49,999	£50,000 - £250,000	More than £250,000
(d) Between capital projects		Less than £50,000	£50,000 - £250,000	More than £250,000
(e) Within Committee's responsibility			Less than £250,000	More than £250,000

For the purposes of virement a service is defined as:-

General Fund – a collection of cost centre(s) (comprising a summary line in the budget book) as detailed in The Addendum to the Financial Regulations.

Housing Revenue Account – the whole account.

Virements under 6.3(a) authorised by Heads of Service or Chief Financial Officer will not require reporting to Committee. Virements under 6.3 (b) & (c) authorised by Heads of Service, or Chief Financial Officer shall be reported to the Policy, Finance and Development Committee on a schedule.

When the virement is as a result of a rationalisation of the Council's financial system codes, the authorisation level will be: up to £250,000 by the Finance Manager and over £250,000 by the Chief Financial Officer. This would include setting up new cost centres as a result of restructures, reviewing and rationalising subjective codes and changes to staff reports. All these technical virements will be reported to the Chair of the PFD Committee for information.

6.4 All virements that relate to substantial changes in the method of service provision must be approved by Management Team irrespective of amount.

7. ACCOUNTING

CONTACT: Finance Manager

All accounting procedures and records of the Council shall be determined by the Chief Financial Officer in so far as they are not prescribed by law. All accounts and accounting records of the Council shall comply with the relevant accounting standards and shall be in a form determined by the Chief Financial Officer.

All Heads of Service shall ensure that the principles of Separation of Duties and good control procedures are observed in the allocation of accounting duties:

(a) The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them.

(b) Officers responsible for examining and checking the accounts of cash or stores transactions shall not themselves be engaged in any of these transactions. As soon as possible after the end of each financial year, and not later than 30 September the Chief Financial Officer shall report to Council or committee under delegation on the accounts for that year.

8. TREASURY MANAGEMENT

CONTACT: Finance Manager

8.1 All external investments in the name of the Council shall be made in accordance with the Council's policy for Treasury Management.

8.2 The Council adopts the key recommendations of CIPFA's Treasury Management Code of Practice (the Code).

8.3 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:

(a) A treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities.

(b) Suitable treasury management practices (TMP), 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.

8.4 The Council's Policy, Finance and Development Committee 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, an annual report after its close and an in year monitoring report. The Strategy will be updated and reported more frequently if the Council's financial circumstances change e.g. need to borrow or best practice recommends. The Policy, Finance and Development Committee will receive updates on the Council's investments as part of the quarterly monitoring reports (revenue expenditure).

8.5 The Council delegates responsibility for the scrutiny, implementation and monitoring of its Treasury Management Policies and practices to the Policy, Finance and Development Committee and for the execution and administration of treasury management decisions to the Chief Financial Officer who will act in accordance with the Council's Policy Statement and TMPs and, if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

8.6 The Chief Financial Officer shall report to the Policy, Finance and Development Committee on an exception basis, on investment and borrowing transactions.

9. VALUE ADDED TAX (VAT)

CONTACT: Finance Manager

9.1 It shall be the responsibility of the Chief Financial Officer to secure arrangements for the administration and accounting of VAT to ensure compliance with all statutory requirements including such returns as are required within laid down timescales.

9.2 Each Head of Service shall keep records, as determined by the Chief Financial Officer, for the prescribed statutory period, of all matters pertaining to the administration and accounting of VAT, and in particular:

(a) All supplier invoices, including any relevant back-up and authorisation documents;

(b) Documentation supporting all income raised by invoice;

(c) Documentation supporting all non-invoiced income, including amounts lodged directly with the bank and cash collected directly by departments.

9.3 The Chief Financial Officer nominates the Finance Manager as the contact point for enquiries regarding any VAT matter. Each Head of Service shall fully observe any direction and advice as may be issued by the office of the Chief Financial Officer.

10. COMMITTEE REPORTS

CONTACT: Finance Manager

10.1 The Chief Financial Officer shall ensure that Committee Reports contain a section outlining the financial implications of the matter being reported upon. Additionally, he shall be entitled to report upon the financial implications of any matter coming before the Council, or other Committees, and shall further report to the Overview and Scrutiny Committee, if necessary, in the interests of the financial affairs of the Council. To allow the Chief Financial Officer to fulfil his obligations all Heads of Service are obliged to consult with the Chief Financial Officer on all matters with a potential financial implication which are likely to result in a report to Committee.

10.2 With regard to reports prepared for consideration by Committee, Heads of Service shall follow the expected format and latest detailed guidance notes, as issued by the Chief Executive and the Chief Financial Officer, for ensuring all financial implications are identified and recognised. Further, Heads of Service consulted on the financial implications of reports with the inclusion of appendices within reports for ease of reference.

10.3 The following principles should be adhered to in the preparation of all Committee reports:-

- The report should clearly distinguish capital and revenue financial implications.
- Implications for the capital budget should identify where provision exists within the Council's capital programme.
- Implications for the revenue budget should identify where provision exists within the Council's revenue budget. It is not considered sufficient to indicate that any increase in expenditure will be contained within a Service budget.
- Implications for the revenue budget should distinguish ordinary running costs from capital financing costs.
- Accountants within Finance should be involved in the calculation of such figures, as appropriate.
- No additional budgetary implications will be allowed unless specifically approved by the Policy, Finance and Development Committee or Full Council (where appropriate).
- Reports should make clear how additional or unbudgeted running costs are to be funded in both the current year and future years revenue budgets i.e. via ongoing compensating savings, virement, external funding etc.
- Where virement is proposed, in order to fund overspends or unbudgeted expenditure, reports should indicate whether such virement is to be considered as a permanent adjustment or as a one-off.
- Government grant funding availability / arrangements should be clearly highlighted as should the percentage of expenditure covered by grant and any residual costs to

be borne by the Council. If the grant is to be available for only a limited period then this should also be identified in the financial implications.

- Staffing changes / additions should clearly state whether such adjustments are of a permanent, temporary or fixed term nature.
- All financial implications narrative and supporting appendices should be agreed with the relevant Accountant at draft /consultation stage.
- Reports with significant financial implications, should, as a matter of course have a financial appendix which should provide a financial analysis broken down into appropriate cost and income headings (e.g. employee costs, property costs, supplies and services etc.) and should identify current year costs (which in the main will have a part year effect only) and costs for a full financial year.
- Costings for the purpose of financial implications should be to the nearest ten pounds using current year prices.

11. AUDIT REQUIREMENTS

CONTACT: Chief Financial Officer

11.1 The Accounts and Audit Regulations require every local authority to maintain an adequate and effective internal audit function.

11.2 The Chief Financial Officer shall maintain an adequate and effective system of internal audit for all accounting, financial and other operations of the Council and in particular shall arrange for the examination, review and appraisal of:

- (a) the adequacy and effectiveness of the systems of financial, operational and management control, and their operation in practice in relation to the business risks to be addressed;
- (b) the extent of compliance with, relevance of, and financial effect of, policies, standards, plans and procedures established by Members and the extent of compliance with external laws and regulations, including reporting requirements of regulatory bodies;
- (c) the extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause and that adequate business continuity plans exist;
- (d) the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
- (e) the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that the process aligns with the Council's strategic goals;

(f) the follow-up action taken to remedy weaknesses identified by Internal Audit, ensuring that good practice is identified and communicated widely;

(g) the operation of the Council's corporate governance and risk management arrangements.

11.3. The Internal Audit Service (IAS) in consultation with the Finance Manager and Chief Financial Officer shall prepare annual audit plans detailing the areas of audit coverage for the following year. These plans shall be presented to the Policy, Finance and Development Committee.

11.4. Internal Auditors from IAS have authority to:

(a.) Enter at any time Council premises or land subject to any statutory or contractual restrictions that may apply.

(b.) Have access to all records, documents and correspondence relating to any financial or other business of the Council and to remove any such records as is necessary for the purpose of their work.

(c.) Receive any information and explanations considered necessary concerning any matter under examination.

(d.) Require any employee, agent or contractor of the Council to produce cash, stores or any other Council property under his or her control.

(e.) Have direct access to the Chief Executive, Director of Services, Chief Financial Officer, Policy, Finance and Development Committee and Overview and Scrutiny Committees.

12. FRAUD AND IRREGULARITY

CONTACT: Chief Financial Officer

12.1 The Council will not tolerate internal or external fraud and corruption in the administration of its responsibilities.

12.2 The Chief Financial Officer and the Finance Manager shall be notified immediately by the Head of Service of the Service concerned of any suspected irregularity concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the Council. The Chief Financial Officer shall take such steps as he or she considers necessary by way of investigation and report.

12.3 Should it be found that any major irregularity has occurred or is occurring, the Chief Financial Officer shall immediately inform the Chief Executive, Leader and the Chair of the Policy, Finance and Development Committee.

12.4 The Chief Financial Officer and the Chief Executive will be responsible for deciding whether any irregularity shall be referred or reported to the Police.

12.5 All employees and Members of the Council have a responsibility to bring to the attention of the Finance Manager/ Chief Financial Officer suspected irregularity. It is not Officers / Members responsibility to investigate suspicions as this could prejudice any investigation.

12.6 Requests for surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) must be approved in accordance with the Council's "Use of Surveillance Powers" policy. The use of Surveillance Powers Policy is available on the Council's intranet, under Policies and Forms/ Surveillance.

12.7 The Chief Financial Officer has overall responsibility for:

(a) Developing and maintaining an anti-fraud and corruption policy.

(b) Developing and maintaining a whistle blowing policy.

(c) Maintenance of a register of interests and a register for recording gifts or hospitality.

12.8 Management Team will instigate the Council's disciplinary procedures where the outcome of an investigation indicates improper behaviour.

13. INSURANCES & RISK MANAGEMENT

CONTACT: Insurance - Finance Manager
Risk Management-Chief Financial Officer

13.1 Risk Management – all organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve 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 the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk Management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

13.2 Policy, Finance and Development Committee is responsible for approving fundamental (or significant) changes to the Risk Management Strategy and ensuring the overall effectiveness of the strategy.

13.3 The Chief Financial Officer is responsible for preparing the Authority's risk management policy statement and Corporate Risk Register and for promoting it throughout the Council and updating it.

13.4 Internal Control – Internal Control refers to the systems of control devised by management to reduce risks to an acceptable level and to help ensure that the

Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.

13.5 The Chief Financial Officer is responsible for advising on effective systems of Internal Control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other provisions that govern their use.

13.6 It is the responsibility of Heads of Service to establish sound arrangements, consistent with guidance given by the Chief Financial Officer, for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and achieving their financial performance targets.

13.7 Business Continuity – Management Team should ensure that adequate plans are in place for ensuring continuity of service in the event of a disaster or system failure.

13.8 Intellectual Property - Intellectual Property is a generic terms that includes inventions and writing. If these are created by the employee in the course of employment, then, as a general rule, they belong to the employer, not the employee. Various Acts of Parliament cover different types of Intellectual Property. Certain activities within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as Intellectual Property.

13.9 The Chief Financial Officer is responsible for developing and disseminating good practice through Intellectual Property procedures. Management Team must ensure that controls are in place to ensure that staff do not carry out private work in Council time and that staff are aware of an employer's right with regard to Intellectual Property.

13.10 Insurances - Arrangements for insurances shall only be made through the Chief Financial Officer who shall arrange such insurances as considered necessary to protect the Council's interests.

13.11 The Chief Financial Officer shall maintain details of all policies, claims or other transactions relating to the Council's insurance and details of all items or risks insured.

13.12 Management Team are responsible for ensuring that the Chief Financial Officer is notified of all new risks which require to be insured and any alterations affecting existing insurances.

13.13 Management Team shall be responsible for notifying the Chief Financial Officer, in a form prescribed by the Chief Financial Officer, as soon as possible of any loss, liability or damage or any event likely to lead to a claim.

13.14 The Chief Financial Officer shall negotiate all claims made by the Council against its insurers.

13.15 Employees of the Council shall be included in a fidelity guarantee policy suitable to the roles they perform.

14. ESTATES

CONTACT: Head of Corporate Resources

14.1 The Head of Corporate Resources shall be responsible for maintaining a terrier of all land and buildings owned by the Council, recording the holding committee, purpose for which held, location, extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.

14.2 The Head of Corporate Resources shall be responsible for the safe custody of all title deeds, formal contracts and agreements under secure arrangements agreed with the Chief Financial Officer.

15. SALARIES AND OTHER EMOLUMENTS

CONTACT: Head of Corporate Resources

15.1 The calculation and payment of all salaries, pensions, compensation and other emoluments to all employees, former employees or Members of the Council shall be made by the Head of Corporate Resources under arrangements approved and controlled by them.

15.2 Heads of Service are responsible for ensuring that the Head of Corporate Resources is notified as soon as possible of all matters affecting the payment of such sums and in particular:

- (a) Appointments, resignations, dismissals, suspensions, secondments and transfers
- (b) Absences from duty for sickness or other reason, apart from approved leave.
- (c) Changes in remuneration, pay awards and agreements of general application.
- (d) Information necessary to maintain records of service for pension, income tax, National Insurance and the like.
- (e) Untaken or excessive leave when officers leave the employment of the Council.

15.3 Appointments of all employees shall be made within the approved establishment of the appropriate department, grades and rates of pay agreed by the Council, either specifically or generally by reference to the decisions of the appropriate negotiating body, and in accordance with any regulations of the Council.

15.4 All time keeping, or other records affecting the pay of an employee, shall be in a form approved by the Head of Corporate Resources.

15.5 All time keeping or other records relating to hours worked or leave taken shall be completed by the employee that they relate to, or if necessary by a supervisor and certified to that effect.

15.6 An authorised officer shall certify all timesheets, or other records affecting the pay of an employee. Heads of Service shall notify the Chief Financial Officer / Finance of those officers authorised to sign such documents, detailing the limits of their authority and including a specimen of their signature. Initials may not be used to certify such documents.

15.7 All salary payments will be made on the due date. No advances of pay will be made without the consent of the Chief Financial Officer or Finance Manager, and will only be allowed in exceptional circumstances.

16. PETTY CASH, CHANGE FLOATS AND POSTAGES

CONTACT: Finance Manager

16.1 A central Petty Cash Account on an imprest basis shall be maintained by the Chief Financial Officer for the purposes of minor disbursements. Vouchers submitted through this account shall be examined and certified in compliance with Regulation 16.3. In all cases, where applicable, receipts supporting the claim shall be attached to the voucher.

16.2 No income, except imprest reimbursements, shall be paid into petty cash accounts or cash floats.

16.3 Cash reimbursement shall be limited to minor items of expenditure not exceeding £30 (or any other limit specified by the Chief Financial Officer). Payments and claims shall not be divided to avoid this limit. All individual claims over the £30 limit must not be reimbursed through the Petty Cash account, but should be reimbursed on a monthly basis through the purchase ledger function.

16.4 Officers responsible for change or petty cash floats shall produce on request any record and balance to the Chief Financial Officer for examination. In addition, as part of the closure of accounts a signed petty cash declaration is required for each subsidiary imprest or float as requested by the Chief Financial Officer.

16.5 Officers responsible for change or petty cash floats shall perform, in conjunction with another Officer, regular checks to verify the balance of the float. As a minimum this should be done weekly and a record of the checks, signed by both Officers, shall be maintained.

16.6 Heads of Service shall ensure that any floats held by Officers leaving the employ of the Council are checked prior to the leaving date. These floats should then either be paid back to the Chief Financial Officer or transferred to another employee.

16.7 All postages for outgoing mail shall be made through centralised franking machinery unless otherwise approved. Packages containing documents or articles of value shall be registered or insured, according to the arrangements in force.

16.8 Corporate Credit Cards shall be issued to a nominated Officer whose duties require one. The Chief Financial Officer shall ultimately decide to whom credit cards will be issued and withdrawn.

16.9 The Chief Financial Officer shall issue guidelines on the acceptable use of corporate credit cards, including types of expenditure permitted and proper accounting for expenditure incurred. All corporate credit card holders will be required to sign that they will only charge payments that are within the guideline rules. Random checks may be made on credit card payments by the Finance Manager.

17. TRAVELLING AND SUBSISTENCE ALLOWANCES

CONTACT: Head of Corporate Resources

17.1 Payment of Travelling and Subsistence allowances shall be made in accordance with current Council policy. Details of the current policy are available from Human Resources.

17.2 The Head of Corporate Resources shall be responsible for paying any travelling and subsistence allowances and reimbursement shall be made through the payroll.

17.3 Claims from Officers for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be made on a form specified by the Chief Financial Officer and shall be submitted within 3 months of journeys claimed. Periods in excess of 3 months shall be paid at the discretion of the Chief Financial Officer. Managers must ensure that all claims are complete before authorising e.g. mileometer readings.

17.4 All claims for travelling expenses, car allowances and subsistence will be made through the payroll system. Human Resources will advise on the last day for submission of claims for each pay period.

17.5 All claims for car allowances, subsistence, travelling and incidental expenses shall be certified by an officer so authorised. Heads of Service shall supply a list of names and specimen signatures of all those Officers in their department, with limits if applicable, to the Chief Financial Officer. Authorisation shall be in the form of a signature and not initials.

17.6 Subsistence allowances will only be paid against actual expenditure incurred up to the maximum allowed under the current regulations. Receipts should be obtained and submitted to support the claim. Claims may be rejected if receipts are not attached. Where it is impossible to obtain receipts, the claimant shall list the items purchased, where purchased from and the cost, and payment will be made at the discretion of the Management Team in consultation with the Chief Financial Officer. Subsistence allowances will not be paid for alcoholic drinks.

17.7 Officers using rail travel shall obtain a travel warrant from the Chief Financial Officer prior to their journey. The Council will only provide rail warrants and reimburse rail travel from Leicester or from the nearest town to the employee's place of work if different. Exception will be made if travel is made on a different rail route other than Leicester and the station used is of equal cost or less than travelling from Leicester. Any additional cost should be paid by the officer.

17.8 Private vehicles can only be used for Council business, and the subsequent mileage allowance claimed, if the vehicle and driver has been specifically insured for this use. Human Resources will make such necessary checks to ensure that this regulation is adhered to.

18. ASSETS & INVENTORIES

CONTACT: Chief Financial Officer

18.1 Assets – It is the responsibility of the Chief Financial Officer that an Asset Register is maintained in accordance with good practice. The function of the Asset Register is to provide the Council with information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained. It is also the Chief Financial Officer responsibility to ensure that assets are valued in accordance with relevant guidance.

18.2 Heads of Service shall be responsible for the care and custody of all Council assets within their Service and shall maintain proper security for all buildings, vehicles, plant, stocks, stores, furniture, equipment and cash.

18.3 Inventories - Inventories shall be maintained by Service for all establishments as follows:

18.4 The Chief Financial Officer will be responsible for the maintenance of a comprehensive Hardware and Software Inventory for all Council IT equipment in all Service and shall ensure that appropriate entries are made at the time of purchase, at the time of disposal and that an annual check of all items on the inventory takes place.

18.5 The Chief Financial Officer will be responsible for the maintenance of an Inventory for all Council furniture in all Service and shall ensure that appropriate entries are made at the time of purchase, at the time of disposal and that an annual check of all items on the inventory takes place.

18.6 The extent to which the inventory shall record items specified within 18.1 above shall be in a form determined by the Chief Financial Officer.

18.7 Disposal of Assets- Disposal of assets should be carried out in accordance with the Council's Contract Procedure Rules. Items which are obsolete or surplus to requirements, excluding land or buildings, over the cost of £500 (at the time of purchase) can be sold or disposed of on completion of an asset disposal form found on the staff intranet under staff info/procurement with approval by Management

Team or Head of Service providing the estimated loss on disposal is no more than £10,000. Where the loss is estimated to exceed the £10,000 threshold, approval of Policy, Finance and Development Committee must be obtained. Items that have been leased to the Council should not be disposed of unless full written consent has been obtained from the lessor.

18.8 Surplus or obsolete stock / assets with an estimated sale value of less than £75,000 can be sold or disposed of through the methods of disposal outlined under Contract Procedure Rules, subject to the Head of Service demonstrating that the interests of the Council have been considered. Surplus or obsolete stock / assets with an estimated sale value of £75,001 or more must be sold via competitive tender inviting bids in line with Contract Procedure Rules or sale by public auction. Other methods may be used if the Management Team and the Chief Financial Officer believe another method would be in the best interest of the Council. All disposals should be notified to the Chief Financial Officer so that the Capital Asset register can be properly maintained. All vehicles (non-leased) must be disposed of through sale by public auction or by quotations from a reputable dealer.

18.9 All disposals must comply as applicable with the Waste Electrical & Electronic Equipment Directive and Health & Safety legislation. All Council and personal data must be removed from any IT or recording equipment prior to their disposal.

18.10 Where small items of equipment with a value of less than £500 (at the time of purchase) such as keyboards, are scrapped, they must be recorded on a list held by each relevant Head of Service and signed off at year end. The list must be passed to Finance at year end.

18.11 The property of the Council specified within 18.1 above shall not be used other than for legitimate Council business.

19. INCOME

CONTACT: Finance Manager

19.1 The Chief Financial Officer shall make and maintain adequate arrangements for:

- (a)** The organisation and accounting necessary to ensure the proper recording of all sums due to the Council.
- (b)** The custody, control, disposal and proper accounting of all cash received by the Council through any Service.

19.2 Each Head of Service shall ensure that there are adequate arrangements for the calculation, collection and banking of all income due to their Service and that it is done in such a way to prevent losses arising from any source.

19.3 Every sum received by an officer or agent of the Council shall be acknowledged immediately by the issue of an official receipt, ticket, voucher or other document prescribed by the Chief Financial Officer.

19.4 All receipts, tickets, voucher or other document prescribed by the Chief Financial Officer shall be sequentially pre-numbered.

19.5 Heads of Service shall be responsible for ensuring that all receipts issued to officers in their department are accounted for, have been used in accordance with any relevant guidelines and that income collected on those receipts has been collected and paid over to the Council.

19.6 All official receipts forms, books, tickets and other documents of a similar nature shall be ordered, controlled and issued by the Chief Financial Officer, and a register shall be maintained for this purpose. The Chief Financial Officer shall also make any necessary checks to ensure that all receipts issued have been accounted for.

19.7 Every Officer who receives monies on behalf of the Council shall pay the monies to the Chief Financial Officer who shall then arrange for it to be banked.

All cash received at Council Offices or by an officer of the Council must be banked promptly. This must be done on the day the cash is received. All cheques received at Council Offices should be banked/ sent to the Council's cashiering service the next available working day. Cash collected shall, under no circumstances, be replaced with a personal cheque. All income collected shall be paid over promptly, intact and without deduction, and shall not be used for expenditure, floats or petty cash. Cheques received at satellite sites should be sent to the Council's cashiering service in line with procedures agreed with the Finance Manager.

19.8 All income collected by Council Officers on behalf of a third party, whether for a commission or not, shall be receipted and banked in the same way as if it was the Council's own money. Any amount due to the third party will be paid by a BACS/ Cheque issued by the Chief Financial Officer once the account has been checked and balances agreed.

19.9 The Chief Financial Officer shall be responsible for the operation and running of a computerised sundry debtor system and shall furnish each Head of service with details of outstanding debts for which their Service are responsible.

19.10 Payment in advance shall be obtained for the supply of goods and services.

The only variance to this may be:

- due to contractual arrangements
- the invoice is based on the supply of variable goods and services
- if agreed with the Finance Manager.

Each Head of Service shall be responsible for ensuring that a sundry debtors invoice is promptly raised.

19.11 The Chief Financial Officer, in conjunction with the relevant Head of Service, shall determine those goods or services where sundry debtors may be raised.

19.12 Heads of Service shall be responsible for ensuring that all debts raised by their Service are collected promptly.

19.13 The Chief Financial Officer shall fix a limit below which sundry debtor accounts will not be raised, apart from allotments and in such cases alternative collection methods shall be employed, where possible.

19.14 A record should be kept of every transfer of money between employees of the Authority. The Receiving Officer must sign for the money received and both the Receiving Officer and transferor should keep a record of the transaction.

20. RECOVERY AND WRITE OFF OF DEBTS

CONTACT: Finance Manager

20.1 The Council shall have a policy for recovery approved by the Chief Financial Officer and the Policy, Finance and Development Committee.

20.2 Heads of Service are responsible for ensuring that all debts are collected in accordance with the laid down policy.

20.3 The Chief Financial Officer shall be responsible for providing Services with details of all debts outstanding.

20.4 A debt, which is properly due to the Council and deemed irrecoverable, shall only be written off as follows:

(a) Debts of less than £5,000 with the approval of the Chief Financial Officer or their appointed nominee.

(b) Debts of £5,001 and less than £10,001 with the approval of the Chief Financial Officer or their appointed nominee and the Chair of the Policy, Finance and Development Committee.

(c) Debts of £10,001 or more with the approval of the Policy, Finance and Development Committee. For the purposes of these Regulations the value of debts shall be determined by reference to the debtor as opposed to individual debts. Where the value of several debts for one individual or organisation exceeds £10,001 the approval of the Policy, Finance and Development Committee shall be obtained.

(d) These Regulations apply to all debts including Council Tax, housing and garage rents.

20.5 Heads of Service are responsible for ensuring that every available means of recovering a debt has been taken before a debt is reduced or recommended for write off. No debt will be reduced or written off without the receipt of a signed instruction issued by the relevant Head of Service. The Chief Financial Officer shall make such checks as he considers necessary on the procedures used.

20.6 Heads of Service, in consultation with the Chief Financial Officer, shall be responsible for ensuring that sufficient budgetary provision is made for bad debts.

20.7 Distress proceedings for recovery of Council Tax, Business Rates and warrants for committal to prison shall be instituted by the Chief Financial Officer. The Head of Corporate Resources shall institute Court proceedings for the recovery of other monies due to the Council.

21. BANKING ARRANGEMENTS AND CHEQUES

CONTACT: Finance Manager

21.1 All arrangements for banking services shall be made through the Chief Financial Officer. The Committee shall approve the bankers and the accounts to be used.

21.2 All cheques or other instructions issued on behalf of the Council shall bear the impression or manuscript signature of the Chief Financial Officer with a proviso that cheques for £5,000 and shall also bear the impression or manuscript signature of two officers approved by the Chief Financial Officer.

21.3 The Chief Financial Officer shall be responsible for the ordering and control of all cheques. The Chief Financial Officer shall make sufficient arrangements for the safe custody of blank cheques and the control and reconciliation of those issued.

21.4 The Chief Financial Officer shall be responsible for ensuring that a monthly reconciliation between the Council's Bank account and its income and expenditure records is performed and that the reconciliation is reviewed by the Finance Manager and signed off on a timely basis.

21.5 Opening or closing any bank account shall require the written approval by the Chief Financial Officer and one other authorised signatory.

22. SECURITY & SAFES

CONTACT: Finance Manager

22.1 Each Head of Service shall be responsible for maintaining adequate and proper security at all times for all buildings, stocks, stores, IT, furniture, equipment, vehicles, plant, cash and any other assets of the Council under their control. These arrangements shall be subject to the agreement of the Chief Financial Officer and shall be sufficient enough to minimise losses arising from any cause.

22.2 Maximum limits for cash holdings, in whatever receptacle, shall be agreed with the Chief Financial Officer and shall not be exceeded without express permission and with regard to the appropriate insurance limit.

22.3 Officers, who in the course of their duties collect money on behalf of the Council, shall take all reasonable precautions for its safe custody and shall observe any instructions as may be issued by the Chief Financial Officer.

22.4 Each Head of Service shall maintain a Register of Keys for external doors, safes, cash boxes and others of similar importance. This Register shall list the key holders and out of hours contact numbers. This Register must be kept in a secure environment and not available for general inspection by unauthorised officers. All keys issued to staff are to be carried on the person, or held in a secure place, by those responsible at all times. Safe keys must not be left on the premises where the safe is situated. The loss of any keys must be reported to the relevant Head of Service and the Chief Financial Officer.

22.5 All safes shall be specified by the Chief Financial Officer after consultation with the Council's insurers.

22.6 The IT Manager has responsibility for E-Government & Business Systems and shall be responsible for maintaining proper security and privacy in respect of information held on the Council's computer installations and for ensuring that its use is in accordance with any relevant legislation.

22.7 Heads of Service are responsible for ensuring that all visitors to any Council office or establishment, except in public areas, are signed in and are wearing an appropriate visitor's pass. They shall also ensure that any visitor working in the above stated areas are adequately supervised to ensure confidentiality of Council information and security of Council assets is maintained at all times.

22.8 Every Officer shall comply with any instructions issued from time to time regarding building security.

23. DOCUMENT RETENTION

CONTACT: Chief Financial Officer

23.1 Documentation created / maintained for transactions covered by these Financial Regulations or Contract Procedure Rules shall be retained in accordance with the document retention schedule which can be found on the Council's intranet under the section marked Freedom of Information or for a period not less than 6 years after the transaction / project, etc. ceases to be current.

24. RECEIPT OF GIFTS, GRATUITIES AND HOSPITALITY

CONTACT: Head of Corporate Resources

General Guidance

24.1 Any Council employee shall treat with caution any offer of gift, favour or hospitality that is made to them personally. The person or organisation making the offer may be doing, or seeking to do business with the Council, or may be applying to the Council for planning permission or some other kind of decision.

24.2 Employees are personally responsible for all decisions connected with the acceptance or offer of gifts or hospitality and for avoiding the risk of damage to public confidence in the Council.

24.3 The proper course of action for employees is to only accept gifts or hospitality where they regard the acceptance as normal and reasonable.

24.4 Employees shall ensure that any gift or hospitality is not of a level or amount which would lead any reasonable person to believe that the employee might be influenced by such gift or hospitality.

24.5 In the event that doubt should exist over the appropriateness of any gift, hospitality, or fee or commission, employees shall seek advice from their Head of Service or, if appropriate, the Chief Financial Officer.

24.6 The rules and guidance for officers relating to gifts, gratuities and hospitality can be found in the Officer Code of Conduct which can be found on the Council's intranet.

25. PAYMENT OF ACCOUNTS

CONTACT: Finance Manager

25.1 Payments by the Council shall only be made on an official invoice submitted by a supplier except for periodic recurring payments, contract payments and other exceptions as the Chief Financial Officer may specifically approve.

25.2 Orders must be raised electronically and approved by an authorised Officer with the relevant financial delegation.

25.3 The purchase/works order shall specify the goods, services, or works to be provided and set out the price and terms of payment. The only exception to this is if a signed agreement or contract exists between the Council and the supplier and that contract and agreement specifies in detail the exact works, goods or services to be supplied, in which case a brief description of the project and the total contracted price can be specified.

25.4 Officers certifying purchase/ works orders, electronically or otherwise, must be authorised to do so under the scheme of delegation. Heads of Service will provide Finance with details of Officers within the Service who are authorised to sign orders, including the maximum order value and sample signature of that Officer.

25.5 Officers certifying purchase/works orders shall have due regard to the availability of sufficient budgetary provision. No order shall be authorised where the anticipated expenditure will cause the budget to be overspent, unless covered by Section 6 of these Financial Regulations.

25.6 Certifying officers shall, before certifying an account for payment, be satisfied that:

(a) The official ordering procedure, as detailed in Regulation 25, has been observed and that Contract Procedure Rules have been complied with.

(b) The work, goods or services, to which the account relates have been received, carried out, examined and approved and are in accordance with the official order.

(c) The prices, extensions, calculations, trade discount, other allowances, credits and tax are correct.

(d) The expenditure has been properly incurred, has been charged to an appropriate account and is within the relevant estimate provision.

(e) Appropriate entries have been made in inventories, stores records or stock books as required.

(f) The account has not been previously passed for payment and is a proper liability of the Council.

Only invoices with an official order shall be paid unless an additional certification has been obtained from the relevant Head of Service.

25.7 Apart from petty cash, the normal method of payment shall be by BACS. Where expenditure is non-recurring payment may be made by cheque, or other instrument drawn on the Council's bank account.

25.8 All payments drawn on the Council's bank account shall be authorised by the Chief Financial Officer or a person nominated by them.

25.9 Any payment by cheque for £5,000 or more shall also bear the impression or manuscript signature of two officers approved by the Chief Financial Officer.

25.10 The Chief Financial Officer shall be responsible for ensuring that the Council's bankers are kept informed of those Officers authorised to make payments from the Council's accounts and that they have up to date specimen signatures of those Officers.

25.11 The Chief Financial Officer shall be responsible for ensuring that sufficient fidelity guarantee insurance is in place for those Officers authorised to initiate or make payments from the Council's accounts.

25.12 The Head of Service issuing an order is responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment of accounts arising from sources in his / her Service. Such certification shall be in a form required by the Chief Financial Officer.

25.13 Heads of Service are responsible for ensuring that the names of Officers authorised to certify accounts for payment in their department, along with specimen signatures and limits of authority, are supplied to the Chief Financial Officer. They are also responsible for ensuring that the Chief Financial Officer is advised of any amendments to the list of authorised Officers, or changes in signatures of those previously notified. On an annual basis a consolidated list of signatories and signatures shall be submitted.

25.14 Accounts for payment shall only be processed and paid on receipt of a properly certified invoice or other approved document.

25.15 Authorised Officers shall use their signature for certification purposes and not their initials.

25.16 Departments shall be responsible for ensuring that invoices are processed and passed for payment by Finance in sufficient time to meet the terms and conditions of the Payment of Invoices indicator, and so that payment can be made through the weekly payment runs.

25.17 Invoices are to be paid in accordance with the terms stated by the supplier and the appropriate performance indicator. The normal weekly payment system is to be used but in extreme cases invoices can be paid on an urgent basis (the same day). Examples of acceptable reasons for an urgent payment are where delay would cause hardship to individuals where the payment is in respect of a refund on a rent or benefit account, where essential services will be suspended if payment is delayed or any other reason agreed by the Chief Financial Officer. In all cases the certifying officer shall document the reason for urgency on, or attached to, the invoice.

25.18 Any rounding amendment to an account up to the value of £1 shall be made in ink, initialled and dated by the Officer making it, stating briefly the reasons when they are not self-evident.

25.19 Heads of Service shall be responsible for ensuring that the duties of ordering goods and certifying accounts for payment shall not all be performed by the same Officer and accounts shall not be certified for payment by an Officer who has personal control over the goods and services to which the accounts relate.

25.20 Heads of Service shall, by a date specified by the Chief Financial Officer each year, supply details of all outstanding expenditure and income relating to the previous financial year to the Chief Financial Officer.

25.21 The Chief Financial Officer shall make such checks and impose such further examination as he considers necessary to ensure that accounts for payment have been processed in accordance with these Regulations and Contract Standing Orders and that the Council can legally make such a payment. The Chief Financial Officer shall report any instances of non-compliance to the Management Team.

25.22 The Chief Financial Officer shall determine the frequency of pay schedules of all invoices or accounts for payment. Payments of an urgent nature will be made as they arise (see also paragraph 25.17).

25.24 Officers certifying payment on behalf of the Council must have due regard to the VAT implications and comply with the instructions periodically issued by the Chief Financial Officer. Any queries regarding VAT should be referred to the Finance Manager.

26. STOCKS AND STORES

CONTACT: Finance Manager

26.1 Each Head of Service shall be responsible for the care and custody of the stocks and stores in his/her Service.

26.2 Heads of Service shall furnish the Chief Financial Officer with details and a signed certificate of the value of stores held in their department at the end of each financial year.

26.3 Stores shall be valued in accordance with accounting policies adopted by the Chief Financial Officer.

26.4 All goods must be checked at the time of delivery, with regards to quantity, quality and compliance with any specification as soon as practical after delivery.

26.5 Heads of Service shall be responsible for ensuring that a comprehensive record of stock balances, stock issues and receipts are maintained, including records of quantities, values and the person issued to.

26.6 Heads of Service shall be responsible for ensuring that stocks and stores are not held in excess of reasonable requirements and that maximum and minimum levels are set.

26.7 Heads of Service shall be responsible for ensuring that a system of continuous stocktaking shall operate in all stores with an average value over £10,000. This system shall ensure that every commodity is checked at least once per annum, and fast moving, valuable and desirable items are checked more frequently. The Chief Financial Officer shall carry out such independent checks as s/he considers necessary. In addition, as part of the closure of accounts a signed stock certificate declaration is required for each stock account as requested by the Chief Financial Officer.

26.8 Individual deficiencies that exceed £500 shall be reported to the Chief Financial Officer for write off. Stores in excess of £500 that are considered to be surplus or obsolete shall also be reported for consideration for disposal (including by sale) or write off.

27. ORDERING WORKS, GOODS AND SERVICES - CONTRACTS AND AGREEMENTS

CONTACT: Finance Manager

27.1 All purchases for works, goods or services are subject to the provisions contained in the Council's Contract Procedure Rules.

28. AMENDMENTS AND WAIVERS TO FINANCIAL REGULATIONS

CONTACT: Chief Financial Officer

28.1 These Financial Regulations outline the minimum required to safeguard the Council's assets and interests. Any amendments to these Regulations shall be approved by Full Council and shall not come into force until approval has been given.

28.2 The waiving of Financial Regulations must be approved by the Chief Financial Officer and where appropriate with the Policy, Finance and Development Committee. In all cases best value must be demonstrated for a waiver to be approved. Waivers must be fully documented.

28.3 The Chief Financial Officer shall formally review these Regulations at regular intervals.

DRAFT

Agenda Item 11



**Policy, Finance and
Development
Committee**

Tuesday, 19 July 2016

**Matter for Information
and Decision**

Title: Collection and Write-Off of Miscellaneous Debtors

Author: Martin Hone (Interim Chief Finance Officer/Section 151 Officer)

1. Introduction

As part of the income collection process the Councils Finance Section is responsible for the production and collection of general invoices for sundry/miscellaneous debts across all services of the Council. This report updates members on the current collection position and requests permission to write-off larger items as required by the Councils Financial Regulations.

2. Recommendations

- 2.1. That Members note the contents of the report.
- 2.2. That Members approve the write off of sundry debts listed in section 3.3 below.

3. Information

- 3.1. The Councils Finance Section is responsible for the raising and collection of around 1,500 invoice per annum, with an annual value in excess of £1.5 million relating to income for all services of the Council. The Council uses three principal methods for collecting these debts.

- i) Direct contact with the debtor by letter or telephone
- ii) Referring the debt to a collection agent
- iii) Legal action through the courts

In February 2016 the Finance Section completely reviewed its debtor portfolio in conjunction with service departments. All debtors with collectable debts have now been contacted with the view to discuss payment arrangements.

- 3.2. The current position relating to collection of outstanding invoices is summarised below

	Days Overdue				
	0 – 90	90 – 182	182 – 365	365 - 730	Over 730
1 April 16	51,512	8,110	26,571	89,153	161,534
30 June 16	37,234	24,968	18,580	76,122	129,997

Over the first quarter of 2016/17 overdue debt has been reduced by around £50,000. Where payment is not made immediately it has been achieved by setting up arrangements with debtors either directly by Finance or by the Councils collection agent. Debts deemed to be uncollectable either due to its age, over six years old, or circumstances, such as the debtor being untraceable, have been written off by the Chief Financial Officer in accordance with the Council's Financial Regulations.

In the first quarter the Council has:-

- Set up 50 arrangements to pay directly with the debtor

- Referred 126 cases to the Council's collection agent
- Written-off 151 debtors totalling £38,750

It is anticipated the writing-off of small debt will decrease in future as the initial housekeeping exercise has now been completed.

Service departments will be updated on their debt portfolio on a regular basis by the Finance department as part of an ongoing review, with a further update brought to this committee in October 2016.

3.3. Requested Debt Write-Off

The Council has, up until February 2016, used a paper recycling company as part of its Refuse Disposal function. In February the company went into liquidation with outstanding money owed to the Council of £32,204.15. It is anticipated the Council will receive around £5,153 from the company's assets. As a result this committee is asked to approve write-off of the remaining balance of £27,051.49 as uncollectable. The invoice reference numbers are 127190, 127191, 127231, 127289.

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Tel: (0116) 257 2891

Implications	
Financial (CR)	Good debt management is essential if the Council is to maximise its revenue streams.
Legal (AC)	No significant implications.
Risk (CR)	CR1 - Decreasing financial resources. CR9 - Economy.
Equalities (AC)	No significant implications.
	Equality Assessment
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

Agenda Item 12



**Policy, Finance and
Development
Committee**

Tuesday, 19 July 2016

**Matter for Information
and Decision**

Title: Draft Annual Governance Statement 2015/16

Author: Martin Hone (Interim Chief Finance Officer/Section 151 Officer)

1. Introduction

The purpose of this report is to advise the Committee on the contents of the Council's Annual Governance Statement for 2015/16 following the review of the effectiveness of the Council's system of financial control.

All local authorities are required to produce an Annual governance Statement (AGS) in line with proper practice and guidance. The purpose of the AGS is to set out and evaluate the Council's corporate governance arrangements. The AGS must be approved by this Committee prior to its certification by the Leader of the Council and Chief executive, and published alongside the Council's Statement of Accounts. Good governance arrangements are also essential in ensuring that the Council gets the basics right. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately a good outcome for citizens and service users. The AGS articulates these arrangements and is set out in Appendix 1.

This paper provides the Committee with a draft of the Statement, prior to its scrutiny by the Council's external auditors, ahead of its formal approval in September 2016. The Accounts and Audit Regulations 2011 established the requirements that all local authorities must adhere to in relation to systems of internal control. This has implications for the Council and for the services it provides. The Regulations require the Council to have a sound system of internal control that facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

The Council is required to review at least annually the effectiveness of the system of internal controls and make a statement alongside its Statement of Accounts.

Whilst the legislation requiring this statement is placed within the Accounts and Audit Regulations, this is not just an accounting or auditing issue. The Annual Governance Statement is a key measure of the overall effectiveness of the Council.

2. Recommendations

That the Annual Governance Statement 2015/16 as set out in Appendix 1 be approved and referred to the Leader of the Council and Chief Executive for formal certification.

3. Background

The Council has a statutory requirement to produce an Annual Governance Statement (AGS) in accordance with the Local Government Framework and Guidance produced jointly by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The statutory requirement is set out in Regulation 4(3) of the Accounts and Audit Regulations 2011. In doing so the Council complies with the principles of corporate governance set out in the

CIPFA/SOLACE Good Governance Framework (2007- reviewed and revised in 2012).

All aspects of the work of the Council are affected by the corporate governance regime as well as the Council's partners in service delivery and other agencies with which the Council shares information. External bodies in particular need to have confidence in the way the Council operates and this can be achieved by demonstrating robust corporate governance arrangements that are fully embedded.

The purpose of the AGS is to report publicly on the extent to which the Council complies with its own code of governance (known as the Local Code), including how it has monitored the effectiveness of governance arrangements in year, or any planned changes in the current period. The process of preparing the AGS should itself add value to the corporate governance and the internal control framework of the Council.

The framework is a discretionary code but the Council is judged against it as part of best practice. The original framework outlines six core principles of good governance focusing on the systems and processes for the direction and control of the organisation and its activities through which it accounts to, engages with and leads the community. In July 2014, a joint report from CIPFA and the International Federation of Accountants (IFAC) was produced on the, "International Framework: good governance in the Public Sector". This report looks at governance across all public sector bodies and in reviewing the Annual Governance Statement has been referred to and used to further inform the process.

Both frameworks emphasise that good governance should be corporately owned. The degree to which the Council follows these principles should be declared in its Annual Governance Statement. The purpose of the Annual Governance Statement is to provide assurance that the Council has sound governance arrangements in place that are supported by effective systems of internal control.

The six core principles referred to in the CIPFA framework defining the principles of good governance are:

- (i) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
- (ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- (iii) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- (iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- (v) Developing the capacity and capability of members and officers to be effective.
- (vi) Engaging with local people and other stakeholders to ensure robust public accountability.

In compiling the Annual Governance Statement the guidance identifies it should include the following information:

- (i) Scope of Responsibility.
- (ii) The purpose of the governance framework.
- (iii) A description of the governance framework and the key elements of the systems and processes that comprise the authority's governance arrangements.
- (iv) Review of effectiveness.

- (v) Significant governance issues including an outline of the actions taken, or proposed, to deal with any significant governance issues identified.

The Annual Governance Statement is a key corporate document with the Chief Executive (CEO and Head of Paid Service) and the Leader having joint responsibility as signatories for its accuracy and completeness. It is also important that all other senior officers provide assurances to the process. The preparation of the Annual Governance Statement is overseen and approved by Senior Management Team supported by service managers as a corporate document which is owned by all senior officers and members.

In compiling the Annual Governance Statement assurance a review of the effectiveness of the Council's systems of internal controls, as required by the Accounts and Audit Regulations 2011 4(2), is conducted and information is obtained from a range of sources so that the signatories to the Statement can assure themselves that it reflects the governance framework for which they are responsible.

4. Significant Governance Issues

- 4.1. Where any significant governance issues are identified within the assurances received these must be identified in the Annual Governance Statement.

The Head of Internal Audit's Annual Report for 2015/16 identified the following significant internal control issues:

4.2 *Budgetary Control/Medium Term Financial Strategy*

The review provided 'moderate assurance' and highlighted the weakening of budget monitoring and forecasting procedures due to the increased reliance on interim managers and staff through much of 2015/16 due to the unplanned absence of several senior managers. As a result, staff in the Finance Section often had to identify reasons for service level variances and to make budget outturn forecasts in isolation. The Auditor also noted in this context that at its meeting in February 2016 the PFD Committee approved the use of reserves to ensure that the originally approved revenue budget at the start of the 2015/16 financial year was not exceeded.

4.3. *Financial Systems – Key Controls Review*

The review provided 'moderate' and 'limited' assurance in relation to Creditors and Debtors respectively. The key matters highlighted related to: Creditors – compliance and evidencing of compliance, with Contract procedure Rules, and lack of independent review to confirm that any changes to the creditors masterfile were authorised and valid; Debtors – timeliness and accuracy of invoicing, and lack of debt collection, recovery and write-off processes operated during the year.

4.4 *Building Control – Value for Money Review*

The review provided 'limited assurance' and highlighted matters mainly relating to the scheme of charges and review.

4.5. *Payroll & Expenses*

The review provided 'moderate assurance' and highlighted matters relating to the agreement with and data transfer to the payroll provider, and compliance with payroll procedures.

The Head of Internal Audit's report also noted that some planned reviews have been delayed at management request, for delivery in 2016/17, and accordingly he has not reflected an assurance opinion on these reviews.

All of the matters raised by the Head of Internal Audit are currently being addressed and improvements put in place. Progress is reported regularly to the Council's Policy, Finance & Development Committee.

4.6. *Organisational issues arising from the investigation into the grievance brought by Council senior managers against the Council's Senior Management Team*

In May 2015 a collective grievance raised by a number of officers against the Chief Executive, Director of Services and Director of Finance. Through the Local Government Association an Independent Investigator was appointed to look into the grievances. In the event, the Investigator found none of the grievances to be substantiated, and this was reported to the Council's Change Management Committee in April 2016.

As a by-product of this, the Council agreed two action plans – one for immediate action which is currently being delivered, and a plan for further review of key aspects of the Council's operation that cannot be addressed in the immediate short-term. The Council is being supported in this work by the Local Government Association. The project is led at an officer level by the Chief Financial Officer on behalf of the Senior Management Team, who reports regularly on progress to the Change Management Committee.

The associated risks have been identified, remain under close review and will be managed throughout the year given that they are key to ensuring the continued delivery of high quality services. Action plans and programmes of monitoring and evaluation are in place and are regularly updated to support both of these issues over the current and future years.

Background Documents:-

CIPFA/SOLACE - Delivering good governance in Local Government
Oadby & Wigston Borough Council - Local Code of Corporate Governance
KPMG - Annual Audit and Inspection Letter
Internal Audit - Annual Report 2015/16

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Implications	
Financial (MHo)	Robust scrutiny of the Council's AGS and framework applied in line with best practice will further strengthen the Council's sound base of strong financial management and assist in reducing risk.
Legal (AC)	The preparation and publication of the AGS in accordance with the CIPFA/SOLACE framework is necessary to meet the statutory requirements set out in Regulation 4(3) in the Accounts and Audit Regulations 2011. Effective corporate governance practice is essential if the Council is to demonstrate that it is acting in the best interests of the communities it serves. The Council's governance arrangements are tested through audit and other means of scrutiny.
Risk (MHo)	A strong internal control environment contributes to the overall effective management of the Council and will minimise the risk of the Council

	failing to achieve its ambitions, priorities and service improvements.
Equalities (MHo)	Ensuring the Council has arrangements in place to ensure inclusion, diversity and community cohesion forms part of the Council's governance arrangements.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

Appendix 1 – Annual Governance Statement 2015/16 [DRAFT]

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DRAFT

Scope of Responsibility

Oadby & Wigston Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility the Council must make proper arrangements for the governance of its affairs and for facilitating the effective exercise of its functions including the management of risk.

The Council has previously approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE framework 'Delivering Good Governance in Local Government'. This AGS shows how the Council has complied with the Code during 2015/16 and also meets the requirements of Regulation 4(3) of the Accounts and Audit Regulations 2011.

Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It reflects activities through which the Council meets the needs of the community. It includes arrangements to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk at a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and therefore can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. Evaluation of the likelihood and potential impact of those risks being realised and how to manage them efficiently, effectively and economically are key parts of the Council's Medium Term Financial Strategy and its Corporate Plan.

This AGS confirms that the governance framework has been in place for the financial year ended 31 March 2016 and up to the date of the approval of the Statement of Accounts.

The Governance Framework

Current Governance Structure

Oadby & Wigston Borough Council has retained a committee system. The majority of UK local authorities now operate using a cabinet system where a small group of members have been given the power to make the majority of decisions on behalf of their Council.

The benefits of retaining the committee system are that all members are able to sit on a range of decision making committees and every member has a vote that counts. This is the cornerstone of the Council's governance – members are not marginalised in decision making. All decisions are debated and made during open committee in full public view. Closed sessions, for instance where commercially sensitive matters need to be discussed, are kept to an absolute minimum. Only the most urgent decisions are delegated to the Chair/Vice Chair of committees, and these must be reported back to the main committee as soon as possible. In addition to the statutory committees that deal with development control and with licensing, the Council has two main committees:

- The Policy, Finance and Development Committee, which has overall responsibility for setting the long term aims of the Council and moving it forward in line with these objectives.
- The Service Delivery Committee, which has direct responsibility for the day-to-day operation of all services.

Visions and Priorities

The latest Corporate Plan was agreed by Council in February 2016 and the MTFS reflects the Plan's priorities:

Protect the Borough

- a. The Council will resist any attempt by either the City or County Councils to impose their control over the Borough.
- b. The Council will work cooperatively and consensually with all the other Councils in Leicester and Leicestershire in order to form a Combined Authority and to seek the devolution of powers with the corresponding financial support from central government without the loss of its sovereignty.

Maintain Front Line Services

- a. The Council is committed to free shoppers' car parking and weekly collection of waste and recycling.
- b. No major changes would ever be made to these services without consultation.

Offering Choice when Possible

- a. The Council will offer choice whenever possible.
- b. When major decisions affecting front line services need to be considered the Council will ensure that all the options available are explained clearly and listen and respond to residents.

Save Money through Service Redesign

- a. The Council will look at all its services and redesign those that can be improved and cheaper to run.

- b. The main focus of this redesign will be the better and wider use of ICT, Council assets and procurement.

Involve Residents and Partners

- a. The Council is committed to continue with the town forums and to develop other community engagements systems.
- b. The Council will work with and continue to support partner

Economic Development

- a. The Council recognises the need to develop both housing and the town centres.
- b. This will be done with the maximum of public involvement and at minimum cost to the green spaces in the Borough

Greening the Borough

- a. The Council will continue to invest in and encourage activities which result in a greener Borough
- b. The prioritising of the protection of trees will be a cornerstone of this commitment.

Improving the Health of Residents

- a. The Council wants to ensure residents live a full and healthy life.
- b. The Council will continue to develop its relationship with partners in order to develop and implement appropriate outcomes that attempt to achieve this.

Value for Money

- a. The Council will always accept any council tax freeze grant offered by the Government.
- b. The Council will endeavour to benchmark its services against the “most like” authorities to ensure transparency and demonstrate value for money.

These priorities were agreed with residents through the consultation process and the residents’ forums.

These priorities will:

- Focus and drive forward the Council’s strategic plans over the next four years
- Form the basis of the Council’s Medium Term Financial Strategy
- Provide the direction for the allocation of available resources
- Set the parameters for annual service delivery and development plans

The Council's financial plans are outlined in its Medium Term Financial Strategy – the latest update to the Strategy was agreed by Council in April 2016. The document outlines the financial objectives which the Council looks to achieve in order to meet continuing pressure on available resources. In addition, the Council has agreed its Housing Revenue Account business plan which sets out how housing services will be maintained and financed over the long term.

Quality of Services

Service plan targets and key performance indicators are set for each department within the annual service delivery and development plans. Progress against targets is monitored monthly by the management team and reported regularly to relevant committees. The Council's financial position is reported against budget to every meeting of the Policy, Finance and Development Committee. Detailed budget information is provided to budget holders each month and dedicated project teams provide financial information for large projects or capital schemes.

The Council ensures that its key priorities determine the allocation of resources to deliver its agreed activities. A robust corporate business planning programme is used to identify projects against agreed criteria, including the Council's policies, its priorities, the outcome of public consultations, demonstration of continuous improvements, and responding to legislative change.

Achievement of the Council's priorities has been monitored throughout financial year 2015/16 by the Council's Senior Management Team and reports to the relevant committees. The monitoring of delivery against agreed priorities ensures the Council's capacity to deliver projects within agreed costs, time and resources.

As part of the budget exercise, each year a critical review is carried out of existing services and budgets to ensure that resources are properly directed towards the achievement of agreed objectives and priorities. This process helps the Council to test that it continues to provide value for money services.

Financial Management

The financial elements of the Council's corporate business planning process are included in the Medium Term Financial Strategy, which has a three year planning horizon to assist in ensuring resources are available to support priorities. The Council has a good track record of financial management and internal control, but resources are necessarily limited and significant net savings year-on-year continue to be required.

The Council continues to ensure that the accounts are compliant with the Local Authority Accounting Code of Practice. Performance against budget is reported at committee meetings and managed by SMT and through the corporate business planning process. The Council ensures that the levels of reserves it holds are sustainable over the medium term. The MTFS takes account of the current economic climate and changes to funding for local government.

The Council has a Treasury Management Strategy that is reviewed each year and monitored on a regular basis. This ensures the Council has sound processes and controls over its treasury function to minimise risk exposure.

Decision Making, Scrutiny and Governance

The Council, the Policy, Finance and Development Committee and the Service Delivery Committee take decisions on service and management matters in line with terms of reference set out in the constitution. The committees meet four times each municipal year. The Policy, Finance and Development Committee undertake the role of the Audit Committee for the Council and provide continuous monitoring and scrutiny of financial management, performance, policy and action plans. Further challenge is provided by elected members through meetings with Committee Chairmen, Resident Forums and Member Workshops.

Scrutiny is provided at officer level through the work of the Council's internal audit function which is currently delivered by CW Audit Services. The annual risk based audit plan contributes to the review of the Council's key internal control systems, risk management processes and corporate governance arrangements. CW Audit supports the design and effectiveness of the governance framework. Each internal audit review is given an assurance level. The definition of each of these assurance levels is provided in the table below:

Table – Definition of Assurance Levels

Level of Significance	Criteria
Full	No significant risk issues identified.
Significant	Exposure to levels of risk that may only impair the effectiveness of the system or process under review.
Moderate	Exposure to levels of risk that render some elements of the system's control environment undeliverable.
Limited	Exposure to unacceptable level of risk that could have a serious impact upon the system or process under review.
No	Exposure to unacceptable levels of risk that could have a serious impact upon the organisation as a whole.

Regular meetings are held between CW Audit Services and the Chief Financial Officer (the Council's Section 151 Officer) and with the Director of Services. This ensures the high standard of internal audit support is maintained. The annual audit plan is reviewed on a frequent basis to identify any amendments needed to reflect changing priorities, emerging risks or resourcing challenges.

The Policy, Finance & Development Committee receives regular reports from the Council's External Auditors (KPMG) and Internal Audit (CW Audit). Where appropriate, comments are made on non-compliance with legislation that has been identified as part of a routine audit. The Chief Financial Officer has direct access to this committee as well as to the External Auditors. All members of the Policy, Finance & Development Committee receive training in risk management so as to allow them to appreciate the nature of risks presented to the Council through its activities. Details of the internal auditor's

There are governance arrangements in place to ensure that members and officers work together to achieve a common purpose with clearly defined functions and roles. The Council's constitution includes a scheme of delegation and terms of reference for each committee. Responsibilities are set out to make clear how the Council and its committees operate within the organisation. The scheme of delegation also defines the powers granted to the Chief Executive (the Head of Paid Service) and other chief officers within the areas of their service responsibility. The constitution reflects all relevant legislation impacting on decision making in local government and is published on the Council's website.

Elected members are responsible for ensuring that effective policy making, scrutiny and monitoring activities occur. A clear committee structure assists such responsibilities to be effectively carried out. Member expertise and involvement is further enhanced by ongoing training and development opportunities.

The Council has a statutory responsibility to have a Section 151 Officer and a Monitoring Officer. At present the interim Chief Financial Officer is the Section 151 Officer, who has a duty to the Council's tax payers to ensure that public money is being appropriately spent and managed. The Chief Financial Officer ensures that appropriate advice is given on all financial matters and is also responsible for keeping proper financial records and maintaining an effective system of internal control.

Underpinning the Council's financial management arrangements is a regularity framework, comprising Financial Regulations, Contract Procedure Rules, annual audits of key financial systems and audits of other systems undertaken on a risk-based basis. Other processes and procedures such as the Procurement Strategy and Risk Management Strategy are monitored on a regular basis.

The Monitoring Officer role is fulfilled by the Council's Director of Services, who acts as guardian of the Council's constitution to ensure lawfulness, probity and fairness in Council decision making. The Monitoring Officer has processes for the review of legislative changes which feed into the annual review of the constitution.

Consultation meetings and other forms of communication between the Monitoring Officer and senior managers as appropriate ensures that managers can contribute to revisions to the constitution including the scheme of delegation. The annual review includes the constitution's terms of reference and is considered by the Constitutional Task Group.

The Chief Financial Officer and the Director of Services report directly to the Chief Executive.

Officer decision making at a strategic level is led by the Senior Management Team, comprising the Chief Executive, interim Chief Financial Officer and the Director of Services. The Team meets usually on a weekly basis and standing items of business include finance, policy, governance, human resources, performance management and the delivery of the Council's priorities.

Standards of Conduct

Officers of the Council are expected to maintain high standards of conduct. The Council has a staff code of conduct that is published on the intranet along with other policies and procedures.

There is an agreed protocol between members and officers to ensure that a constructive working relationship exists and this Annual Governance Statement also promotes and demonstrates the values of good governance through upholding high standards of conduct and behaviour.

In addition, the Standards Committee operates to ensure that councillors and any co-opted members of the Council behave in a way that exemplifies high standards of conduct and effective governance and has regard to the member code of conduct.

Regular records of advice and code issues are kept by the Monitoring Officer.

Declaring interests under the code of conduct is a standard item on the agenda at every committee meeting and Council and declarations are minuted by the clerk. A legal advisor attends all Council and committee meetings to advise on the application of the code and other issues where this is requested or otherwise considered appropriate. A planning code of conduct is in place and is adhered to by members who sit on the Development Control Committee.

Members and officers comply with the Council's gift and hospitality policy.

The Council's website explains how complaints can be made against elected members by either downloading a complaint form or making a complaint on-line. The web page also has links to the code of conduct and the constitution.

A register of the Council's contracts is published on the Council's website. In addition, details of the Council's spend on individual items over £250 is published on a quarterly basis.

Compliance

The Council's policies and procedures are drawn up and regularly reviewed to ensure compliance with current legislation and regulations. Legal Services assist with updating and amending policies and advice on legal implications including legislative impacts on recommendations included in committee reports.

Equalities implications are also considered as part of committee reports.

Whistle Blowing

Concerns regarding non-compliance with policies, procedures, laws and regulations can be raised through the Council's anti-fraud and confidential reporting policies. Concerns raised are always investigated and acted upon following clearly defined guidelines.

The Whistle Blowing Policy is published on the Council's intranet and internet to raise awareness and outline procedures in place to staff, contractors and the public. It features in the induction of new staff. The Anti-Fraud and Corruption Policies are also on the intranet and internet and are given to all new members of staff as part of their induction.

The Monitoring Officer, after consultation with the Chief Executive and Section 151 Officer, has statutory powers to report to Council in relation to any function, proposal, decision or omission that s/he considers would give rise to unlawfulness or any decision or omission that might give rise to maladministration. Such a report would have the effect of stopping the proposal or decision being implemented until the report has been considered.

Officer and Member Development

The Council's staff appraisal process assesses performance and delivery of Council objectives and also identifies any skills gaps that need addressing. Each officer has an agreed annual personal development plan. Progress against these plans is reviewed regularly through one-to-one discussions with line managers. The process ensures that the Council continually keeps under review the levels of skills required to carry out functions with due regard to law, policy and regulation.

As part of the Council's business planning process each service plan includes learning and development needs linked to specific actions. This ensures that the skills sets required to deliver the key priorities and actions for the Council are identified and provided.

Training programmes and other development opportunities are set out on the Council's intranet and shared more broadly using the Council's other internal communication mechanisms. The Council also supports the training and development of members.

Consultation

Engaging with local people and other stakeholders to ensure robust public accountability is a key element of the governance framework. The Council takes every opportunity to consult with relevant stakeholders before taking any decisions likely to impact on the level and quality of services. In addition, the Council's business planning process includes an annual timetable of formal consultation events ensuring statutory, voluntary and business partners have the opportunity to comment on budget proposals under consideration.

The Council has given delegated authority on budget provision to three Resident Forums who can make recommendations to the Policy, Finance & Development Committee on how funds could be allocated to various projects within their geographic area. The Forums' membership is open to people who live in the three areas and this approach has been found to be a very good source of two-way communication and consultation around the Council's policy initiatives.

Reviewing the Effectiveness of the Governance Framework

The Council has responsibility for conducting at least annually a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of senior managers within the Council who have responsibility for the development and maintenance of the governance environment. The annual report from the Council's Internal Audit service (CW Audit Services) is a key document in assessing the effectiveness of the Council's governance arrangements. Comments from External Auditors (KPMG) and other agencies and inspectorates such as the Local Government Association are also important.

The Senior Management Team, chaired by the Chief Executive, reviews the Council's governance framework and control environment and is responsible for the preparation of the Annual Governance Statement. Each head of service and corporate manager, as appropriate, is responsible for producing their own service assurance statements and developing an improvement plan to rectify any identified governance weaknesses within their service areas. The Chief Financial Officer reviews all of these documents. The Policy, Finance & Development Committee reviews the Annual Governance Statement and evaluates the strength of the underlying assurance statements and evidence.

Review of Effectiveness for 2015/16

Introduction

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed by the work of the Senior Management Team and the work of Internal and External Audit, as well as input from other review agencies and inspectorates. The sections below set out how the governance framework has been maintained and reviewed during 2015/16.

Key Matters

The following key matters were considered by the Council and its principal committees during 2015/16:

Council

- Budget proposals and budget monitoring
- Council Tax Base, Support and Setting
- Delegated reports from Forums and Committees
- Evolving Council Governance

- Equality and Diversity
- Voluntary Sector Funding
- Licensing Policy
- Members' Allowances
- Members' Code of Conduct
- Constitutional matters

Policy, Finance and Development Committee

- Individual internal audit reports and the annual report and plan
- Reports from the external auditor including the annual plan and report on the Statement of Accounts
- Budgetary control and financial updates
- Treasury management and prudential indicators
- Debt recovery
- Residents' Forums
- Welfare Reform and Council Tax Support Scheme
- Pooling of Non-Domestic Rates
- Risk management
- Procurement
- Updating of Council policies and strategies
- Medium Term Financial Strategy and Housing Business Plan
- Financial regulations

Service Delivery Committee

- Housing allocations
- Homelessness
- Disabled Facilities Grants
- Leisure Contract Performance
- Service operational updates
- Fees and charges
- Corporate enforcement
- Empty homes strategy
- Customer Services transformation and charters
- Recycling

Local Government Ombudsman

No cases of maladministration were found against the Council by the Ombudsman during 2015/16.

Constitutional Matters

The key roles and responsibilities of Council committees, elected members, the Chief Executive, Monitoring Officer and Section 151 Officer are set out in the Council's constitution scheme of delegation.

These three officers are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. No report can be presented to Council or a committee for approval without first being reviewed by these officers or their delegated representative(s). These officers are also responsible for ensuring that legislation and policy relating to health and safety are implemented in practice.

The constitution includes the Contract Procedure Rules and Financial Regulations which detail the processes and improvements required for various levels of purchase and the internal control procedures required for managing the risk across the Council.

Code of Conduct

The standards of behaviour expected from members and officers are set out in the Member/Officer Codes of Conduct. A register of members' interests is maintained and the records of interest are declared at Council and committee meetings. All members are required to complete Related Party Declarations at the end of the financial year in support of the statutory financial statements. Members' allowances are examined on an annual basis and a review of the allowance scheme was undertaken in 2015/16 by an independent remuneration panel.

Standards

The Council promotes excellence, probity and transparency in public services and provides training and advice for members on governance matters. Members have to abide by the constitution and the Code of Conduct in order to ensure high standards in the way they undertake their duties. Each Council is required to put in place arrangements dealing with complaints and standards issues. Since February 2014 this function has been discharged by the Policy, Finance & Development Committee. The Council has adopted a common code in collaboration with other local authorities in Leicestershire and Rutland. The Committee monitored performance of members, senior officers and the Council's committees as part of its workplan for 2015/16.

Scrutiny

The Council operates a committee style arrangement and therefore is not required by law to have a separate scrutiny committee to support and monitor the work of other parts of the organisation. Since February 2014 each committee has scrutinised its own decisions as they are being debated and agreed in the public arena. Where necessary, a time limited member task group may be convened by the Council to deal with any specific matter.

Audit Functions

The Council does not have a separate audit committee; instead, the constitutional audit functions are discharged by the Policy, Finance & Development Committee. The Committee receives reports from the Internal Audit service and can require service heads to attend to answer questions as required. Reports from the External Audit service are also received at these meetings.

External Audit

The Council's external auditors are KPMG.

Each year the external auditors review the Council's arrangements for:

- Preparing accounts and compliance with statutory and other relevant requirements.
- Ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice.
- Managing performance to secure economy, efficiency and effectiveness in the use of resources.

In October 2015 KPMG issued their Annual Audit Letter, covering the audit of the Council's 2014/15 financial statements and Value for Money conclusion, providing an unqualified opinion on the accounts and an unqualified conclusion on the Council's arrangements for Value for Money.

Three recommendations were included in the Letter relating to bank reconciliation, and payroll systems. The Council has taken action where appropriate to respond to external audit recommendations.

Internal Audit

The Council's Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the Council's system of internal control). This is achieved through a risk-based plan of work, agreed with management and approved by the Policy, Finance and Development Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below. The Head of Internal Audit's role is also covered by the CIPFA Guidance on the Role of the Head of Internal Audit.

For 2015/16, the auditor's opinion was that **significant** assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk. This is discussed in more detail below, in the section of the Statement headed Significant Governance Issues.

Corporate Plan

The Council's decision making practices are guided by the values and objectives set out in the 2015/16 Corporate Plan. This document simply consolidates in a focus document the Council's previously agreed priorities and governance arrangements.

The Corporate Plan was reviewed as part of the preparations for the 2016/17 municipal year.

Risk Management

During 2015/16 the Council's Strategic Risk Register was monitored by Policy, Finance & Development Committee. The register identified major risks and commented on their likelihood and impact on the Council's objectives. Each risk is allocated a responsible officer for identifying an action plan and provides an update on residual risk for each quarter. Risk management is embedded in processes such as appraisal of new capital investment and service development plans.

Whistle Blowing and Complaints

The Council's Whistle Blowing Policy is available to all employees and those contracting with the Council. A corporate complaints procedure is in place which includes staged levels of escalation depending on the seriousness of the complaint.

In May 2015 a collective grievance was raised by a number of officers against the Chief Executive, Director of Services and Director of Finance. An Independent Investigator was appointed to look into the grievances. In the event, the Investigator found none of the grievances to be substantiated, and this was reported to the Council's Change Management Committee in April 2016.

This is discussed in more detail below, in the section of the Statement headed Significant Governance Issues.

Member and Officer Training and Development

An induction programme was provided for all new members and officers. The member training programme is provided through the Leicestershire & Rutland Improvement Partnership. In-house training is provided for members to keep them up-to-date with changes in Council business such as new legislation. Statutory training for Licensing, Regulatory and Development Control functions was provided during 2015/16.

The skills and resources required by officers are set out in the person specification for each post. The Council's recruitment processes are designed to test that potential candidates have appropriate qualifications and experience. Development needs are identified through individual personal; development plans.

Communication and Consultation

Local people and stakeholders are engaged through the community strategy, resident forums, youth, senior citizens and multi-cultural groups. A programme of meetings and other events for these took place during 2015/16 with agenda largely being set in conjunction with residents and other stakeholders.

All meetings were held in public to support the Council's commitment to transparency in consultation and decision-making. There was a high level of interest in matters discussed at the three Resident Forums as evidenced by the high level of attendance. Minutes of these meetings were produced with action lists of issues raised.

The Council communicated to residents through the Letterbox Newsletter which was circulated to all households on a quarterly basis. Key documents such as the corporate plan, statutory accounts and budget book were published and made available on the Council's website, setting out achievements, performance and planned activity. Regular staff communications were achieved through the staff and management notice boards, 'everyone' emails, and regular briefings from the Senior Management Team.

Partnership Working

During 2015/16 the Council continued to exploit fully opportunities for partnership working to ensure joined up service delivery and efficiency savings. Key partnerships involving the Council included the Community Safety and Crime and Disorder Reduction partnerships. At County level, the Council is now part of the developing Leicester and Leicestershire Combined Authority which is aiming to construct a devolution bid to government.

From an operational point of view, the Council continued to pursue opportunities for joint work with other Councils for services such as fleet management, land charges and legal services.

Significant Governance Issues

The Head of Internal Audit's Annual Report for 2015/16 provided an overall assessment of 'significant assurance' for the Council. However, his annual report identified the following significant internal control issues:

Budgetary Control/Medium Term Financial Strategy

The review provided 'moderate assurance' and highlighted the weakening of budget monitoring and forecasting procedures due to the increased reliance on interim managers and staff through much of 2015/16 due to the unplanned absence of several senior managers. As a result, staff in the Finance Section often had to identify reasons for service level variances and to make budget outturn forecasts in isolation. The Auditor also noted in this context that at its meeting in February 2016 the PFD Committee approved the use of reserves to ensure that the originally approved revenue budget at the start of the 2015/16 financial year was not exceeded.

Financial Systems – Key controls review

The review provided 'moderate' and 'limited' assurance in relation to Creditors and Debtors respectively. The key matters highlighted related to: Creditors – compliance and evidencing of compliance, with Contract procedure Rules, and lack of independent review to confirm that any changes to the creditors masterfile were authorised and valid; Debtors – timeliness and accuracy of invoicing, and lack of debt collection, recovery and write-off processes operated during the year.

Building Control – Value for money review

The review provided 'limited assurance' and highlighted matters mainly relating to the scheme of charges and review.

Payroll & Expenses

The review provided 'moderate assurance' and highlighted matters relating to the agreement with and data transfer to the payroll provider, and compliance with payroll procedures.

The Head of Internal Audit's report also noted that some planned reviews have been delayed at management request, for delivery in 2016/17, and accordingly he has not reflected an assurance opinion on these reviews.

All of the matters raised by the Head of Internal Audit are currently being addressed and improvements put in place. Progress is reported regularly to the Council's Policy, Finance & Development Committee.

Organisational issues arising from the investigation into the grievance brought by Council senior managers against the Council's Senior Management Team

In May 2015 a collective grievance raised by a number of officers against the Chief Executive, Director of Services and Director of Finance. Through the Local Government Association an Independent Investigator was appointed to look into the grievances. In the event, the Investigator found none of the grievances to be substantiated, and this was reported to the Council's Change Management Committee in April 2016.

As a by-product of this, the Council agreed two action plans – one for immediate action which is currently being delivered, and a plan for further review of key aspects of the Council's operation that cannot be addressed in the immediate short-term. The Council is being supported in this work by the Local Government Association. The project is led at an officer level by the Chief Financial Officer on behalf of the Senior Management Team, who reports regularly on progress to the Change Management Committee.

Conclusion and Statement from the Leader of the Council and Chief Executive

We propose over the coming year to take steps to address the significant governance issues discussed above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Cllr John Boyce
Leader of the Council

Mark Hall
Chief Executive

DRAFT

Agenda Item 13



**Policy, Finance and
Development
Committee**

Tuesday, 19 July 2016

**Matter for Information
and Decision**

Title: Annual Internal Audit Report 2015/16

Author: Martin Hone (Interim Chief Finance Officer/Section 151 Officer)

1. Introduction

As part of the Corporate Governance arrangements the Internal Audit Report is submitted to Policy, Finance & Development Committee.

The purpose of the Internal Audit Annual Report, which is attached as an appendix, is to report the key outcomes arising from the work of Internal Audit for 2015/16 and to provide an audit opinion on the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control.

The Council's Section 151 Officer is required to maintain an adequate Internal Audit service in order to help ensure the probity of the Council's financial affairs. The Internal Audit Annual Report summarises the work completed by the Council's Internal Audit provider throughout the year which results in an assurance statement and an overall Internal Audit opinion. The overall opinion may be used by the Council in the preparation of the Annual Governance Statement.

The preparation and publication of the Annual Governance Statement in accordance with the CIPFA/SOLACE governance framework is necessary to meet the statutory requirements set out in the Accounts and Audit Regulations which set out a statutory requirement for authorities to prepare a statement of internal control in accordance with proper practices. The draft Annual Governance Statement for 2015/16 is included elsewhere on tonight's agenda.

2. Recommendations

- 2.1. That the report included on the audit opinion and the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control be noted.
- 2.2. That Members support the conclusion that the Council has an effective internal audit service.

3. Information

- 3.1. The Internal Audit Annual Report (Appendix 1) provides information on the key outcomes arising from the work of the Internal Audit service for the period 1 April 2016 to 31 March 2016.

Internal Audit progress reports are presented to every meeting of the Policy, Finance & Development Committee so Members can be kept up-to-date with Internal Audit work and findings. This annual report provides an overall summary of the work undertaken for the whole year in relation to the 2015/16 approved Annual Audit Plan.

In accordance with the requirements of the Accounts and Audit Regulations 2003, 2006 and 2011, Internal Audit has a specific role within the Council's overall internal

control framework and governance arrangements, including the provision of Internal Audit's opinion of the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control. The audit opinion forms part of the Council's Annual Governance Statement. This report also meets requirements to report on the review of the effectiveness of Internal Audit and to feed results into the Annual Governance Statement.

The Assurance Statement refers to the three overall areas of Council governance: Risk Management, Control and Council Governance have been rated significant assurance with regards to the management of risk in these areas.

The Internal Audit opinion states that significant assurance can be given that there is a generally sound system of internal control designed to meet the organisations objectives and that controls have generally been applied consistently. However, some weakness in the design and/or inconsistent application controls could put the achievement of particular objectives at risk.

The Governance Statement notes that the overall opinion may be used by the Council in the preparation of the Annual Governance Statement. However, Internal Audit highlighted significant internal control issues that they considered would require disclosure within the Council's Annual Governance Statement:

3.2. *Budgetary Control/Medium Term Financial Strategy*

The review provided 'moderate assurance' and highlighted the weakening of budget monitoring and forecasting procedures due to the increased reliance on interim managers and staff through much of 2015/16 due to the unplanned absence of several senior managers. As a result, staff in the Finance Section often had to identify reasons for service level variances and to make budget outturn forecasts in isolation. The Auditor also noted in this context that at its meeting in February 2016 the PFD Committee approved the use of reserves to ensure that the originally approved revenue budget at the start of the 2015/16 financial year was not exceeded.

3.3. *Financial Systems – Key Controls Review*

The review provided 'moderate' and 'limited' assurance in relation to Creditors and Debtors respectively. The key matters highlighted related to: Creditors – compliance and evidencing of compliance, with Contract procedure Rules, and lack of independent review to confirm that any changes to the creditors masterfile were authorised and valid; Debtors – timeliness and accuracy of invoicing, and lack of debt collection, recovery and write-off processes operated during the year.

3.4. *Building Control – Value for Money Review*

The review provided 'limited assurance' and highlighted matters mainly relating to the scheme of charges and review.

3.5. *Payroll & Expenses*

The review provided 'moderate assurance' and highlighted matters relating to the agreement with and data transfer to the payroll provider, and compliance with payroll procedures.

The Head of Internal Audit's report also noted that some planned reviews have been delayed at management request, for delivery in 2016/17, and accordingly he has not reflected an assurance opinion on these reviews.

All of the matters raised by the Head of Internal Audit are currently being addressed and improvements put in place. Progress is reported regularly to the Council's Policy, Finance & Development Committee.

3.6. **Legislation/Policy**

Under the Local Government Act 1972 (Section 151) and the Accounts and Audit Regulations, the Council has a responsibility to maintain an adequate and effective Internal Audit function. At Oadby & Wigston Borough Council this responsibility is delivered by CW Audit Services. In responding to this requirement the Internal Audit service works to best practice as set out in the 2006 Code of Practice for Internal Audit in Local Government in the UK which is published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

3.7. **Relevant Considerations**

There are no other relevant considerations from this report.

Background Documents:-

Agenda and Minutes from Meetings of the Policy, Finance & Development Committee 2015/16

Accounts and Audit Regulations 2003, 2006, 2011

Code of Practice for Internal Audit of Local Government in the UK 2006 (CIPFA).

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Implications	
Financial (MHo)	There are no financial implications arising from this report.
Legal (MHo)	Please see section 4 above.
Risk (MHo)	Relevant risks and opportunities in conjunction with this matter have been considered and are referred to in the body of the report as appropriate.
Equalities (MHo)	There are no direct inclusion, diversity or community cohesion implications arising from this report.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

Attached to this Report as an Appendix is the CW Audit Services Oadby & Wigston Borough Council Annual Internal Audit Report 2015/16, June 2016.

Organisational issues arising from the investigation into the grievance brought by Council senior managers against the Council's Senior Management Team

In May 2015 a collective grievance raised by a number of officers against the Chief Executive, Director of Services and Director of Finance. Through the Local Government Association an Independent Investigator was appointed to look into the grievances. In the event, the Investigator found none of the grievances to be substantiated, and this was reported to the Council's Change Management Committee in April 2016.

As a by-product of this, the Council agreed two action plans – one for immediate action which is currently being delivered, and a plan for further review of key aspects of the Council's operation that cannot be addressed in the immediate short-term. The Council is being supported in this work by the Local Government Association. The project is led at an officer level by the Chief Financial Officer on behalf of the Senior Management Team, who reports regularly on progress to the Change Management Committee.

The associated risks have been identified, remain under close review and will be managed throughout the year given that they are key to ensuring the continued delivery of high quality services. Action plans and programmes of monitoring and evaluation are in place and are regularly updated to support both of these issues over the current and future years.

Background Documents:-

CIPFA/SOLACE - Delivering good governance in Local Government
Oadby & Wigston Borough Council – Local Code of Corporate Governance
KPMG - Annual Audit and Inspection Letter
Internal Audit - Annual Report 2015/16

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Implications	
Financial (MHo)	Robust scrutiny of the Council's AGS and framework applied in line with best practice will further strengthen the Council's sound base of strong financial management and assist in reducing risk.
Legal (AC)	The preparation and publication of the AGS in accordance with the CIPFA/SOLACE framework is necessary to meet the statutory requirements set out in Regulation 4(3) in the Accounts and Audit Regulations 2011. Effective corporate governance practice is essential if the Council is to demonstrate that it is acting in the best interests of the communities it serves. The Council's governance arrangements are tested through audit and other means of scrutiny.
Risk (MHo)	A strong internal control environment contributes to the overall effective management of the Council and will minimise the risk of the Council failing to achieve its ambitions, priorities and service improvements.
Equalities (AC)	Ensuring the Council has arrangements in place to ensure inclusion, diversity and community cohesion forms part of the Council's governance arrangements.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable



cw audit services

Oadby & Wigston Borough Council

Annual Internal Audit Report 2015/16
June 2016

Getting value from your service

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1 Introduction

This annual report provides my opinion (see section 2) as the Head of Internal Audit to Oadby & Wigston Borough Council. It also summarises the activities of Internal Audit for the period 1st April 2015 to 31st March 2016.

The Council is required by law (Accounts & Audit Regulations 2015) to 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. The Public Sector Internal Audit Standards (PSIAS) require the Head of Internal Audit to provide a written report to those charged with governance, to support the Annual Governance Statement, (AGS), setting out:

- An opinion on the overall adequacy and effectiveness of the organisation's control environment;
- Disclose any qualifications to that opinion, together with the reasons for that qualification;
- Present a summary of the work carried out by Internal Audit during the year from which the opinion is derived, including any reliance that is being placed upon third party assurances;
- Draw attention to any issues the Head of Internal Audit deems particularly relevant to the Annual Governance Statement (AGS);
- Consider delivery and performance of the Internal Audit function against that planned;
- Comment on compliance with these Standards and the results of any quality assurance programme.

The Council should consider my opinion, together with management assurances, its own knowledge of the organisation and assurances received throughout the year from other review bodies (such as External Audit) when producing its AGS.

My opinion takes into account the range of individual opinions arising from risk-based audit assignments that have been reported throughout the year. An internal audit plan was developed to provide you with independent assurance on the adequacy and effectiveness of systems of control across a range of financial and organisational areas. **A summary of the work we have performed and delivery against the plan is provided in section 3.**

Alongside the delivery of the operational internal audit work, we have met regularly with Council management to ensure any issues regarding our performance could be highlighted and any necessary action taken to resolve these. Following each audit, management are also requested to provide feedback on the service received. No significant issues or concerns regarding the internal audit service have been raised to date.

2 Annual Head of Internal Audit Opinion

Roles and responsibilities

The organisation is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements.

Internal Audit provides an independent and objective opinion to the organisation on the control environment and plays a vital part in advising the organisation whether these arrangements are in place and operating correctly.

The Annual Governance Statement (AGS) is an annual statement by the Leader and Chief Executive, that recognises, records and publishes an authority's governance arrangements.

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In accordance with PSIAS, the Head of Internal Audit (HoIA) is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with management and approved by the Policy, Finance and Development Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below. The Head of Internal Audit's role is also covered by the CIPFA Guidance on the Role of the Head of Internal Audit; we consider we comply substantially with the content of this Guidance.

The opinion does not imply that Internal Audit have reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans. As such, it is one component that the organisation takes into account in making its AGS.

The Head of Internal Audit Opinion

My opinion is set out as follows:

1. Overall opinion;
2. Basis for the opinion;

My **overall opinion** is that **significant** assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.

The **basis** for forming my opinion is as follows:

1. An initial assessment of the design and operation of the underpinning risk management framework and supporting processes; and
2. An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.
3. Any reliance that is being placed upon third party assurances.

3 Work undertaken during the year

Summary of assurances provided

During the course of the year we have conducted work to provide assurance over financial, governance and operational systems. Appendix One summarises the assurance levels we have given.

Delivery of the plan

An internal audit plan for 2015/16 was developed to provide you with independent assurance on the adequacy and effectiveness of systems of control across a range of financial and organisational areas. To achieve this our internal audit plan was divided into two broad categories; work on the financial systems that underpin your financial processing and reporting and then broader risk focused work driven essentially by principal risk areas that had been identified in your risk register. A summary of work undertaken is included below:

- During the year we have undertaken reviews of your core financial systems (including financial management, general ledger and financial transactions) and given relevant levels of assurance with regard to the management of risk in these areas.
- We have undertaken a number of pieces of work on areas of principal risk. In general we have been able to conclude that these systems are robust and operate in a satisfactory control environment.

It is my view, taking account of the respective levels of assurance provided for each audit review, an assessment of the relevant weighting of each individual assignment and the extent to which agreed actions have been implemented, that you have a generally sound system of internal control.

However, we have highlighted during the year Significant Internal Control Issues that we consider would require disclosure within your AGS. These are set out below:

- Budgetary Control/Medium Term Financial Strategy – this review provided ‘moderate assurance’ and highlighted the weakening of budget monitoring and forecasting procedures due to the increased reliance on interim managers and staff through much of 2015/16 due to the unplanned absence of several senior managers. As result staff in the Finance Section often had to identify reasons for service level variances and to make budget outturn forecasts in isolation. We also noted in this context that at its meeting in February 2016 the PFD Committee approved the use of reserves to ensure that the originally approved revenue budget at the start of the 2015/16 financial year was not exceeded.
- Financial Systems – key controls review – this review provided ‘moderate’ and ‘limited’ assurance in relation to Creditors and Debtors respectively. The key matters highlighted related to: Creditors – compliance, and evidencing of compliance, with Contract Procedure Rules, and lack of independent review to confirm that any changes to the creditors masterfile are authorised and valid; Debtors – timeliness and accuracy of invoicing, and lack of debt collection, recovery and write-off processes operated during the year.
- Building Control - Value for money review – this review (currently at draft report stage) provided ‘limited assurance’ and highlighted matters mainly relating to the scheme of charges and its review.
- Payroll & Expenses – this review (currently at draft report stage) provided ‘moderate assurance’ and highlighted matters relating to the agreement with and data transfer to the payroll provider, and compliance with payroll procedures.

Our annual opinion for 2014/15 made reference to Significant Internal Control Issues in relation to the reviews listed below. In each case we have during 2015/16 carried out follow-up work to support management in identifying updated levels of implementation, and these have been reported to the PFD Committee during the year.

- Street Cleaning/Grounds Maintenance
- Void Housing Property Repairs
- 2013/14 review on Health & Safety
- 2013/14 review on Payroll & Expenses

We also note that several other planned reviews have been delayed at management request, for delivery in 2016/17 and we have accordingly not reflected an assurance opinion on these reviews in this annual opinion report. Given the delivery of the bulk of the work

planned for 2015/16, covering a range of fundamental control systems, we do not consider that this prevents or impacts significantly on the provision of our annual opinion.

Third party assurances

In arriving at our overall Annual Head of Internal Audit Opinion, we have not sought to place reliance on any third party assurances.

Following up of actions arising from our work

All recommendations and agreed actions are subject to an ongoing recommendation tracking process that is facilitated by CW Audit Services, but completed by the relevant managers responsible for implementing the recommendations. This is undertaken on a self-assessment basis, but is supplemented by our independent follow-up reviews where this is deemed necessary (for example following the issuance of a limited or moderate assurance report). A summary of the recommendation tracking results for the 2015/16 year is included as Appendix 2 to this report. The status shown in Appendix 2 reflects management's self-assessments and does not imply that we have verified all of the statuses shown.

In addition elements of our work involve annual coverage of key areas of control for the organisation, such as in relation to key financial systems, and in such cases we also routinely follow up previously-agreed actions at each review.

Closing remarks

I have discussed and agreed this Annual Report and Head of Internal Audit Opinion with the Policy, Finance & Development Committee (on 19th July 2016). Further detailed findings, conclusions and recommendations in the areas covered by our internal audit plan are covered within the progress reports and individual assignment reports that have been issued to the Committee during the year.

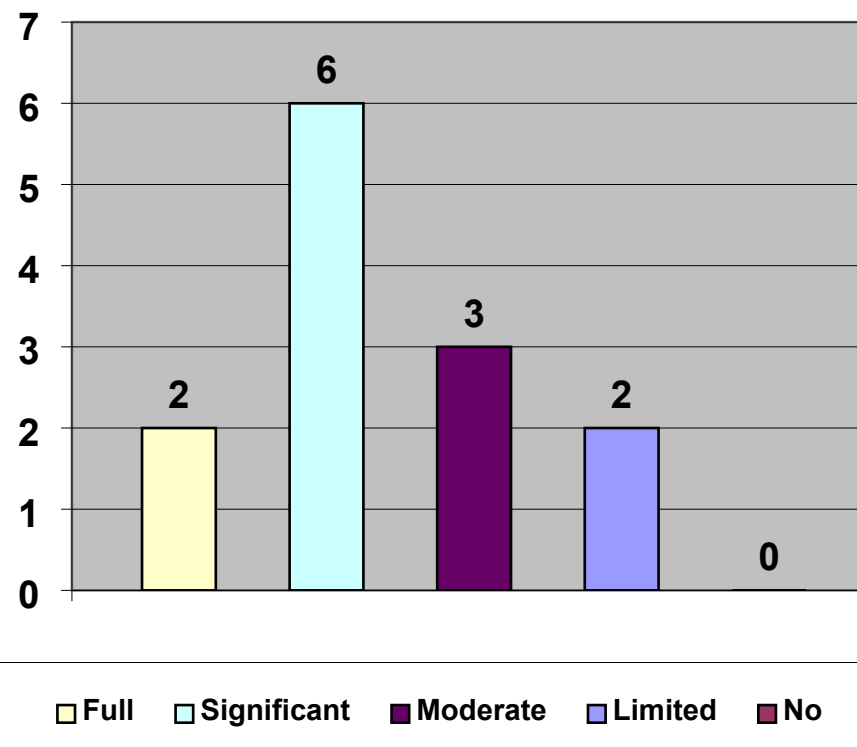
Levels of Assurance – Individual Audit Assignments

The table and chart below set out the level of assurance provided by each relevant assurance audit review during 2015/16.

Audit Review	Level of Assurance
Budgetary Control/Medium Term Financial Strategy	Moderate
Main Accounting	Significant
Financial Systems – key controls review: Creditors Debtors Income management Treasury management	Moderate Limited Significant Full
Building Control VFM	Limited*
Payroll & Expenses	Moderate*
Human Resources	N/A – delayed at management request
Legal Services/corporate legal compliance arrangements	N/A – delayed at management request
Members allowances	Full
Council Tax	Significant
Business Rates	Significant
Benefits	Significant
Benefit Fraud Investigation	Significant
Housing Repairs & Maintenance	N/A – delayed at management request
Safeguarding - Children & Young People	N/A - Advisory
Housing Register & Allocations	N/A – delayed at management request
Community Safety/Anti-Social Behaviour	In progress
Leisure Centres/Leisure Development	In progress

*Opinion at draft report stage

NB a range of other audits have been completed, which were advisory in nature and thus are not reflected above. These have been reported to the PFD Committee during the year.

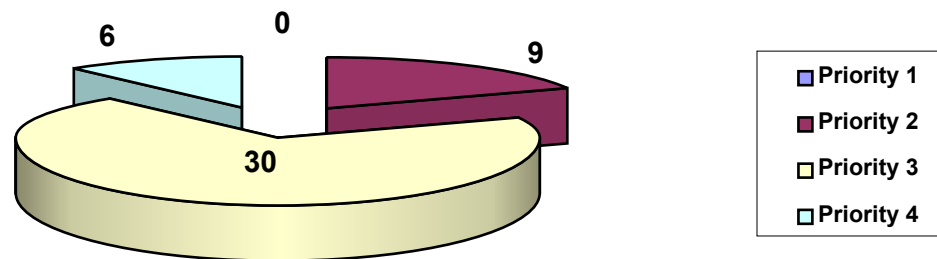


Level of assurance	Criteria
Full	No significant risk issues identified
Significant	Exposure to levels of risk that may only impair the effectiveness of the system or process under review
Moderate	Exposure to levels of risk that render some elements of the system's control environment undeliverable
Limited	Exposure to unacceptable level of risk that could have a serious impact upon the system or process under review
No	Exposure to unacceptable levels of risk that could have a serious impact upon the organisation as a whole

Summary of Internal Audit Recommendations

Recommendations made in relation to 2015/16 audit year

Risk level	Number
1	0
2	9
3	30
4	6
Total	45



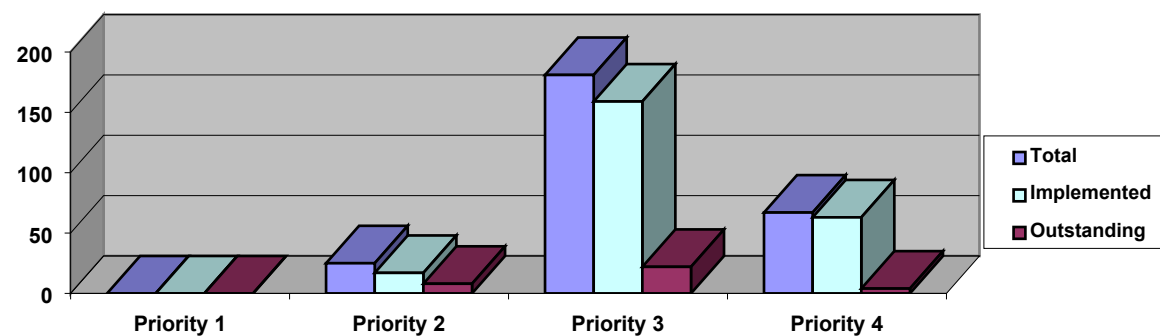
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Current status of all recommendations made and due for implementation by 31st March 2016

Risk level	Number	Impl*	O/S
1	0	0	0
2	25	17	8
3	181	159	22
4	67	63	4
Totals	273	239	34

*incl. 'closed'

NB – of the 34 outstanding items, 23 are less than 3 months overdue.



Definition of our risk rankings

Risk ranking	Assessment rationale
1	The system has been subject to high levels of risk that have, or could, prevent the system from meeting its objectives, and which may also impact on the delivery of one or more of the organisation's strategic objectives.
2	The system has been subject to high levels of risk that have, or could, prevent the system from meeting its objectives, but which are unlikely to impact on any of the organisation's strategic objectives.
3	The system has been subject to medium levels of risk that have, or could, impair the system from meeting its objectives.
4	The system has been subject to low levels of risk that have, or could, reduce its operational effectiveness.



Policy, Finance and Development Committee	Tuesday, 19 July 2016	Matter for Information
--	------------------------------	-------------------------------

Title: **KPMG Technical Update**

Author: **Martin Hone (Chief Finance Officer/Section 151 Officer)**

1. Introduction

This report introduces the latest technical update from the Council's external auditors KPMG.

2. Recommendations

That the report be noted by Members.

3. Information

Attached as an appendix to this report is a technical update from the Council's external auditors, KPMG.

Page 4 of the update advises members on the progress of the external auditor's work on the Council's financial statements for 2015/16, the extent to which the Council delivers Value for Money from its services, and the accuracy of the 2015/16 Housing Benefits claim. More detail is provided in the appendix to the update on p23.

The second part of the update (pp 5-9) provides members with website and other contact information regarding:

- The EU referendum
- 'Value of Audit - Perspectives for Government'
- 'Reimagine - Local Government'
- 'The Future of Cities'

The remainder of the update provides brief details of current issues that in the opinion of the external auditor have only a low impact on the Council and/or are for information.

4. Relevant Considerations

There are no other relevant considerations from this report.

Background Documents:-

None.

Email: martin.hone@oadby-wigston.gov.uk

Tel: (0116) 257 2621

Implications	
Financial (MHo)	There are no financial implications arising from this report.
Legal (AC)	There are no specific legal implications arising from this report.

Risk (MHo)	Any qualification to an audit opinion may have a negative impact on the Council's reputation.
Equalities (AC)	There are no direct inclusion, diversity or community cohesion implications arising from this report.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable



Technical update

Incorporating the External Audit Progress Report





Oadby and Wigston Borough Council

July 2016

Contents

The contacts at KPMG in connection with this report are:		Page
	External audit progress report	3
Tony Crawley Director	KPMG resources	5
KPMG LLP (UK) Tel: +44 (0)116 256 6067 tony.crawley@kpmg.co.uk	Technical update	10
	Appendices	
Yola Geen Manager	1. 2015/16 audit deliverables	22
KPMG LLP (UK) Tel: +44 (0) 7785 590300 yola.geen@kpmg.co.uk		

This report provides the audit committee with an overview on progress in delivering our responsibilities as your external auditors. The report also highlights the main technical issues which are currently having an impact in local government. If you require any additional information regarding the issues included within this report, please contact a member of the audit team. We have flagged the articles that we believe will have an impact at the Authority and given our perspective on the issue:

 High impact  Medium impact  Low impact  For information



External audit progress report

External audit progress report

This document provides the Policy, Finance and Development Committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain deliverables, including reports and opinions. A summary of progress against these deliverable is provided in Appendix 1 of this report.

Area of responsibility	Commentary
<div>Page 106</div> Financial statements	<p><i>Our audit plan identified one specific financial statement risk relating to the accounting treatment for the Council's capital expenditure on the leisure centres. Our detailed consideration of this will take place during the final accounts visit, which is currently underway.</i></p> <p><i>We have completed our interim audit visit, including testing of controls of significant systems. This year we have included reviews of your revenue systems (NDR, Council Tax, and NDR) and the housing rents and housing repairs systems, in addition to those reviewed in previous years (Cash, Property Plant and Equipment, Payroll, Pensions and non pay expenditure). We have also undertaken testing of your GITCs (General IT Controls). There are no issues that we need to bring to your attention at this time.</i></p>
Value for Money	<p><i>We have undertaken our initial risk assessment and identified financial resilience and capacity as an area requiring specific audit attention, and this was set out in our audit plan. We are continuing to consider the Council's arrangements to address the risk raised, and have met with Senior Officers to better understand the current and longer term issues facing the Council.</i></p> <p><i>We will finalise our work in this area during our final accounts visit.</i></p>
Certification of claims and returns	<p><i>We have undertaken our initial planning for the review of your Housing Benefits claim, provided sample details to your officers, and undertaken testing of the parameters input into the housing benefits system.</i></p>



KPMG resources

EU Referendum Forum

What does this forum address?

Our online Referendum Forum includes content and videos relating to the implications of the exit vote such as:

- A guide to the timeline of Article 50
- The Economic Implications of a Brexit (by Yael Selfin, KPMG's Chief Economist)
- People and immigration impact.

Members can register for the forum at <https://kpmgeuref.online-event.co/>. Registering for this will give access to current material which will evolve in the coming weeks, and you will also receive alerts when new content is added.

Publication 'Value of Audit – Perspectives for Government'

What does this report address?

This report builds on the Global Audit campaign – *Value of Audit: Shaping the future of Corporate Reporting* – to look more closely at the issue of public trust in national governments and how the audit profession needs to adapt to rebuild this trust. Our objective is to articulate a clear opinion on the challenges and concepts critical to the value of audit in government today and in the future and how governments must respond in order to succeed.

Through interviews with KPMG partners from nine countries (Australia, Canada, France, Germany, Japan, the Netherlands, South Africa, the UK and the US) as well as some of our senior government audit clients from Canada, the Netherlands and the US, we have identified a number of challenges and concepts that are critical to the value of audit in government today and in the future.

What are the key issues?

- The lack of consistent accounting standards around the world and the impacts on the usefulness of government financial statements.
- The importance of trust and independence of government across different markets.
- How government audits can provide accountability thereby enhancing the government's controls and instigating decision-making.
- The importance of technology integration and the issues that need to be addressed for successful implementation
- The degree of reliance on government financial reports as a result of differing approaches to conducting government audits

The *Value of Audit: Perspectives for Government* report can be found on the KPMG website at <https://home.kpmg.com/xx/en/home/insights.html>

The *Value of Audit: Shaping the Future of Corporate Reporting* can be found on the KPMG website at www.kpmg.com/sg/en/topics/value-of-audit/Pages/default.aspx

Publication 'Reimagine - Local Government'

KPMG have published a number of reports under the headline of *Reimagine – Local Government*. These are summarised below:

Council cash crunch: New approach needed to find fresh income

- By 2020, councils must generate all revenue locally.
- More and more are looking towards diversifying income streams as an integral part of this.
- Councils have significant advantages in becoming a trusted, independent supplier.
- To succeed, they must invest in developing commercial capability and capacity.

Councils can save more than cash by sharing data

- Better data sharing in the public sector can save lives and money.
- The duty to share information can be as important as the duty to protect it.
- Local authorities are yet to realise the full value of their data and are wary of sharing information.
- Cross-sector structures and the right leadership is the first step to combating the problem.

English devolution: Chancellor aims for faster and more radical change

- Experience of Greater Manchester has shown importance of strong leadership.
- Devolution in areas like criminal justice will help address complex social problems.
- Making councils responsible for raising budgets locally shows the radical nature of these changes.
- Cuts to business rates will stiffen the funding challenge, even for the most dynamic councils.

Senior public sector pensions

- Recent changes to pensions taxation have particularly affected the public sector, with fears senior staff may quit as pension allowances bite.
- 'Analyse, control, engage' is the bedrock of an effective strategy.

Time for the Care Act to deliver

- Momentum behind last year's Care Act risks stalling.
- Councils are struggling to create an accessible care market with well-informed consumers.
- Local authorities must improve digital presence and engage providers.
- Austerity need not be an impediment to progress. It could be an enabler.

The publications can be found on the KPMG website <https://home.kpmg.com/uk/en/home/insights/2016/04/reimagine-local-government.html>

Publication 'The future of cities'

We are delighted to share *The future of cities*, a report that helps local government leaders build and evaluate sustainable cities for their current and future generations.

What is *The future of cities*?

The future of cities is a global report that follows from the UK firm's thought leadership partnership with the City of Bristol and the work surrounding its European Green Capital 2015 designation. The report is broken into two modules that draw on the expertise of KPMG practitioners around the world and includes a range of case studies to ensure you find approaches relevant to your context.

The first module, *The future of cities: creating a vision*, explains the central role of vision in the success of second cities, identifying seven guiding principles to make cities more attractive. Examples are provided of various cities around the globe that are putting some of these principles into action.

The second, *The future of cities: measuring sustainability*, discusses some of the ways in which cities are being measured and how these metrics could evolve. More important, it provides practical examples of what leading cities are doing, the lessons to be learned and how these can be applied to other cities.

This content is now featured on kpmg.com/futurecities where readers can access a broader collection of reports and shorter opinion pieces from KPMG's leading thinkers on different aspects on how to create better, more sustainable places to live and work.

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Technical developments

CIPFA/LASAAC briefing on Highway Network Assets

Level of impact: ● (Low)	KPMG perspective
<p>Authorities will be aware that the CIPFA/LASAAC consultation on the Draft Code of Practice on the Highways Network Asset (HNA Code) closed in April 2016.</p> <p>Following the consultation, the second in a series of Briefings on the Highways Network Asset has been made available on the CIPFA website at: http://www.cipfa.org/policy-and-guidance/local-authority-highways-network-asset.</p> <p>The Briefing covers the HNA Code consultation, the definition of the Highways Network Asset, 2015/16 reporting requirements and the Central Assurance process.</p> <p>Further guidance, and future briefings, on this topic are also available on this same webpage.</p>	<p><i>The Committee may wish to understand the progress their Authority has made in its plans to meet the new reporting requirements.</i></p>

Exercising electors' rights - 2015/16 changes

Level of impact: ● (Low)	KPMG perspective
<p>Authorities may be aware that the <i>Accounts & Audit Regulations 2015</i> have introduced new arrangements for the exercise of electors' rights, which take effect from the 2015/16 financial statements. One of the most significant changes is that the auditor is no longer required to 'call the audit' and specify a date upon which electors can meet with the auditor and ask questions about the accounts.</p> <p>Regulation 15 requires the Responsible Financial Officer (RFO), after signing and dating the draft accounts on behalf of the Authority, to commence the period for the exercise of electors' rights. This period is limited to 30 working days, and for 2015/16 must include the first 10 working days of July.</p> <p>Authorities should also note that Regulation 9(2) is clear that the authority's meeting to consider and approve the accounts should take place after the period for the exercise of electors' rights has ended. Due to the requirement in Regulation 15 for a common inspection period during July, the inspection period this year cannot end before 14 July 2016. This means that authorities should not approve and publish their accounts before 15 July 2016.</p> <p>Electors' rights are important, and the courts have in the past been critical of those who have not ensured that adequate provision for the exercise of these rights is made.</p> <p>Auditors are mindful that they may be contacted by electors or their representatives during the 30 working day inspection period. Given the limited time available, auditors will ensure that they have adequate arrangements in place during the prescribed period for receiving and identifying promptly whether any correspondence received includes formal questions under the <i>Local Audit and Accountability Act 2014</i>, and/or objections to the accounts.</p>	<p><i>The Committee may wish to seek assurances that the impact for their Authority is understood.</i></p>

DCLG consultation on pension fund investment returns

Level of impact: ● (Low)	KPMG perspective
<p>The Department for Communities and Local Government (DCLG) has recently closed a consultation on revised regulations for the investment of local government pension scheme assets. The proposed regulations include the proposal to allow pension schemes to pool assets for investment purposes.</p> <p>The revised regulations can be found here at www.gov.uk/government/publications/local-government-pension-scheme-investment-reform-criteria-and-guidance</p> <p>The outcome of the consultation will be published here: https://www.gov.uk/government/consultations/revoking-and-replacing-the-local-government-pension-scheme</p>	<p><i>The Committee may wish to enquire of officers whether their Authority responded to the consultation and the views expressed.</i></p>

Councillors' travel expenses

Level of impact: ● (Low)		KPMG perspective
<p>HM Revenue and Customs (HMRC) are in the process of contacting Local Authorities to commence PAYE and NIC compliance reviews focusing on the historic treatment of councillors' mileage expenses. Those authorities that are unable to demonstrate they have reported payments correctly face a tax and NIC charge, with interest and potentially penalties applying.</p> <p>The previous rules</p> <p>Up until 5 April 2016, HMRC could agree that for some councillors, home is a place of work and therefore the cost of journeys to council offices could be paid free of tax and NIC. This could have been the case where, for example, councillors were required to see constituents at home. HMRC do not accept however that working from home out of choice makes home a place of work and in these cases, any expenses reimbursed in respect of travel to council offices should have been subject to tax and NIC.</p> <p>HMRC Compliance Reviews</p> <p>Those local authorities that are unable to support their historic treatment of councillor mileage expenses face a liability to unpaid PAYE, NIC, interest and potentially penalties going back four, and possibly six, years. It will be important for local authorities to review their expenses records to determine how travel expenses have been treated and the processes and rationale behind that treatment. Given that different councillors can have different working patterns it will be important to review the treatment on a case by case basis.</p> <p>The new rules</p> <p>With effect from 6 April 2016, a new exemption has been introduced for councillors' travel expenses. From this date, a councillor's journey between their home and their office will be treated as 'business travel' which means that any mileage expenses reimbursed for this journey will, up to certain limits, be free of tax and NIC (subject to their home not being more than 20 miles outside the relevant authority boundary).</p> <p>How KPMG can help</p> <p>KPMG's public sector Employment Tax specialists provide practical advice on dealing with HMRC Employer Compliance reviews. We regularly assist local authorities in liaising with HMRC and staying ahead of legislative and practice developments. If you would like to speak to one of our specialists please contact your normal KPMG contact.</p>		<p><i>The Committee may wish to seek assurances how their Authority is progressing with the new requirements.</i></p>

Capital receipts flexibility

Level of impact: ● (Low)	KPMG perspective
<div>Page 117</div> <p>The 2015 Spending Review included an announcement that local authorities would be able to use capital receipts on the revenue costs of service reform projects. The Department for Communities and Local Government (DCLG) has now issued guidance on the capital receipts flexibility, including a draft direction setting out the types of project that would qualify and expected governance and transparency framework. In summary:</p> <ul style="list-style-type: none">— the flexibility is available from 1 April 2016 to 31 March 2019;— only capital receipts generated during that period can be used for the flexibility;— the Secretary of State's direction will have the effect of allowing authorities to treat revenue expenditure on service reform as capital during the three year period;— authorities will not be allowed to borrow to fund revenue expenditure on service reform; and— authorities are required to have regard to a statutory code which contains certain transparency requirements when taking advantage of the flexibility. <p>We understand that DCLG's aim is that the final signed direction will be issued with the final settlement in February 2016.</p> <p>A copy of the draft guidance can be found at www.gov.uk/government/uploads/system/uploads/attachment_data/file/486999/Capital_receipts_flexibility - _draft_statutory_guidance_and_direction.pdf</p>	<p><i>The Committee may wish to seek assurances how their Authority is planning to use the new flexibility.</i></p>

2015/16 Code of Practice Update

Level of impact: ● (Low)		KPMG perspective
<p>CIPFA/LASAAC has issued an update to the <i>2015/16 Code of Practice on Local Authority Accounting in the United Kingdom</i> (the Code) following its consultation process. The 2015/16 Code update should be read alongside the 2015/16 Code published in April 2015.</p> <p>Authorities should note that the update confirms the transitional reporting requirements for the measurement of the Highways Network Asset. The Code does not require a change to the preceding year information for the move to measuring the Highways Network Asset at current value (and under that provision would not require a change to the balance sheet information at 1 April 2015). It also does not require a restatement of the opening 1 April 2016 information but there will need to be an adjustment to those balances.</p> <p>The Code update also includes amendments as a result of legislative changes and particularly the <i>Accounts and Audit Regulations 2015</i> for English authorities. It specifies the principles for narrative reporting which CIPFA/LASAAC considers should be used to meet the new requirements of those regulations.</p>		<p><i>The Committee may wish to seek assurances that their Authority is aware of the update to the 2015/16 Code</i></p>

2016/17 Work Programme and Scale of Fees

Level of impact: ● (For Information)

Following consultation, Public Sector Audit Appointments Ltd (PSAA) has published the work programme and scale fees for the audits of the 2016/17 accounts of principal audited bodies. There are no changes to the overall work programme for 2016/17.

The 2016/17 work programme documents and scale fees for individual audited bodies are now available to view on the PSAA website at <http://www.psaa.co.uk/audit-and-certification-fees/201617-work-programme-and-scales-of-fees>

NAO report 'English devolution deals'

Level of impact: ● (For Information)

Published on 20 April, this report finds that devolution deals to devolve power from central government to local areas in England offer opportunities to stimulate economic growth and reform public services for local users, but the arrangements are untested and government could do more to provide confidence that these deals will achieve the benefits intended.

The report is available free of charge and the full version or a summary can be accessed at <https://www.nao.org.uk/report/english-devolution-deals/>

Greater Manchester Combined Authority'

Level of impact: ● (For Information)

Greater Manchester Combined Authority (GMCA) has pioneered the concept of local devolution within England. 'Devo Manc' encompasses a broad range of proposals to address the challenges and opportunities GM is facing:

Health and Social Care

Greater Manchester is facing an estimated financial deficit of c. £2 billion by 2020/21. A Memorandum of Understanding was signed in February 2015 between all partners in GM, committing the region to produce a comprehensive Strategic and sustainable Plan for health and social care.

As part of the Plan, GM is seeking to use its share of the £8 billion promised to the NHS in the CSR to support new recurrent costs and protect social care budgets, closing over a quarter of the funding gap. A further investment by the partners of £500 million, phased over three years, will release future recurrent savings with a likely payback of £3 for every £1 invested.

GM proposals

In addition, GM has made a number of proposals to reform the way public services work together and deliver services within the region:

- Investment in transport infrastructure
- New funding mechanisms to support site remediation and infrastructure provision
- Making better use of Social Housing Assets to support growth
- Locally led low carbon
- A scaled-up GM Reform Investment Fund
- Devolution of decision making for apprenticeships and training, and reform to careers advice and guidance
- Fundamental review of the way services to children are delivered
- Research and innovation funding
- Investment in integrated business support to drive growth and productivity
- Reform of the New Homes Bonus
- Further employment and skills reform
- GM approach to data sharing across public agencies
- Fiscal devolution, including reform to Business Rates, Council Tax, Stamp Duty Land Tax and a Hotel Bed Tax

All of these proposals involve joint working, not just with other GM agencies, but also central government departments. This allows the existing financial resources provided to the region to be redeployed more efficiently to maximise the benefits to GM.

Proposed changes to business rates and core grants

Level of impact: ● (For Information)

The Chancellor of the Exchequer has proposed some radical reforms of local government finance. The proposals are that by the end of the decade, councils will retain all locally raised business rates but will cease to receive core grant from Whitehall.

Under the proposals, authorities will be able to keep all the business rates that they collect from local businesses, meaning that power over £26 billion of revenue from business rates will be devolved.

The uniform national business rate will be abolished, although only to allow all authorities the power to cut rates. Cities that choose to move to systems of combined authorities with directly elected city wide mayors will be able to increase rates for specific major infrastructure projects, up to a cap, likely to be set at £0.02 on the rate.

The system of tariffs and top-ups designed to support areas with lower levels of business activity will be maintained in its present state.

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'Cities and Local government Devolution Act 2016'

Level of impact: ● (For Information)

Authorities will wish to note that the *Cities and Local Government Devolution Act 2016* received Royal Assent on 28 January 2016. The Act provides the enabling legislation to:

- allow for the election of mayors for a combined authority area;
- allow for the devolution of functions, including transport, health, skills, planning and job support; and
- provide a power to establish sub-national transport bodies which will advise the Government on strategic schemes and investment priorities in their own area.

Most of the changes under the Act, including the implementation of 'devolution' deals, will be implemented by Orders to be made under the Act.



Appendix

Appendix 1

2015/16 audit deliverables

Deliverable	Purpose	Timing	Status
Planning			
Fee letter	Communicate indicative fee for the audit year	April 2015	Done
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	March 2016	Presented to March 2016 Committee
Interim			
Interim report	Details and resolution of control and process issues. Identify improvements required prior to the issue of the draft financial statements and the year-end audit. Initial VFM assessment on the Council's arrangements for securing value for money in the use of its resources.	Not required	
Substantive procedures			
Report to those charged with governance (ISA 260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on the Council's value for money arrangements.	September 2016	Reporting timetable agreed

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Appendix 1

2015/16 audit deliverables (cont.)

Deliverable	Purpose	Timing	Status
Completion			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	September 2016	TBC
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2016	TBC
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	November 2016	TBC
Certification of claims and returns			
Certification of claims and returns report	Summarise the outcomes of certification work on your claims and returns for Government departments.	January 2017	TBC



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Agenda Item 15



Policy, Finance and Development Committee	Tuesday, 19 July 2016	Matter for Decision
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Title: **Leicester and Leicestershire Strategic Growth Plan
Strategic Growth Statement**

Author: **Anne Court (Director of Services)
Adrian Thorpe (Planning Policy and Regeneration Manager)**

1. Introduction

- 1.1. The purpose of this report is to seek approval of the Strategic Growth Statement for Leicester and Leicestershire for consultation with stakeholders.
- 1.2. The Strategic Growth Statement (Appendix 1) forms the first part of a three-stage process to prepare a Strategic Growth Plan for Leicester and Leicestershire. The ten partners which have agreed to prepare a Strategic Growth Plan are the seven district councils of Leicestershire, Leicester City Council, Leicestershire County Council and the Leicester and Leicestershire Enterprise Partnership (LLEP).
- 1.3. A presentation was given to Members on the Strategic Growth Plan on Tuesday 14 June 2016.

2. Recommendations

It is recommended that -

- (a) The Strategic Growth Statement be approved for consultation subject to (b) below;
- (b) That the Chief Executive in agreement with the Leader and Chair of this Committee be authorised to make minor changes to the draft Strategic Growth Statement prior to consultation including any amendments arising from its consideration by the Member Advisory Group and partner authorities.

3. Information

- 3.1. The Council, working with Leicester City Council, the seven district councils, and the LLEP is preparing a Strategic Growth Plan (SGP) for Leicester and Leicestershire.
- 3.2. This exercise is being overseen by a Members Advisory Group (MAG), comprising representatives from each of the local authorities, together with the LLEP whose representative attends as an observer. The MAG is supported by a Strategic Planning Group, made up of senior officers from the local authorities. The Members' Advisory Group is responsible for assisting in the proper execution of the statutory Duty to Cooperate, by which local planning authorities and other key stakeholders, including the County Council, are required to co-operate on strategic planning issues, including employment and housing land provision, affecting Local Plans. A key role for the MAG is overseeing the preparation of the Strategic Growth Plan. The MAG considered the draft Strategic Growth Statement at its meeting on 28 April 2016 and subsequently approved the draft text for consultation purposes at its meeting on 9 June 2016.

3.3. The Strategic Growth Plan is being prepared in order to:

a) Support partners to -

- see 'the bigger picture' and plan effectively for the future;
- prepare Local Plans within a consistent framework;
- make decisions on infrastructure and investment and compete for, and secure funding from the Government.

b) Provide control over -

- how forecast growth will be accommodated and supported;
- the nature, location, quantum, timing, and speed of large scale new development;
- the planning gain packages that come with it;
- the protection and enhancement of environmental assets.

c) Provide confidence to the market, Government, local businesses and residents that the councils and the LLEP -

- have ambition for Leicester and Leicestershire;
- understand the property market;
- are genuinely working together;
- would use available funding wisely; and
- can use growth to resolve existing problems.

3.4. There are also risks that if no Strategic Growth Plan exists:

- Development will come anyway, but will be unplanned;
- Development and infrastructure will not be synchronised;
- Local Authorities would be unable to protect key assets;
- Existing problems, for example, congestion 'hot spots', will remain unsolved;
- Leicester and Leicestershire would lose development and investment to other areas;
- The 'Duty to Co-operate' would not be fulfilled;
- Decisions may be taken out of the hands of local people.

3.5. Leicester and Leicestershire is a very attractive place; its strengths and opportunities are of national importance. It includes a young, diverse, multi-cultural City, thriving market towns and popular villages, with three strong universities, and distinctive environmental assets in a central location with good connectivity.

3.6. The area has genuine opportunities for growth which include a distinctive offer of design, manufacture and distribution, potential to export more goods and services, innovation and technology, research and enterprise, a step change potential for Gross Value Added (GVA) and pay, and national infrastructure investment with private sector growth.

3.7. There are also a number of threats which need to be addressed, namely:

- Low GVA per head of population;
- Key roads are congested, there are problem junctions and rural roads are under strain;
- Gaps in connectivity in the strategic railway network;
- Limited bus network in rural areas, some gaps in the City;
- An ageing population, not as economically active as some areas

- 3.8. The Strategic Growth Plan will be a non-statutory plan so there will be flexibility regarding its content. To date, the MAG has agreed a three-stage process. The Strategic Growth Statement forms this first stage; essentially, it includes an explanation as to why partners are preparing a Strategic Growth Plan, proposes a vision and objectives, summarises the evidence base, and sets out generic options for the spatial distribution of growth and next steps. The Strategic Growth Statement also signals that work has started on the preparation of a Strategic Growth Plan.
- 3.9. The three stages are as follows:
- **Stage 1** (consultation Summer 2016): Strategic Growth Statement – a long term vision to 2050.
 - **Stage 2** (consultation Summer 2017): Development of the Draft Strategic Growth Plan – to include housing targets, employment land, areas of search/directions of growth, major infrastructure requirements, protecting environmental assets.
 - **Stage 3** (consultation late 2017/early 2018): Final Strategic Growth Plan.
- 3.10. The draft Strategic Growth Statement has the following chapter headings:
- Why We Are Preparing a Strategic Plan
 - Changing Context
 - Leicester and Leicestershire Today
 - Vision and objectives
 - Preparing the Strategic Growth Plan
 - Next Steps
- 3.11. The Strategic Growth Statement will be published for consultation at the end of July 2016. It will contain plans and graphics to enhance the meaning of the text, and will include branding which will be used throughout the preparation of the Strategic Growth Plan. An analysis of consultation responses will be reported to the MAG and constituent partner organisations as part of the preparation of a Draft Strategic Growth Plan.

Background Documents:-

Strategic Growth Plan Strategic Growth Statement (Appendix 1)

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Implications	
Financial (CR)	The Borough Council is jointly funding the cost of preparing the Strategic Growth Plan with other Leicestershire councils and the LLEP. Costs have been accounted for in the 2016/17 budget.
Legal (AC)	The Strategic Growth Plan will assist the Borough Council in fulfilling the requirements of the duty to co-operate.
Risk (AT)	CR2 Key Supplier/Partnership Failure CR3 Political Dynamics CR4 Reputation Damage The governance arrangements outlined in paragraph 3.2 have been put in place to mitigate against these risks.
Equalities (AT)	A working group involving representatives of partner councils has

	been established to undertake an Equalities Assessment of the Strategic Growth Plan.
	Equality Assessment
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

Appendix 1

**Leicester & Leicestershire Strategic Growth Plan
Stage 1: Strategic Growth Statement
Final Draft – for approval**

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CONTENTS

1. Why We Are Preparing a Strategic Growth Plan
2. Changing Context
3. Leicester and Leicestershire Today
4. Vision and objectives
5. Preparing the Strategic Growth Plan
6. Next Steps

APPENDIX A: Key statistics

[PLAN]

Administrative boundaries of L & L authorities

[TEXT BOX]

- The preparation of the Strategic Growth Plan will initially be governed by a Members' Advisory Group comprising one elected representative from each of the nine local authorities. The Leicester & Leicestershire Enterprise Partnership (LLEP) will participate as an observer in this group.
- Technical work will be overseen by the Strategic Planning Group comprising senior officers from each authority and the evidence base will generally be commissioned on a joint basis.
- The Members' Advisory Group will report to individual authorities for decisions on all matters relating to the Plan.
- If a Combined Authority for Leicester & Leicestershire is established in autumn 2016, as currently anticipated, the Planning Committee of the Combined Authority will take over this governance role; that Committee will have the same membership arrangements as the Members' Advisory Group.
- These arrangements formalise the long-standing collaborative work that has been the hallmark of planning in Leicester & Leicestershire for decades; they reflect our strongly held belief that the best way of achieving our aims is to work together.
- The Strategic Growth Plan forms one of the three cornerstones of our Combined Authority submission and it is part of our commitment to government to deliver effective local decision-making.

[Together with transportation and skills. Reference Leicester & Leicestershire Delivering Growth Together: Draft Governance Review for Leicester & Leicestershire Combined Authority, December 2015]

1.0 WHY WE ARE PREPARING A STRATEGIC GROWTH PLAN

- 1.1 The planning system and local government have been, and will continue to be, the subject of great change. The introduction of the localism agenda, the Duty to Co-operate and the abolition of Regional Spatial Strategies have had a profound effect on the way that we prepare plans, make decisions on planning applications and pay for infrastructure. Combined Authorities will further change the way in which organisations collaborate, share information and work to a shared agenda. At the same time, the public and private sectors are coming together with community organisations to tackle major problems and deliver solutions.
- 1.2 In Leicester & Leicestershire, the nine local authorities¹ and the Local Enterprise Partnership² are responding positively to these changes. We want to prepare a non-statutory Strategic Growth Plan which will:
- be clear about the opportunities and challenges that we face
 - provide an agreed scale and direction for future growth, reflecting the evidence available to us and the will of the partners
 - create a single consistent strategic framework for Local Plans, economic investment plans, transport and other infrastructure plans
 - ensure that Leicester & Leicestershire is positively positioned to take advantage of private sector inward investment opportunities and national programmes for investment
 - provide the right conditions for the growth of indigenous businesses, and,
 - at the same time, protect our natural resources, our environment and historic assets.
- 1.3 Our ambition is two-fold: to overcome the problems that are experienced by existing communities and to accommodate growth in new developments that have a real sense of place and purpose. We want to raise the bar in terms of the quality of development so our focus is on how we can improve the City and the County for local people and businesses, and how we can deliver growth at the right time, in the right place, with the essential infrastructure that it needs.
- 1.4 The Strategic Growth Statement forms the first stage in preparing the Growth Plan. Its purpose is to:
- summarise the changing context within which the Strategic Growth Plan will be prepared (Section 2)

¹ The nine local authorities are: Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley & Bosworth Borough Council, Leicester City Council, Leicestershire County Council, Melton Borough Council, North West Leicestershire District Council and Oadby & Wigston Borough Council.

² The Leicester & Leicestershire Local Enterprise Partnership

- identify the defining characteristics of the area today and some of the opportunities and challenges that we face (Section 3)
- set out our ambitions for the future and the initial objectives that will guide our work (Section 4)
- outline the evidence base and the spatial options that we will consider in formulating a new strategy (Section 5), and
- describe the next steps in the process (Section 6).

- 1.5 We understand the scale of the challenge that we face and welcome the opportunity to shape our own future. We encourage local people, businesses, developers, landowners and statutory organisations to work with us.

2.0 CHANGING CONTEXT

- 2.1 The way in which we plan for development is changing. On the one hand, the localism agenda supports the concept of local decision-making but the globalisation of economic prosperity and the government's commitment to growth outside London and the South East means that we have to prepare our plans in a much wider context. We need to understand our role within this bigger picture and adapt our working practices.

The abolition of Regional Spatial Strategies

- 2.2 The East Midlands Plan 2009³, the most recent Regional Spatial Strategy (RSS) for Leicester & Leicestershire, proposed that development should be concentrated in the 'principal urban area', effectively the City of Leicester and its suburbs which extend into adjoining Boroughs and Districts in Leicestershire. In addition to regeneration and redevelopment within the urban area, the RSS proposed that growth should be accommodated in a number of 'sustainable urban extensions'⁴ across the City and the County, all of which have been carried forward into Local Plans and most are currently being delivered.
- 2.3 In 2012, Regional Spatial Strategies were abolished in line with the government's aspirations for more decisions to be taken within local communities. Instead, a National Planning Policy Framework (NPPF) was put in place to guide the preparation of plans at a Borough/District/City level; Local Plans are now the main documents which direct where development should, and should not, be accommodated. In the absence of a formal process for strategic planning, however, the local authorities in Leicester & Leicestershire have continued to work together actively, effectively and on an on-going basis, to implement the agreed strategy of the RSS over the period to 2031. The Strategic Growth Plan will take forward these collaborative discussions and provide a new strategic plan to deal with the new challenges that we face up to 2050.
- 2.4 The Government's new planning system places great importance on the need to prepare and adopt up-to-date, new Local Plans, and to ensure that sufficient 'deliverable'⁵ sites are identified as being available by each local planning authority to meet at least 5 years' supply of Local Plan housing targets within its area. Local Plans are also required to identify a supply of specific, 'developable'⁶ sites or broad

³ The Regional Spatial Strategy for the East Midlands was prepared by the East Midlands Regional Assembly and approved by government. This provided the basis for the preparation of Local Plans by the City, the Boroughs and the District Councils and looked 20 years ahead. Local Plans were legally required to be 'in conformity' with the Regional Spatial Strategy.

⁴ i.e. within the City Council's boundaries (at Ashton Green and Hamilton); in Charnwood Borough (at Birstall and Thurmaston); in Blaby District (at Lubbethorpe); in Harborough District at Airfield farm; and in North West Leicestershire at Coalville.

⁵ The NPPF (2012) states: "To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans."

⁶ The NPPF (2012) states: "To be considered developable, sites should be in a suitable location for housing development and

locations for growth, for years 6-10 and, where possible, for years 11-15. The lack of an up-to-date Local Plan, or sufficient suitable sites to meet the 5-year supply, mean that there is a presumption in favour of planning permission being granted when planning applications are submitted; this significantly reduces the potential for authorities to manage positively their growth as required by the NPPF.

The 'Duty to Co-operate'

- 2.5 In the absence of statutory regional or sub-regional strategies, a new 'duty' has been placed on local authorities to co-operate with each other on matters relating to 'cross-boundary' issues. Local authorities have also been given the power to set their own targets for growth based upon agreed empirical evidence; this evidence will be tested by the Planning Inspectorate at the 'examination in public' stage of a Local Plan. The 'Duty to Co-operate' is a significant responsibility which can trigger the need for negotiations on the share of growth, and delivery of any necessary supporting infrastructure, across administrative boundaries.
- 2.6 The need for cross-boundary collaboration is not new; all nine authorities in Leicester & Leicestershire have a long-standing, strong commitment to joint working in the preparation of development plans and delivering growth. In 2013, we commissioned a joint Strategic Housing Market Assessment and in November 2014 agreed a Memorandum of Understanding (MoU) on baseline target housing demand figures to 2028; these are being used to support the preparation of Local Plans.. Updated evidence on housing and other matters is currently being assembled on a joint basis to support the Strategic Growth Plan and emerging Local Plans. We have also formed an effective collaboration with the LLEP which reflects the voice of the business community and has secured funding for key infrastructure and projects.
- 2.7 Our Strategic Growth Plan will provide a robust, single framework for the preparation of Local Plans and investment strategies prepared by the constituent organisations. It represents one of the ways in which we are responding to the requirements of the 'Duty to Co-operate' and the strategy will be carried forward into statutory development plans by individual authorities. Together, the processes of plan-making and delivery will create a successful, resilient and high quality environment within which investment can be made with confidence, where communities will flourish and important environmental assets will be protected and enhanced.

The Combined Authority proposal

- 2.8 On 25 June 2015 the Leaders of the nine local authorities in Leicester & Leicestershire met as the Economic Growth Board and agreed to review the governance arrangements for the area. The Board sought to identify the best way of delivering their ambitious plans for growth and to identify the most effective way in which policy and strategy on major functions could be joined up across administrative boundaries.

there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged."

- 2.9 The review concluded that a simpler, less cumbersome governance arrangement is needed to address the challenges that the area will face in the future and to provide greater transparency and accountability. A Combined Authority was identified as the best solution and the Strategic Growth Plan demonstrates our commitment to positive planning for growth and the effective delivery of housing, employment and infrastructure within a robust environmental framework.

The Strategic Economic Plan

- 2.10 As Leicester & Leicestershire continues to pull out of the recession and deliver new growth, the LLEP considers that there is a need to 'refresh' the Strategic Economic Plan (SEP). The SEP is an economic investment plan has a shorter timeframe than the Strategic Growth Plan: in effect it is one of the delivery mechanisms for proposals within the Growth Plan. The SEP Refresh will not be a 'root and branch' review but an assessment of the extent to which there might be the need to shift the emphasis of the existing Plan, provide more focus on key sectors of the economy which have particular potential for growth, and align key targets with both the Strategic Growth Plan and Local Plans.
- 2.11 The LLEP has agreed that the targets for housing and economic growth established in the Strategic Growth Plan, and their spatial distribution, will be used as the basis for the SEP Refresh. These targets will have been developed in collaboration with the LLEP and will reflect the aspirations of government, local authorities, businesses and other key stakeholders for growth across the area and, more widely, across the Midlands.

The 'Midlands Engine for Growth'

- 2.12 The concept of a 'Midlands Engine for Growth' was announced by the Chancellor of the Exchequer in early 2015 and secured further government recognition when the partners published a prospectus in December 2015⁷. This sets out a vision for an economy focused on productivity and driven by getting the most out of the Midlands' workforce, research and transport sectors. It demonstrates the collective wish of the constituent organisations to improve productivity, drive economic growth, create jobs and improve quality of life across the region.
- 2.13 The Strategic Growth Plan will set out the long term contribution of Leicester & Leicestershire to delivering the aspirations of the Midlands Engine. Collective working with adjoining Combined Authorities, Local Authorities and Local Enterprise Partnerships will also help us to prepare a Growth Plan whose provisions complement growth and development that is taking place elsewhere.

'Midlands Connect'

⁷ The prospectus was prepared by the eleven Local Enterprise Partnerships, local authorities and private sector partners across the Midlands,

- 2.14 'Midlands Connect' is a transport partnership which supports the Midlands Engine. It was formed in 2014⁸ and its purpose is to help develop the vision and strategy for transforming transport connectivity across the region in order to drive economic growth and set out a credible long term transport investment strategy to support the building of the Midlands' Engine. Government has provided a grant of £5m to progress the work.

Local Plans in preparation

- 2.15 Within Leicester and Leicestershire, the constituent local authorities are embarked on the process of preparing Local Plans. All are well-advanced and aim to meet the government's deadline of having up-to-date plans in place by 2017. The housing land requirements for these plans is based on a Memorandum of Understanding agreed between the authorities in 2014; further work has been undertaken, collectively or individually, on other parts of the evidence base. Local Plans are also being prepared for adjacent areas by other authorities and 'Duty to Co-operate' discussions are being held with these authorities as necessary.

⁸ As a collaboration between the same eleven Local Enterprise Partnerships that are working on the Midlands Engine together with Network Rail, Highways England, Central Government, twenty-six Local Authorities and the business community.

3.0 LEICESTER & LEICESTERSHIRE TODAY

Key characteristics

Settlement pattern

- 3.1 The City of Leicester is a unitary authority with an elected Mayor while the Boroughs and the Districts operate a two-tier system with Leicestershire County Council. The area has a population⁹ of just over 1 million with nearly 440,000 living in the 'principal urban area' of Leicester, a long-standing planning designation which includes the City of Leicester and its suburbs which extend into adjoining Boroughs and Districts. Loughborough (65,000) and Hinckley (57,000) are the next largest settlements¹⁰; and there are several market towns including Ashby-de-la-Zouch, Coalville, Hinckley, Market Harborough and Melton Mowbray ranging in size from around 13,000 to 38,000 population¹¹. About 200,000 people live in rural areas, 40% of whom live in villages, hamlets or isolated dwellings, especially in east Leicestershire.

[Insert diagram showing settlement pattern]

Natural environment

- 3.2 The County has a total land area of 2,083 sq km and is bisected by the River Soar which flows northwards from Hinckley through Leicester and links with the River Trent on the northern edge of the County where it borders Derbyshire and Nottinghamshire. The highest point is Bardon Hill in the north-west of the County and the lowest is near Bottesford in the north-eastern extremity. Much of the County is rural in character particularly to the south, east and north-east of Leicester. The National Forest and Charnwood Forest occupy much of the north-western parts of the area. The City is well-provided with parks and open spaces.

[Insert diagram showing natural features]

Transportation networks

- 3.3 Major national road networks are focused in the western part of the County with the M1 running north-south to the west of Leicester; other key routes, all to the west, are the M69, the A5(T), the A42(T) and the M42 south west of the Tamworth area. The intersection of the M6 and A14 linking with the M1 at junction 19, creates a significant crossroads at the centre of England. The remainder of the County is less well-served with no motorways and limited trunk road networks e.g. A46, A50, A511. Leicester sits at the centre of a radial network and has a partially completed ring road.
- 3.4 Three principal railway routes run through Leicester & Leicestershire: the Midland Main Line; the Birmingham to Peterborough cross-country line; and the Leicester to

⁹ Source: Leicestershire County Council using 2014 population estimates

¹⁰ Source: Leicestershire County Council using 2014 population estimates

¹¹ Source: Leicestershire County Council using 2014 population estimates

Coventry link via Nuneaton. A significantly slower line connects Leicester with Lincoln via Melton Mowbray; a freight-only line runs from Leicester to Burton. The historic Great Central Railway provides a tourist route from Loughborough to Birstall on the northern edge of Leicester and a link to the northern arm is now being developed from Loughborough to Ruddington on the southern outskirts of Nottingham.

[Insert diagram showing transportation routes]

The economy

- 3.5 Leicester & Leicestershire is located in the very heart of England and forms the largest economy in the East Midlands generating £19.4 billion GVA per year. The area accommodates 435,000 jobs and hosts 33,000 trading businesses¹². The area benefits from a diverse industrial structure and is not dependent on the fortunes of any one sector or employer but it is notable that the percentage shares for manufacturing, education, transport & storage and mining & quarrying significantly exceed the average for England.
- 3.6 The current Strategic Economic Plan (SEP) identifies five priority growth areas, each identified on the basis of work being undertaken at that time by the local planning authorities working with the LLEP and the County Council. These are:
- Leicester Urban Area
 - East Midlands Enterprise Gateway
 - Coalville Growth Corridor
 - Loughborough, and
 - South West Leicestershire.
- 3.7 The SEP also identifies four 'transformational priorities':
- **Leicester Launchpad** - a major development and growth opportunity for Leicester focused on the Waterside and Abbey Meadows regeneration areas and the City Centre. This 'Strategic Regeneration Area' provides the potential 'launchpad' to deliver substantial housing, commercial and leisure/cultural developments on a cluster of development sites to create 6,000 jobs.
 - **East Midlands Gateway Strategic Rail Freight Interchange** - a unique 250 acre distribution and logistics development alongside East Midlands Airport and the M1 with a rail terminal providing up to 6 million sq. ft. of large scale warehousing to establish the UK's largest multi-modal hub creating over 7,000 new jobs. Planning permission was granted for this development in January 2016.
 - **Loughborough University Science & Enterprise Parks (LUSEP)** - an exceptional opportunity to develop an internationally significant centre for knowledge based employment. The Park is already one of the largest

¹² Source: LLEP statistics

developments of its kind and will provide as many as 4,000 additional jobs and leverage private investment of up to £200m. In March 2016, it was identified by the Chancellor of the Exchequer as a 'candidate' Enterprise Zone.

- **Horiba MIRA Technology Park** - the LLEP's Enterprise Zone which will provide 1.75 million sq. ft. of high quality Research and Development space on an 80 hectare estate, making it the largest transport sector R&D technology park in Europe. It will create over 2,000 direct high value jobs and over 3,000 indirect jobs.

Occupational structure, qualifications and skills

- 3.8 Although the service sector has grown in significance over the last 20 years, the economy was built upon a strong manufacturing base which remains a distinctive feature, accounting for the highest number of jobs in the area. The area also benefits from an excellent location at the heart of the UK road and rail network and has the second largest freight handling airport in the UK, reflected in the high numbers of employees in logistics sectors.
- 3.9 There is also a relatively high dependency on public sector-related employment (specifically Health and Education) which is especially marked in Leicester where almost two in every five jobs are in public sector-related employment (Public Administration and Defence, Health and Education).
- 3.10 In the area as a whole, in the year to December 2015, 72% of the working age population (16-64 years) had NVQ Level 2 equivalent qualifications; this compares with 72% for the East Midlands and 74% for Great Britain. In comparison, 33% had NVQ Level 4 qualifications and above compared with 32% for the East Midlands and 37% for Great Britain. The LLEP Business Survey 2015 reported local firms having difficulties recruiting staff in the last 12 months.
- 3.11 The City has a higher proportion of residents working in low skilled jobs such as process, plant and machine operatives and particularly elementary occupations. This is notably different to the Leicestershire and England averages but the averages for the County mask significant local variations.

Average weekly earnings

- 3.11 There is a significant disparity between weekly full-time resident earnings and workplace earnings (See Appendix A Fig 3.1). This shows that in 2014, average weekly workplace earnings in England were approximately £520 while those of the County and the City were £480 and £470 respectively. The contrast between same figures for resident earnings is even more stark: £520, £500 and £410 respectively. Again, the averaging of earnings across the County masks the wide variation that exists both within and between individual boroughs and districts.
- 3.12 In general terms, however, the statistics show that that the area falls well behind the England average and that the City performs less well than both the County and England as a whole. Considered from a different perspective, however, this

demonstrates the potential of the area to perform significantly better than at present and to make a significantly greater contribution to local and national GDP, pro rata, in comparison with areas that have a stronger baseline position.

Population

- 3.13 In terms of Leicester and Leicestershire as a whole, the percentage share of the population within the three principal age ranges (children, working age population and those who are retired) is broadly the same as that for England (See Appendix A Table 3.4). The contrast within Leicester and Leicestershire, however, is more marked with the City having a higher percentage of children and a larger working age population when compared with the County; the County has a significantly higher percentage of people who are retired with particular concentrations in the rural areas. There are also significant variations within individual local authorities.
- 3.14 The residents of Leicester come from over fifty countries making the City one of the most ethnically and culturally diverse places in the UK. Around 50% of the population is from Black and Minority Ethnic (BME) groups, mostly from South Asian backgrounds. By contrast, over 90% of the population of Leicestershire is White.

Developing our potential

- 3.15 We have undertaken a preliminary analysis of our strengths, weaknesses, opportunities and threats. Our analysis shows that the scale and pace of development is both a challenge and an opportunity. We have unique characteristics which make the area particularly attractive to certain sectors of the economy and which contribute significantly to our share of regional and national gross domestic product.
- 3.16 Growth in our economy brings with it the need to provide sufficient workers with the right skills at the right time, ideally close to their place of work to minimise congestion on our transport systems. More workers and natural growth in the population mean that we need to plan for sufficient housing, of the right types, in the right locations.
- 3.17 We also have very special social, cultural and environmental assets which enhance our quality of life and make Leicester & Leicestershire a place in which businesses want to invest and people want to live. We have a thriving, multi-cultural city with a strongly developing tourism and sporting offer including Richard III, Leicester City Football Club and the Leicester Tigers Rugby Club.
- 3.18 We have beautiful countryside, attractive market towns and villages, and historic parks, gardens and battlefields with tourist attractions including Twycross Zoo and the National Forest. Our mineral resources are nationally significant; our woodlands provide places for leisure and support our wider agenda to mitigate and adapt to climate change. Our high quality agricultural land makes a significant contribution to the nation's food supply. All of these assets need to be protected and securing the right balance is our most difficult task.

Balancing competing interests

- 3.19 We therefore need to plan for new development by assessing the benefits of economic growth against the need to protect our environmental assets. We need to invest in real place-making, shaping new developments so that they help to create attractive communities with a mix of land uses that includes schools, shops, open space and leisure facilities provided close to home, essential services close to businesses and cultural facilities building on the existing centres.

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Strengths

We have a strong base on which to build a strategy for growth

- **Great location and connectivity** - nationally significant intersection of road, rail and air
- **One of the fastest growing economies in the country** - largest recipient of Growing Places Funding, major infrastructure investment, lower house prices than in other areas
- **Economic diversity** - manufacturing and distribution nationally significant, high proportion of SMEs, food production and agriculture
- **Thriving market towns and popular villages** - characterful and distinctive places
- **Young, diverse, multi-cultural City** with a unique history, growing global tourism appeal and strong city centre
- **Three strong universities** - globally significant in space, engineering and sports science; and high quality FE colleges
- **Distinctive environmental assets** offering an exceptional quality of life
- **Distinctive leisure market** developing around sports, leisure, the arts, etc.

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Weaknesses

We have identified certain weaknesses but we are committed to addressing these:

- **Key roads are already congested**, there are problem junctions; city and rural roads are under strain
- **Gaps in the strategic railway network** - poor access to stations, improvements needed to capacity, frequency and speed
- **Limited bus network** in rural areas; some gaps in the City
- **Travel costs high** for low paid, difficult to access jobs
- **Buses poorly co-ordinated with job opportunities**; encourages private car use
- **Low GVA per head of population, unevenly distributed** - highly skilled employees and graduates move away
- **Mismatch of locational pressures for employment** demand and development opportunities
- **Ageing population, not economically active** - increases the need for housing, influences housing mix

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Opportunities

We have genuine opportunities for growth

- Distinctive offer of '**design, manufacture, distribution**'; **sports culture and tourism; food and drink; logistics and distribution**
- Potential to **export more goods and services**
- **Innovation and technology** - potential links to 'smart' specialisations of universities (e.g. space, sports science, engineering)
- **Research and enterprise** - bringing research and enterprise together (e.g. at Loughborough University Science and Enterprise Park)
- **The low pay structure** creates the potential for a step change in Gross Value Added (GVA) and pay
- **National infrastructure investment** e.g. rail connectivity to London, East-West Rail, A14 upgrade, HS2
- **Major employers and strategically important developments** e.g. East Midlands Airport, Horiba MIRA, the Strategic Rail Freight Interchange in North West Leicestershire, the universities, etc.
- **Strategic Rail Freight Interchange** – one of the new 'inland ports'

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Threats

We need to deal with some threats which put our growth at risk

- **Match between population, household projections and housing needs** – difficulties in delivering affordable housing
- **Impact of housing shortages** on rural industries/communities where there is a mismatch between high value homes and low GVA per head of population
- **Pressures for growth** - the need to balance scale, pace and infrastructure provision
- **Erosion of local distinctiveness**
- What's happening outside L & L - **competitors stealing a march on us**
- **Lack of skills and mismatch against jobs**, lack of school places in some areas
- **Major economic generators on the edge of the County**; travel-to-work journeys are extending
- **Environmental risks** e.g. Flooding, energy supply

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[TEXT BOX]

OUR VISION

“By 2050, Leicester & Leicestershire will have established itself as a driver of the UK economy, exploiting opportunities for linkages across its diverse economic base, supporting its urban and rural centres, and taking advantage of its exceptional location, Growth will contribute to people’s health, happiness and well-being through the timely delivery of well-designed and high quality development, raising the bar in terms of environmental standards, quality of life and local distinctiveness.”

4.0 OUR VISION AND OBJECTIVES

Our vision for the future

- 4.1 Our aspirations are set in the context of delivering the right growth, at the right time, in the right locations, creating successful residential and business communities that are well-served by essential infrastructure and services, in a landscape where environmental resources are protected and enhanced. Achieving high quality across a broad range of themes lies at the heart of our aspirations, for people, the economy and the environment.

Our Objectives

- 4.2 We have identified several objectives that we will use to guide our work. At this stage, they are equal in status and reflect our collective ambition to deliver an appropriate level of housing and employment in a way which respects our needs but also our environmental and cultural heritage. They also set out an agenda which will help us to deliver plans which will have a high degree of resilience to social, economic and environmental change. This is part of our move towards a low carbon economy, protecting our critical environmental assets and adapting to climate change, including an agenda for renewable energy.
- 4.3 This list is neither definitive nor exhaustive but one on which we seek the views of local people, businesses and other stakeholders. As we continue our work on the Strategic Growth Plan, developing and enlarging the evidence base, we will refine these priorities to ensure that they achieve the balance that we seek..

Objective 1: We will provide a deliverable supply of land for housing, providing high quality homes, reflecting local styles and distinctiveness, in a range of types, sizes and tenures suited to local needs

- 4.4 Government requires us to provide an adequate supply of housing to accommodate the growth that is generated in our area.¹³ This needs to be provided at the right time and in the right locations. We have recently commissioned a study of our housing needs and this will form part of the evidence base of the Strategic Growth Plan. Following on from this work, we will agree the spatial distribution of new housing as part of our Duty to Co-operate discussions. The conclusions from this work will form the basis of the housing land strategy in the Strategic Growth Plan and will be formalised in a revised Memorandum of Understanding (MoU) on housing land supply. As part of this process we will consider how we can provide an adequate supply of affordable housing including 'starter homes'.
- 4.5 We also propose to boost the speed of housing delivery. We consider this to be a significant problem over which, at present, we have limited control. The reasons for the mismatch between planning permissions and delivery are complex but this matter

¹³ Reference: National Planning Policy Framework (2012) and National Planning Policy Guidance

needs to be addressed if we are to achieve the pace of development that is needed. We will work with government and with the private sector to explore how this problem can be managed.

Objective 2: We will strengthen the economic base and maintain its diversity by providing a range of employment sites that respond to the needs of industry

- 4.6 The diversity of our economic base reflects the diversity of the area itself; this is a distinctive characteristic that we value highly. Our strategy for the future, therefore, is based on strengthening each of the principal sectors and supporting their needs wherever there is no significant conflict with social and environmental considerations. We also propose to attract sectors that are new to the area; the LLEP has identified eight priority growth sectors¹⁴ which will be targeted.
- 4.7 Focusing on these sectors will allow us to support an advanced, thriving and diverse economy occupying a competitive position within national, European and global markets. Our analysis shows that we have the potential to increase significantly our contribution to Gross Domestic Product (GDP) and develop further:
- our potential for ‘*design, manufacture and delivery*’, bringing together three important sectors into one offer;
 - the further and higher education sector including our three universities supporting their aspirations for greater commercialisation and research in life sciences, space technology, advanced engineering, etc.; and
 - strong rural communities in areas enhancing their role in agriculture, food processing, forestry, tourism, etc.
- 4.8 We will also explore the extent to which it might be possible to develop a renewable energy and low carbon technology sector which is not well-established at present.

Objective 3: We will maximise the potential of our transportation corridors to deliver sustainable development and enable the creation of an integrated public transport network

- 4.9 Our transportation network is heavily skewed towards the western parts of Leicester & Leicestershire. This means that there is extensive pressure for development in these locations, particularly around the motorway junctions, where there are known bottlenecks. Within the City, a series of relatively modest improvements to the road network would allow some anticipated growth to take place but in other areas more significant interventions would be required; elsewhere more localised improvements would increase the speed of delivery of growth and prosperity. The lack of adequate road access is currently frustrating the delivery of major residential-led development.

¹⁴Creative industries; engineering and advanced manufacturing; food and drink manufacturing; logistics and distribution; low carbon; professional and financial services; textiles and manufacturing; and tourism and hospitality

- 4.10 Emerging evidence suggests that targeted improvements in our rail network would deliver major benefits which would support our aspirations for economic growth, increase GDP significantly, improve accessibility to public transport and potentially support growth in new locations. Through the Strategic Growth Plan, we will support transport linkages, infrastructure improvements and network improvements which remove or at least reduce bottlenecks in the existing system and, at the same time, promote a shift towards non-car travel and increased use of the rail network for both people and goods. This will be achieved through the integration of land use allocations, infrastructure improvements and genuinely mixed use, sustainable development which also encourages walking, cycling, the use of buses and other forms of public transport and working from home to reduce the need to travel.

Objective 4: *We will support the City of Leicester, Loughborough, Hinckley and the other market towns across the County as accessible business, service and cultural centres*

- 4.11 Leicester sits at the heart of the County and is the tenth largest city in the UK. In recent years, the City Council has invested significant time, effort and money in the regeneration of its older urban centre and the pace of change is accelerating as the private sector starts to respond. Similarly, Loughborough, Hinckley and the other market towns across the County are developing their role as important centres within the settlement hierarchy.
- 4.12 We recognise the benefits that derive from having strong urban centres that provide a mix of uses, appropriate to their scale, and act as a focus for the rural areas. By locating much of the area's development requirements in the principal settlements we can make the most of existing urban infrastructure and improve accessibility to jobs and services, reduce resource consumption and the need to travel by car. We will therefore consider how we can strengthen the critical mass of key settlements so that they serve as major economic drivers supporting a more competitive, strong and stable economy for the area and become vibrant centres for commerce, learning, leisure and living. This builds upon the recent work by the local authorities and the LLEP to deliver growth in these locations.
- 4.13 We will consider how we can deliver these aspirations, assessing the potential of land within urban areas the extent to which limited development elsewhere might accommodate local need. It is essential that new development is integrated with existing community infrastructure or makes new provision.

Objective 5: *We will promote prosperous and sustainable rural communities*

- 4.14 Our rural communities play an important role in our economy and as places where people live. Increasingly, however, the local authorities are aware of their ageing population, strained local services, limited public transport and the need for

affordable housing. Most rural areas are under significant pressure for development but there is often a mismatch between the type, size and tenure of housing that is needed and that which is promoted by developers. Many rural areas make a significant contribution to the local economy in terms of agriculture and food production but local businesses are constrained by the availability of labour and premises, and sometimes also by the quality of infrastructure including high speed broadband.

- 4.15 Within the rural areas, we will consider how we can provide land for housing and employment growth, proportionate to the needs of local residents and businesses, together with infrastructure, subject to environmental capacity. We will also address other factors that frustrate local growth including the lack of high speed broadband; better access to the internet would allow people in the rural areas to work in, and create businesses in, the countryside, reducing the need to travel.

Priority 6: We will protect and enhance the quality of the area's built and water environments, landscape, biodiversity and natural resources

- 4.16 Our built and natural environments, landscape, biodiversity and natural resources are our critical environmental assets; they are the features that shape the character of our area, create a sense of place and increase our quality of life. They provide a setting for our new homes, and enhance places and landscapes as economic drivers and tourist destinations. We will therefore consider how best we can protect these important assets.
- 4.17 As part of this process, we will consider how we can enhance the condition and connectivity of the networks of green spaces and watercourses within and between settlements to reduce flood risk, support cycling and walking, increase tree planting and carbon capture, support biodiversity and provide better habitats, enabling leisure opportunities, and supporting agricultural and economic potential. We will also support resource security by protecting finite resources such as minerals, soils and prime agricultural land. We will safeguard and, where appropriate, enhance wildlife habitats, sensitive green spaces, forestry, watercourses, wetlands, floodplains, species and wildlife corridors, landscapes, parks, townscape, archaeology, historic buildings and monuments.

Objective 7: We will seek to achieve high standards of design and environmental sustainability in all new development, responsive to local distinctiveness

- 4.18 Leicester was the first 'Environment City' in the UK thereby providing a launch pad from which to develop a more extensive environmental offer. On all new development, we will support the development industry to design in at the outset high resource efficiency standards, supported by a mix of uses and facilities. We will ensure that the arrangement, layout, design, density and mix of development reflect the character of the area and we will consider developing a design guide for Leicester & Leicestershire. We will support the switch to a low carbon and zero

waste economy by providing for appropriate infrastructure and improvements in our resilience to climate change and other potential risks. Green space, watercourses and infrastructure networks will be used to support this agenda and as part of an adaptation process to future proof places against climate change.

Objective 8: *We will focus on the importance of communities, ensuring that place-making delivers high quality development which supports the needs of both existing and new communities.*

- 4.19 Quality of life is important to us. Planning for growth requires more than just setting targets for housing, employment land and jobs. We want to raise the bar in terms of the quality of development that is delivered so that new development becomes an asset to both existing and new communities and delivers the infrastructure and services that are required. In doing so, we will focus on place-making, creating real communities with a sense of place and purpose, in an environment which reflects our local distinctiveness. We will consider how the Building for Life Standards, updated in January 2015, will provide an appropriate basis to align place-making across the area. We will also work with public, private, business and community interests to address existing problems and to devise solutions which achieve a balance of interests.

5.0 PREPARING A STRATEGY FOR GROWTH

- 5.1 In this section of the Strategic Growth Statement we summarise the position on some of the key documents that are being put in place as part of the evidence base and identify the types of options that we will assess when considering where development should be located. The evidence base will continue to be developed and the options will be refined as we work through this process.
- 5.2 The evidence base is being assembled in such a way that it will provide detailed information for the periods to 2031 and 2036. This will allow local authorities to co-ordinate their current work on Local Plans and assist in discussions relating to the Duty to Co-operate; the Strategic Growth Plan will reflect this work. The Strategic Growth Plan will also take a longer term perspective and set out the aspirations of the local authorities and the LLEP for period beyond 2036, potentially to 2050

Assembling the evidence base

Housing and Economic Development Needs Assessment (HEDNA)

- 5.3 The local authorities and the LLEP have commissioned an assessment of housing and economic development needs to determine the extent to which, if at all, the existing targets need to be updated. The work will help to identify the broad scale of development that will need to be accommodated within Leicester & Leicestershire, as a whole, and individually for each Borough and District to 2031 and 2036. In the case of new housing, this will be an objective assessment of needs based on national statistics for population and households, as modified to reflect local circumstances within the Housing Market Area. In the case of economic development, forecasts for economic growth will be adjusted to take account of local circumstances.
- 5.4 The work will also support negotiations on the Duty to Co-operate and a new Memorandum of Understanding, agreed by all local authorities, which will replace the current version and will be used as a basis for further work.

Transportation modelling and other studies

- 5.5 The local highway authorities have completed a strategic level study of the impact of new development on the transportation system in the period 2026-31. This has concluded that, whilst improvements to the network are needed, the current predicted levels of development can be accommodated without the need for additional (i.e. beyond those already generally identified) major new transportation schemes during this period. Additional, more detailed, work is being undertaken for the Principal Urban Area and for several of the Boroughs and Districts; these could identify the need for more localised transportation improvements associated with particular sites.
- 5.6 The transportation model which underpins this study is currently being updated and will use the results of the Housing and Economic Development Needs Assessment

(HEDNA) as an input. Separately, more detailed transport impact and mitigation work will be undertaken within individual local authority areas, to inform Local Plan preparation in the period up to 2031 or 2036 and to inform the Strategic Growth Plan in the longer term. Future work will also consider the need for strategic improvements in the highway network allied to major growth beyond 2031

- 5.7 A specific study is also examining the case for major highway improvements to the A5, between the M69 and M42 in Leicestershire and Warwickshire. The A5 Partnership¹⁵ is working with the Highways Agency and the Homes & Communities Agency to develop an outline business case to improve the highway to dual carriageway standard; this will unlock jobs and homes in the area and reduce accidents.

Strategic Rail Study: to 2043 and beyond

- 5.8 Network Rail is already planning the improvements to the national rail network for the period up to 2043. A number of authorities within Leicester & Leicestershire, therefore, commissioned work to assess the need for investment in the local area. The study identified four draft priorities for improvement to the rail system:

- to maximise the benefit from the Midland Main Line services;
- to achieve the best result from the implementation of HS2 Phase 2;
- to improve, radically, direct fast connectivity to key regional and national destinations; and
- to ensure that rail access and development are planned together.

Sustainability Appraisal/Habitat Regulations Assessment

- 5.9 The Sustainability Appraisal will assess the extent to which the Plan, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives. The Habitats Regulation will help to determine the likely significant effect of development on the integrity of wildlife sites designated as being of European importance. This work will be undertaken at key stages during the course of the preparation of the Plan.

Sector Growth Studies

- 5.10 The LLEP has commissioned work on eight sectors of the economy, the purpose of which is to understand the nature of the industry, its potential as a key sector of the local economy and its future requirements in terms of land, infrastructure and business support. The sectors are:

- Creative industries

¹⁵ The A5 Partnership is formed of the LLEP, East Midlands Councils, Coventry & Warwickshire LEP, the Homes & Communities Agency, Leicestershire County Council, Hinckley & Bosworth BC, Warwickshire County Council and is supported by local authority partners in Northamptonshire, Warwickshire, Leicestershire, the West Midlands and Staffordshire.

- Engineering and advanced manufacturing
- Food and drink manufacturing
- Logistics and distribution
- Low carbon
- Professional and financial services
- Textiles and manufacturing
- Tourism and hospitality

A further study has been commissioned on the sports sector in recognition of the strengths of the local economy in this area.

Market Towns Study

- 5.11 A study has been commissioned which covers the eleven market towns across Leicestershire. The work is not yet complete but it has highlighted the importance of the market towns to the local economy, calculating that they provide employment for over 25,000 people. The study has confirmed that relatively modest economic growth in percentage terms could deliver significant economic benefits in absolute terms.

Other studies

- 5.12 Other studies will be commissioned as necessary during the course of preparing the Plan.

Options for the spatial distribution of growth

- 5.13 Whilst the Housing and Economic Development Needs Assessment (HEDNA) will identify the amount of growth that needs to be delivered, discussions will be required on the potential spatial distribution of that growth informed by the circumstances of each Local Authority. In practice, there is a range of options for accommodating new growth and the Strategic Growth Plan will need to consider which of these options are most appropriate across all or part of the area. It is anticipated that the final spatial distribution will include several, but not necessarily all, of these options in the final portfolio of solutions.

Urban intensification

- 5.14 Urban intensification involves the development of existing sites within the urban area. It includes the redevelopment of existing land and buildings ('brownfield' sites) and/or the development of land that previously has remained as open space. Derelict, vacant and underused land can all contribute to the potential supply which might be generated by business closures, local authority estate regeneration and other changes in the urban fabric. Urban intensification can be combined with a strategy to intensify development around commuter hubs.

Urban Concentration

- 5.15 Urban concentration assumes that most new development will be directed towards existing settlements to take advantage of proximity to existing services and facilities. Development could be within or on the edge of the built up area but essentially this option provides a counter-balance to dispersed development across the rural areas.

Sustainable Urban Extensions

- 5.16 Sustainable Urban Extensions (SUEs), have formed part of the development portfolio for Leicester & Leicestershire for many years. They are large areas of land, adjoining the existing urban built up area, with good accessibility to existing urban areas and potential for the exchange and mutual support of services and facilities. They are often located close to areas where there is the greatest pressure for development and can comprise either brownfield or greenfield land or a combination of the two.
- 5.17 SUEs and SDAs are usually planned as mixed use communities with new schools, shops and local services to service the needs of the new community. Landscape and townscape appraisal needs to form an important part of site.

Concentration on key settlements

- 5.18 Most areas have a defined hierarchy of settlements that range from one or more dominant cities or towns, of varying size, to villages and isolated hamlets. Within this hierarchy, key settlements can be identified which provide, or have the potential to provide, services, facilities and a high level of accessibility. New development can also help to support local services which might be declining or bring benefits to an area which is deficient in these. Sometimes, key settlements have particularly large or expanding businesses which would benefit from a greater pool of potential employees. Creating the opportunity to live and work in close proximity can reduce unnecessary travel-to-work provided but it is important to demonstrate that the employment opportunities are genuinely viable and deliverable.

Dispersed growth

- 5.19 At one level, dispersed growth recognises that settlements need to expand if the requirements of existing communities are to be accommodated e.g. as children set up their own homes they might wish to remain in the same area as their families. This type of growth is often relatively limited in scale and provision can be made in neighbourhood plans for such development. Alternatively, a strategy for dispersal can be prompted by the notion that one or more urban areas are reaching their point of maximum capacity in which case new growth might need to be accommodated elsewhere.

Growth 'corridors'

- 5.20 Growth 'corridors' provide the opportunity to locate new development in areas where there is good accessibility to public transport. Usually this would be along strategic transport corridors where there is the spare capacity and/or growth potential in the network; the focus would be on areas closest to the stations or where new stations could be provided. Extension, expansion or intensification of commercial and supported bus services can also play an important role, especially when bus routes co-exist with rail stations thereby creating the potential for an integrated public transport system. This option could be combined with some of the other options above e.g. urban intensification or strategic urban extensions.

Employment-led growth

- 5.21 Employment driven allocations are prompted by the desire to locate new housing and employment close to each other to provide the opportunity for reduced commuting and living close to places of work. This helps to ensure a broad balance between housing and jobs but much depends on the deliverability and viability of the employment provision, and that a direct link between those homes and jobs can be maintained.

New settlements (towns or villages)

- 5.22 This option builds upon the notion that existing cities, towns or villages are reaching their maximum capacity and that, under certain circumstances, it might be preferable to direct new development to either a new location or a series of new locations. This option can be combined with the option of concentrating new development in key settlements; the essential difference is one of scale. Current government advice suggests that the minimum scale for a new settlement would be around 1,500 dwellings but development viability plays a key role and the settlement needs to achieve sufficient critical mass so that essential services can be provided and adverse environmental impacts can be avoided..

Developing the strategy

- 5.23 We are at an early stage in the preparation of the Strategic Growth Plan. The evidence base is being assembled, the options for the spatial distribution of growth are only just starting to be considered but it is obvious that the Plan will not start with a blank sheet. The local authorities are already preparing Local Plans to 2031 or 2036; steps are being taken to work on a consistent basis across the wider area to ensure the Plans can respond to the Strategic Growth Plan and are in line with the requirements of the Duty to Co-operate. In addition the LLEP has undertaken a considerable amount of work on likely future growth sectors and locations which will feed into this work.
- 5.24 Development has already started in key locations and it makes sense to complete these works. Several of our key economic generators and academic institutions are in fixed locations and it may be desirable to co-locate new investment where they can

build upon existing facilities. In other areas, environmental assets might need to be protected and enhanced.

- 5.25 These existing frameworks will be the starting point for our work so that the Strategic Growth Plan will be a natural evolution of current policies and proposals, amended, developed, enhanced and justified with reference to the emerging evidence base.

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6.0 NEXT STEPS

- 6.1 This document is the first stage in the process of preparing the Strategic Growth Plan. The work will continue to evolve in terms of commissioning new evidence and using this to inform our decision on the way forward. The Next Steps are set out in the Table below.

Timescale	
Summer 2016	Consultation on the Strategic Growth Statement (this document)
	Continue to develop the evidence base
	Initial consideration of spatial options
Autumn 2016	Consideration of consultation responses on the Strategic Growth Statement
	Continue to develop the evidence base
	Further consideration of spatial options
Winter 2016	Finalise housing numbers and employment land requirements – new Memorandum of Understanding
Spring/Summer 2017	Draft Strategic Growth Plan
	Consultation on Draft Strategic Growth Plan
Autumn 2017	Consideration of consultation responses on Draft Strategic Growth Plan

APPENDIX A: Key Statistics

Table 3.1: Employment Sectors- Percentage of industry share in 2013 (LLEP area v England (2013))¹⁶		
Sector	L & L (%)	England (%)
Agriculture, Forestry & Fishing (A)	0.1	1.3
Mining, quarrying & Utilities (B, D and E)	2.5	1.1
Manufacturing (C)	14.0	8.2
Construction (F)	3.6	4.5
Motor Trades (Part G)	2.0	1.8
Wholesale (Part G)	5.2	4.2
Retail (Part G)	9.1	10.0
Transport & Storage (including postal) (H)	6.1	4.5
Accommodation & Food Services (I)	5.8	6.9
Information & Communications (J)	2.5	4.2
Financial & Insurance (K)	2.1	3.7
Property (L)	1.4	1.9
Professional, Scientific & Technical (M)	7.7	8.3
Business Administration & Support Services	7.8	8.4
Public Administration & Defence	4.5	4.4
Education (P)	10.5	9.2
Health (Q)	10.8	12.8
Arts, Entertainment, Recreation and Other Services (R, S, T and U)	4.4	4.6

Table 3.2: Occupational Structure for Leicester, Leicestershire and England 2014¹⁷			
Role	Leicester (%) (2014)	Leicestershire (%) (2014)	England (%) (2014)
Managers, directors and senior officials	8.3	11.3	10.4
Professional occupations	16.4	18.4	19.9
Associate professional & tech occupations	11.4	14.4	14.3
Administrative & secretarial occupations	7.8	11.0	10.7
Skilled trades occupations	7.6	11.6	10.5
Caring, leisure & other service occupations	9.6	8.4	9.1
Sales and customer service occupations	8.5	7.4	7.7

¹⁶ Source: LLEP web site

¹⁷ Source: LLEP web site

Process, plant and machine operatives	10.7	7.1	6.3
Elementary occupations	18.6	10.3	10.7

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Table 3.3: Qualifications 2009-2014¹⁸				
	NVQ2 and above		NVQ4 and above	
	2009	2014	2009	2014
Leicester	51.1	66.8	22.4	29.8
Leicestershire	70.2	75.8	29.5	34.7
Leicester and Leicestershire	63.7	72.6	27.1	33.0
England	64.9	73.2	29.6	35.7

[INSERT Fig 3.1 from LLEP]

Table 3.4¹⁹: Percentage share of population by age group								
	Leicester City	%	Leicestershire County	%	L & L	%	England	%
Under 15 (number)	65,200	20	109,300	17	174,500	18	10,022,800	19
15 to 64	227,400	69	425,800	65	653,100	67	34,329,100	65
Over 64	37,200	11	115,400	18	152,700	16	8,660,500	16
Total Population	329,800	100	650,500	100	980,300	100	53,012,500	100

¹⁸ Source: LLEP web site

¹⁹ Source: LLEP web site



Policy, Finance and Development Committee	Tuesday, 19 July 2016	Matter for Decision
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Title: **Revision of The Borough of Oadby and Wigston (Off-Street Parking Places) Order 2015**

Author: **Margaret Smith, Facilities and Administration Manager**

1. Introduction

- 1.1 Following problems with parking at Blaby Road Park and Station Street car parks, South Wigston, liaison has taken place with South Leicestershire College requesting their assistance to prevent college students using the car parks for long stays to the exclusion of others. Despite best efforts of both the Council and College the situation remains the same and complaints are still being received.

2. Recommendations

- 2.1 That Members decide whether they wish to proceed with the process to amend the Parking Order to reduce waiting time at Blaby Road Park Car Park and Station Street Car Parks, South Wigston from a maximum 12 hours stay to a maximum 3 hour stay.
- 2.2 That Members agree to signage being installed in both car parks as detailed at 3.13 below.

3. Information

Situation so far:

- 3.1 A report was submitted to Service Delivery Committee on 22 March 2016 relating to complaints received about parking at Blaby Road Park. The complaints include:
- a) abuse of the disabled bays
 - b) cars parking along the access road and
 - c) non park users using parking bays for long stays at the exclusion of park users.

Three options were put before Service Delivery Committee:

- **Option 1:** Leave the situation as it is.
- **Option 2:** Purchase and install signage displaying parking rules thereby allowing Civil Enforcement Officers to issue Penalty Charge Notices for parking offences. Under the current Parking Order this would allow parking in a marked bay for up to 12 hours.
- **Option 3:** As option 2, but amend the Parking Order so that Blaby Road Park is limited to a maximum of 3 hours parking in a marked bay.

However, Members of Service Delivery Committee requested that in the first instance further work be undertaken to address the underlying causes of the complaints in consultation with South Leicestershire College.

Further action taken:

- 3.2 Initially, letters were sent to the College Principal requesting that students be asked to park in the College car park. The College agreed to bring this to the attention of the students but pointed out that, *'it is not possible to distinguish 'student cars' so beyond reminders it is difficult to carry out any further actions.'*
- 3.3 A subsequent liaison meeting has taken place between Officers and South Leicestershire College but this has not led to improvements in the parking situation.
- 3.4 Complaints continue to be received from people who wish to use the park but are unable to park as the parking spaces are being used by non park users.
- 3.5 In addition a Councillor has flagged up similar problems at Station Street Car Park which is also being used by college students as a free alternative to parking in the college car park. There is the opportunity to include changes to the length of parking time in Station Street car park at the same time as any changes are agreed at Blaby Road Park car park.

Process for amending the Parking Order:

- 3.6 The current Parking Order allows a maximum of twelve hours stay at both Blaby Road Park car park and Station Street car park but there is no signage installed and therefore no enforcement can take place. Signage could be installed under the current order which would allow abuse of the disabled bays and not parking in a marked bay to be addressed by enforcement but would not address the problem of lengthy stays in either car park.
- 3.7 Amending the Parking Order to reduce parking time at both sites to a maximum of three hours and installing signage may deter non park users and college students from using the car parks if they are staying over three hours but both car parks would still be on a first come first served basis available to all users.
- 3.8 The powers to make or revise an Off-Street Parking Places Order are provided in the Road Traffic Regulations Act 1984. The procedures for making an Order are also specified in the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. Amending the current Order requires the placing of notices in the press together with a statutory consultation period and an indicative timescale is given below:

Committee Approval to make a draft Order	19 th July 2016
Start consultation period: Advertise proposals and effects in local press, display notices in car parks, Consultation with Police, Highway Authority, Make documents available for inspection, consult Highway Authority, Police, and other organisations	26 th July 2016
End of consultation period: (Allowing 21 clear days from commencement of consultation for objections and representations to be received)	17 th August 2016
Report to members to include objections, representations and indicative replies.	20 th September 2016
Make and implement the Order To include sending all statutory consultees notification of making the Order, advertising the making of the Order in	1 st October 2016

the local press, display notices of the making of the order in car parks, make the Order available for inspection.	
Prepare letters of response to all objectors, stating reasons for going ahead with the scheme, also prepare letters for reasons for <u>not</u> going ahead with elements of the scheme.	Within 14 days of making the Order
Notify objectors of reasons for making the Order in spite of outstanding objections / or, reasons for rejecting elements of the Order	Within 14 days of making the Order

- 3.9 The cost of amending the current order is approximately £2k for which a supplementary budget allocation would be required.

Impact of amending the Parking Order to reduce length of stay to 3 hours:

- 3.10 Blaby Road Park car park: the car park is available on a first come first served basis regardless of reason for visit. Limiting the stay to three hours may deter non park users. However, the time limit would also impact on footballers and bowlers who park in marked bays as they are often on site longer than three hours. Anyone staying over three hours would be liable to receive a Penalty Charge Notice.
- 3.11 Station street car park: Limiting the stay to three hours may deter college students due to the time limit but the car park is available to all on a first come first served basis and introducing a time limit may also impact on local residents, shoppers and staff of local businesses who would be restricted to the same time limit. The consequence may be the displacement of vehicles in to the surrounding area which could cause further problems. Anyone staying over three hours would be liable to receive a Penalty Charge Notice.
- 3.12 Oadby and Wigston Borough Council employ one full time equivalent Civil Enforcement Officer via Harborough District Council. Blaby Road Park and Station Street would add to the locations already enforced but no additional enforcement time would be allocated.

Signage:

- 3.13 Members are asked to agree that signage be installed at both Blaby Road Park Car Park and Station Street Car Park explaining the parking regulations so that abuse of the disabled bays and drivers not parking in a marked bay can be addressed by enforcement. The length of parking time on the signs would be given as 12 hours (if Members do not agree to amend the Parking Order) or 3 hours (if Members agree to amend the Parking Order)
- 3.14 The cost of signage is covered by an existing budget.

Background Documents:-

Services Committee: Parking at Blaby Road Park, South Wigston, 22nd March 2016

Email: margaret.smith@oadby-wigston.gov.uk

Tel: (0116) 257 2832

Implications	
Financial (CR)	The cost of the Parking Order should be met from savings elsewhere.
Legal (AC)	A statutory process must be followed to amend the Parking Order which is set out in the report.
Risk (MS)	CR5: Effective utilisation of assets

Equalities (MS)	The ability to carry out enforcement on the abuse of disabled parking bays should have a positive impact on people with disabilities. No negative impacts have been identified. Initial Screening is attached.
	Equality Assessment
	<input checked="" type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input type="checkbox"/> Not Applicable



EQUALITY ASSESSMENT

PART 1 - INITIAL EQUALITY ASSESSMENT SCREENING

Name of Policy/Function: Revision of The Borough of Oadby and Wigston (Off-Street Parking Places) Order 2015		This is new
	X	This is a change to an existing policy
		This is an existing policy, not previously assessed

Date of screening	14 June 2016
Name of screener	Margaret Smith

1. Briefly describe its aims & objectives

Members are being asked to agree to revise the Parking Order to reduce the maximum parking time at Blaby Road Park Car Park and Station Street Car Park, South Wigston from 12 hours maximum stay to 3 hours maximum stay. Signage would then be installed to explain the parking regulations and enable enforcement to take place.

2. Are there external considerations? (Legislation/government directive etc)

Any changes to the Parking Order must be carried out in compliance with the Road Traffic Regulations Act 1984

3. Who are the stakeholders and what are their interests?

Drivers who wish to use Blaby Road Park or Station Street car parks

4. What outcomes do we want to achieve and for whom?

A reduction in the number of drivers who abuse parking facilities in Blaby Road Park and Station Street car parks.

A reduction in the number of drivers who park in Blaby Road Car Park who are not using Blaby Road Park
 A reduction in the number of drivers who use Station Street Car Park as a long stay car park.

5. Has any consultation/research been carried out?

No
 Assuming approval to re-draft the Parking Order is received from Members then consultation will be carried out as part of the statutory process for making a new Parking Order.

6. Are there any concerns at this stage which indicate the possibility of inequalities/negative impacts? (Consider and identify any evidence you have - equality data relating to usage & satisfaction levels, complaints, comments, research, outcomes of review, issues raised at previous consultations, known inequalities) If so please provide details.

Complaints are regularly received about abuse of disabled bays at Blaby Road Park and Station Street car parks.
 Complaints are regularly received about non park users parking in Blaby Road Park car park at the exclusion of those who wish to use the park and play areas.

7. Could a particular group be affected differently in either a negative or positive way?
(Positive – it could benefit, Negative – it could disadvantage, Neutral – neither positive nor negative impact or Not sure?)

	Type of impact, reason & any evidence
Disability	Positive
Race (including Gypsy & Traveller)	Neutral
Age	Neutral
Gender Reassignment	Neutral
Sex	Neutral
Sexual Orientation	Neutral
Religion/Belief	Neutral
Marriage and Civil Partnership	Neutral
Pregnancy and Maternity	Neutral

8. Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?

No

9. Are there any human rights implications?

No

10. Is there an opportunity to promote equality and/or good community cohesion?

Yes/No (if yes how will this be done?)

N/A

11. If you have indicated a negative impact for any group is that impact legal (not discriminatory under anti-discrimination legislation)?

Yes/No (please explain)

N/A

12. Is any part of this policy/service to be carried out wholly or partly by contractors?

No

13. Is a full Equality Assessment required?

No

14. Date by which a full Equality Assessment is to be completed and actions

N/A

Please note that you should proceed to a Part 2, the full Equality Assessment if you have identified actual, or the potential to cause, adverse impact or discrimination against different groups in the community.

We are satisfied that an initial screening has been carried out and a full impact assessment **not required*** (please delete as appropriate).

Completed by **MARGARET SMITH**

Date **14-JUN-2016**

Countersigned by
(Director of Services)

Ame E. CoA.

Date **08-JUL-2016**

Please forward an electronic copy to veronika.quintyne@oadby-wigston.gov.uk (Community Engagement Officer).

Equality assessment shall be published on the Council website with the relevant and appropriate document upon which the equality assessment has been undertaken.



Policy, Finance and Development Committee	Tuesday, 19 July 2016	Matter for Information and Decision
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Title: Refurbishment and Potential Sponsorship of Borough Entry Signs

Author: Margaret Smith (Facilities and Administration Manager)

1. Introduction

- 1.1 There are nine entry points into the borough that have cast iron signs which read "Welcome to the Borough of Oadby and Wigston". These signs are now in need of re-furbishment. At its meeting on 16th February 2016, the Greening of the Borough Working Group asked that an action plan be drawn up for member approval covering priorities for re-furbishment, planting options and possibilities for sponsorship.

Refurbishment of the signs will contribute to the Greening of the Borough Strategy (aim 4) which reads 'Entrance points into the borough shall be of high quality and interest and give clear indication that the borough within is one that takes great pride in itself.' The requested action plan, as outlined below, was presented to the Greening of the Borough Working Group at its meeting on 7th July 2016 for recommendation.

2. Recommendations

- 2.1 That Members approve that:-
- £2,850 is allocated from Greening of the Borough reserves to allow Priority 1 signs to be re-furbished in year 1;
 - no signage, other than relating to sponsorship, is attached to or stuck to the borough entry signs in future;
 - Box hedging is installed at appropriate locations as detailed in the report.
 - If it is not still current, the twinning information be removed as detailed in the report;
 - Sponsorship is sought, where appropriate, at a rate of £400 per year for five years;
 - Where appropriate, sculptures relating to local distinctiveness, are sponsored and installed adjacent to the borough entry signs

3. Information

Background:

- 3.1. A quote of £950 per sign has been received for re-furbishing the signs from the original supplier. The supplier has indicated that he would apply a small discount if multiple signs are re-furbished at the same time but that this depends on the number to be done and the timescale involved. The quote includes visiting site, removing the centre panels, rubbing down and re-painting the posts in-situ, taking the centre panels back to the workshop, rubbing down to bare metal, re-painting, application of an anti-graffiti lacquer, and returning to site to re-fix the panel. The timescale for completion of a single sign is around 4 weeks but this would be extended for refurbishment of multiple signs.
- 3.2. An email has been received from The Pride of the Borough Group expressing their view that recognition for East Midlands in Bloom and Britain in Bloom should

continue on the borough entry signs so that people know they are entering an area that takes a pride in its environment. They also recognise that floral displays are not always appropriate but should not be dismissed altogether. They have requested the opportunity for input into the signage and have suggested meeting to discuss this further

- 3.3. Installation of sculptures adjacent to the entry signs would require the permission of Leicestershire County Council as the owner of the land into which they would be installed. The County Council has already expressed concern that the current entry signs do not meet highway sign regulations. The County Council has also introduced a fee for temporary excavations in the highway which may be applied to the installation of sponsored sculptures. The current fee is £240 per excavation.

Way Forward:

Location	Priority based on condition	Potential for planting	Suitable for sponsorship	Suitable for sculpture	Comments
South Wigston					
Crow Mill	Year 1	Possible planter	Yes (Jacobs?)	Yes (Jacobs?)	In grass verge
Saffron Road (Dorset Ave)	Year 2	No	No	No	In grass verge. Difficult location due to traffic and pedestrian sight lines
Wigston					
Aylestone Lane (Blue Bridge)	Year 1	Box hedging	Yes (Formula 1?)	Yes (Formula 1?)	In grass verge Problem location for vandalism
A5199 Stage Hotel	Year 3	Possible planter	Yes (Stage Hotel?)	Possibly	In tarmac
A5199 Kilby Bridge	Year 1	Box hedging	Yes (Navigation Inn?)	Possibly	In grass verge
Newton Lane	Year 2	Box hedging	Yes	Yes	In grass verge
Oadby					
A6 Glen Gorse	Year 2	Possible planter	Yes (Riding stables/ Golf Club?)	Yes (Riding stables/ Golf Club?)	In grass verge
A6 Racecourse	Year 3	Possible planter	Yes (Leicester Racecourse?)	Yes (Leicester Racecourse)	In grass verge
Gaulby Lane	Year 3	Box hedging	Yes		In grass verge

Refurbishment:

- 3.5. It is suggested that refurbishment is carried out over a 3 year period with 3 signs

being re-furbished each year for 3 years. Therefore in year 1, priority 1 signs (as listed in the above table) would be re-furbished. It is requested that an allocation of £2,850 be made from Greening of the Borough reserves to move this forward.

- 3.6. Refurbishment would include the removal of all extraneous signage from the site, repainting of the sign and box hedging at appropriate locations as detailed on the above chart.
- 3.7. It is not clear whether the 'Twinning' information is still current. It is suggested that, if it is not still applicable then, following conversations with the Pride of the Borough Group, and as part of the refurbishment, a plate could be made up in the same style and colours as the entry sign to cover the twinning information. The plate would celebrate the Borough's 'In Bloom' achievements and read 'Proud winners of Britain in Bloom and East Midlands in Bloom'. The plates would cost in the region of £250 each.
Alternatively, if the twinning arrangement still applies then a similarly worded plate could be made to attach underneath the current entry signs. The cost of the plates may be something that Pride of the Borough may be interested in contributing towards.

Sponsorship:

- 3.8. It is suggested that companies are approached to sponsor the signs starting with the Priority 1 signs that have been refurbished with sponsorship being set at £400 a year for five years.
- 3.9. Suggestions for companies that may be approached are given in the above table. Income from sponsorship would then be used towards year 2 / priority 2 signs and so on.

Sculptures:

- 3.10 In addition to direct sponsorship some locations may be suitable for the installation of sculptures relating to local distinctiveness. In these cases companies would pay the cost of an appropriate sculpture plus installation, any County Council fees and officer time in addition to the five year sponsorship arrangement.

Other:

- 3.11 Members are asked to agree that no other signage or stickers are allowed on or adjacent to the Borough entry signs once they are re-furbished (other than signage relating to sponsorship).

Background Documents:-

Report to Greening the Borough Working Group 16th February 2016

Report to Greening the Borough Working Group 7th July 2016

Email: margaret.smith@oadby-wigston.gov.uk

Tel: (0116) 257 2832

Implications	
Financial (CR)	As set out in the report.
Legal (AC)	No significant implications.
Risk (MS)	CR5 - Effective utilisation of assets/buildings.
Equalities (MS)	No significant implications.
	Equality Assessment
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

Agenda Item 18



Policy, Finance and
Development
Committee

Tuesday, 19 July 2016

Matter for Decision

Title: Contamination Land Incident (By Asbestos Containing Materials) - Part I

Author: David Lingard (Community Safety and Environment Manager)

1. Introduction

This report is intended to seek the approval of Members for the possible future expenditure involved should the Council believe it necessary to intervene in the clearance of asbestos causing material to upwards of twelve privately owned residential properties in and around the affected area of South Wigston.

2. Recommendations

Members are asked to delegate authority to the Community Safety and Environment Manager in conjunction with the Chief Finance Officer and Chair of this Committee to appoint a licensing specialist asbestos removal expert to undertake clear-up operations to contaminated land to an agreed budget of not more than £100,000 (one-hundred thousand pounds) should this be necessary.

3. Information

- 3.1 On or about the 11th April 2016, between five and twelve privately owned residential properties were affected by the depositing of Asbestos Containing Material (ACM) into their private gardens. The circumstances are such that a male co-owner of a small business which owns several small garages climbed on the roof and is alleged to have cleaned the roofs of several garages using a jet Washer device. The cleaning caused the ACM to be spread over an area of at least six residential properties.
- 3.2. Members may be familiar with the old type of corrugated roofing material communally used on commercial premises until crystallites were banned in 1999 by **The Asbestos (Prohibitions) Regulations 1999**. Although the manufacture of material using crystallites was banned we often find roofing material containing asbestos crystallites still around, typically and in this case they are found in the roofing sheets (see photograph).



(Asbestos roof)

- 3.3 The Council's Environmental Health Team has been working closely with the Health and Safety Executive who are considering prosecuting the individual for breach of legislation around health and safety in the workplace. We have met and have sought the co-operation of Public Health England and The Environment Agency who agreed a

joint health and risk advice to affected properties. Experts determined there was no immediate risk to health but, advised a clean up should take place without delay. In terms of our role ***The Environmental Damage (Prevention and Remediation) Regulations 2009*** determine we are obliged to take responsibility for the actual enforcement of damage caused to land. In cases where we cannot recover costs we would be obliged to clear land of pollution of this type.

- 3.4. In discharging this responsibility we have made it clear that the responsibility for the actual clearing of the pollution vests with the polluter who has accepted responsibility but, has been slow to appoint licensed specialist contractors. In addition to responsibility for any clear up the polluter could face a prosecuting under the **Environmental Protection Act 1990, s.33**. Successful prosecution may allow for the recovery of any Council borne costs of any clear up.
- 3.5. Our immediate priority for now is ensuring the safety of those residents who were affected by this pollution and Members can be assured that we have been working with our affected residents and acting as a mediator and go between with alleged polluter, specialist contractors and residents who each have our sympathy for the situation they find themselves. We have also been working proactively with the persons we believe caused the pollution. This has been a timely and complex issue in terms of the logistics and of course determining what properties were affected because crystallite asbestos is of course so small. One advantage is that most of the crystallite was encased or bonded together which, explains why we refer to it as Asbestos Containing Material. That said, there may have been small amounts of actual crystallites released.
- 3.6. The testing results could conclude that the twelve properties are each affected or indeed it could conclude that those that were affected initially are no longer affected or the affects have been mitigated by weather or minor clear up operations by the residents. It is important that any required clean up action commences without further delay.
- 3.7. Members can be assured that we are doing all we are able in working with the alleged polluter while balancing the needs and concerns of our residents who's priority is being able to use their gardens safely.

Email: david.lingard@oadby-wigston.gov.uk

Tel: (0116) 257 2692

Implications	
Financial (CR)	As contained in the report.
Legal (AC)	As set out within the report.
Risk (AC)	CR1 – Decreasing financial resources. CR4 - Reputation damage.
Equalities (AC)	No significant equality implications.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

Agenda Item 20

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted