



# Oadby and Wigston Borough Council

## TO COUNCILLOR:

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

M L Darr  
B Dave  
Mrs L Eaton  
R E 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, 28 MARCH 2017** at **7.00 PM** for the transaction of the business set out in the Agenda below.

Yours faithfully

Council Offices  
Wigston  
20 March 2017

Mark Hall  
Chief Executive

<u>ITEM NO.</u>	<u>AGENDA</u>	<u>PAGE NO'S</u>
1.	<b>Apologies for Absence</b>	
2.	<b>Appointment of Substitutes</b> To appoint substitute Members in accordance with Rule 4 of Part 4 of the Constitution.	
3.	<b>Declarations of Interest</b> 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.	<b>Minutes of the Previous Meeting held on 31 January 2017</b> To read, confirm and sign the minutes of the previous meeting in accordance with Rule 17 of Part 4 of the Constitution.	1 - 13
5.	<b>Action List Arising from the Meeting held on 31 January 2017</b>	14
6.	<b>Petitions and Deputations</b> To receive any Petitions and, or, Deputations in accordance with Rule 24 of Part 4 of the Constitution.	
7.	<b>Internal Audit Progress Report 2016/17 and Audit Plan 2017/18</b>	15 - 44

<b>8.</b>	<b>External Audit Report on Grant Claims, Returns for 2015/16 and Audit Plan for 2017/18 Accounts</b>	<b>45 - 72</b>
<b>9.</b>	<b>Collection and Write-Off of Miscellaneous Debtors</b>	<b>73 - 74</b>
<b>10.</b>	<b>Resident Forum Outturn Budget Position and Allocation Requests</b>	<b>75 - 79</b>
<b>11.</b>	<b>Annual Review of Health and Safety</b>	<b>80 - 96</b>
<b>12.</b>	<b>Asset of Community Value Nomination for Highcroft Park, Oadby</b>	<b>97 - 106</b>

**MINUTES OF A MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE  
HELD AT THE COUNCIL OFFICES, STATION ROAD, WIGSTON ON TUESDAY, 31  
JANUARY 2017 COMMENCING AT 7.00 PM**

<b><u>IN ATTENDANCE:</u></b>		
Chair - Councillor Mrs S B Morris Vice-Chair - Councillor D A Gamble		
<b>COUNCILLORS (10):</b>		
G S Atwal E R Barr L A Bentley G A Boulter	J W Boyce M L Darr B Dave R E Fahey	J Kaufman R E R Morris
<b>OFFICERS IN ATTENDANCE 4):</b>		
S J Ball Mrs A E Court	M Hone A Thorpe	
<b>OTHERS IN ATTENDANCE (1):</b>		
T Ridout		

Min Ref.	Narrative	Officer Resp.
54.	<p><b><u>APOLOGIES FOR ABSENCE</u></b></p> <p>An apology for absence was received from Councillors Mrs L Eaton and K J Loydall.</p>	
55.	<p><b><u>APPOINTMENT OF SUBSTITUTES</u></b></p> <p>None.</p>	
56.	<p><b><u>DECLARATIONS OF INTEREST</u></b></p> <p>In respect of the item of business at agenda item 15:</p> <p>(i) Councillor L A Bentley declared a non-pecuniary interest insofar as he was a Committee Member of the Wigston Club for Young People which was affiliated to Young Leicestershire Limited (as declared as a disclosable interest on the Members' Register of Interests);</p> <p>(ii) Councillor J Kaufman declared a non-pecuniary interest insofar as he had assisted in devising the 'Oadby Youth Centre Business Plan 2013-15' filed as appendix 3 to the report (at pages 107 - 154); and</p> <p>(iii) Councillor R E R Morris declared a non-pecuniary interest insofar as a young person was known to him who was both a representative on the Oadby Youth Centre Committee and Vice-Chair of the Oadby and Wigston Youth Council by virtue of the elected-Member being the Chair of the Children and Young Persons' Forum and its associated dealings with the said Youth Council.</p> <p>All Members confirmed that they attended the meeting without prejudice and with an open mind.</p>	

57.	<p><b><u>MINUTES OF THE PREVIOUS MEETING HELD ON 01 NOVEMBER 2016</u></b></p> <p><b>RESOLVED THAT:</b></p> <p>The minutes of the previous meeting of the Committee held on 01 November 2016 be taken as read, confirmed and signed.</p>	
58.	<p><b><u>ACTION LIST ARISING FROM THE MEETING HELD ON 01 NOVEMBER 2016</u></b></p> <p><b>RESOLVED THAT:</b></p> <p>The Action List be noted by Members.</p>	
59.	<p><b><u>PETITIONS AND DEPUTATIONS</u></b></p> <p>None.</p> <p>The Chair entered the Chamber at 7:08 pm.</p>	
60.	<p><b><u>INTERNAL AUDIT - PROGRESS REPORT 2016/17</u></b></p> <p>The Committee gave consideration to the report and appendix (at pages 11 - 35) as jointly-delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) and the Chief (Internal) Auditor at CW Audit Services, Mr Timothy Ridout, which should be read together with these minutes as a composite document.</p> <p>The Chief Auditor reported that full or significant levels of assurance had been awarded to six reviews completed since the last progress report in November 2016. He advised that revised timetables had been implemented in respect of recommendations with the affirmative action(s) taken by managers detailed in the report. It was said that there were 8 high-risk outstanding issues which required attention.</p> <p>Councillor J W Boyce moved the recommendation as set out at paragraph 2 of the report (at page 11).</p> <p>The Vice-Chair seconded the recommendation.</p> <p>Councillor J W Boyce enquired as to which point outstanding issues were upwardly reclassified from 'medium-risk' to 'high-risk'. The Member further sought assurances from the Officers in attendance in relation to: when the high-risk health and safety (H&amp;S) issues arising in the report were to be resolved; and that no person(s) had been endangered or put at physical risk as a consequence of same issues arising.</p> <p>The Director of Services / Monitoring Officer assured Members that: the outstanding H&amp;S issues were to be resolved by June 2017; and no person(s) had been so endangered or put at any physical risk.</p> <p>Councillor B Dave raised a concern as to the length of time being taken to resolve the issue(s) in relation to Private Sector Housing/Disabled Facility Grants (DFG's).</p> <p>Councillor J W Boyce and the Director of Services / Monitoring Officer jointly-advised that County-wide discussions were still ongoing in relation to</p>	

	<p>the feasibility of the Lightbulb Project (LbP) as the proposed DFG delivery mechanism advocated by Leicestershire County Council (LCC). The LbP was said to require policy uniformity across the seven Borough and District Councils and that, and as a result of the complexity in achieving the same logistically, no one Authority was further forward in being able to adopt the proposal at the present time. Members were informed that a full and detailed report was to be brought to the next meeting of the Service Delivery Committee to be held on Tuesday, 16 March 2017 addressing the subject-matter.</p> <p>Councillor M L Darr sought clarification as to the definition of ‘closed (e.g. supersede or system changed)’ in the appendix (at page 15).</p> <p>The Chief Auditor advised that ‘closed’ etc. referred to the closing of issues by virtue of a fundamental change in the system(s) formerly used to reconcile the means to achieve <i>vis-a-vis</i> the means to assess any given issue.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <p>The content of the progress report for 2016/17 be noted by Members.</p>	
61.	<p><b><u>OVERALL GENERAL FUND REVISED FINANCIAL POSITION 2016/17 AND DRAFT BUDGET 2017/18</u></b></p> <p>The Committee gave consideration to the report and appendices (at pages 36 - 49) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Finance Officer reported that the overall revised General Fund financial position for 2016/17 and Draft Budget for 2017/18 was predicated on the requirement incumbent upon Council to make a total of c. £1.4m efficiency savings by 2020 due to the progressive nature of cuts to the Revenue Support Grant (RSG).</p> <p>The Medium Term Financial Strategy (MTFS) was said to have set a target of £860k in 2017/18, of which £710k of efficiency saving had already been found with the remaining £150k to be borrowed from General Reserves to balance the budget. It was added that no significant cuts to frontline services or redundancies were anticipated in 2017/18 but advised that, and in conjunction with the work being undertaken by the Change Management Committee in relation to the Four-Year Efficiency Plan, these heads were not exempt from future reconsideration in 2018/19.</p> <p>Councillor J W Boyce moved the recommendations <i>en bloc</i> as set out at paragraphs 2.1 to 2.4 of the report (at page 36).</p> <p>Councillor M L Darr seconded the recommendations.</p> <p>Councillor B Dave raised a number of enquires, namely:</p> <ul style="list-style-type: none"> <li>(a) whether the report made reference to the MTFS as approved in September 2016 or a revised version;</li> <li>(b) the absence of any figures in relation to capital receipts and reference to future capital schemes at paragraph 3.18 (at page 43); and</li> <li>(c) an explanation as to the notable budget fluctuations in net committee</li> </ul>	

expenditure between financial years 2016/17 and 2017/18 at appendix 1 (at page 45).

He expressed his reservations about borrowing against the General Reserves and invited Officers to explore alternative options to bridge the funding gap. The Member announced that, for the aforementioned reason, he was to abstain from voting.

The Interim Chief Finance Officer advised, accordingly:

- (a) the report made reference to the MTFs as approved in September 2016 and that the MTFs was to be updated after the next meeting of the Council to be held on 21 February 2017 at which 2017/18 Council Tax and the Budget was to be set;
- (b) the financial information provided was necessarily based on a number of assumptions in respect of routine levels of the borrowing/re-paying of capital, that the Council was carefully considering its existing capital commitments and that no new capital schemes were to be proposed unless funding was to be made available on a case-by-case basis;
- (c) a detailed breakdown of net committee expenditure explaining budget fluctuations would be provided to Members outside the meeting in due course.

Councillor L A Bentley enquired as to: the length of time New Homes Bonus (NHB) legacy payments were to continue to be paid; and if there was any systematic or progressive reduction in the allocation of NHB payments awarded over time.

The Interim Chief Finance Officer advised NHB legacy payments were to reduce year-on-year from 6 to 5 years in 2017/18, then to 4 years in 2018/19 etc. He advised that from April 2017, no NHB payments were to be made to local authorities whose housing growth was less than 0.4% and from April 2018, NHB payments were to be withheld from local authorities not supporting housing growth, including the non-payment or reduced payment for dwellings built subsequent to a successful appeal. The Council's NHB was reported to have reduced by £37,000 for 2017/18.

Councillor J W Boyce commended Officers for the work undertaken. He reiterated the Draft Budget's resilience in there being no significant cuts to frontline services or redundancies anticipated. It was acknowledged that Members should be notified as soon as reasonable practicable when a revised version of MTFs is published. It was said that a capital programme was to be brought forward in either February or June 2017 that was to be revenue-neutral in terms of agreements made pursuant to the Town and Country Planning Act 1990, section 106 ("s106 agreements"). The Member restated concerns regarding NHB's. The Member stated that to reduce Reserve General Fund levels in line with reducing turnover was a prudent and sensible decision as recommended by the Government. Over the coming years, it was said that service areas would need to be carefully re/assessed in addition to exploring opportunities to invest in Council services as a means to save.

**RESOLVED THAT:**

- (i) The overall revised General Fund revenues budget position for 2016/17 (Appendices 1 and 2) be considered and approved;
- (ii) The overall draft General Fund revenue Budget for 2017/18

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	<p>(Appendices 1 and 3) be recommended in principle to Council;</p> <p>(iii) The use of reserves (as outlined in Appendix 4) be approved; and</p> <p>(iv) The Council to remain in the Business Rate Pool for 2017/18 be agreed.</p> <p><b>Votes For</b>                    8</p> <p><b>Votes Against</b>                0</p> <p><b>Abstentions</b>                    4</p>	
62.	<p><b><u>DRAFT HRA BUDGET AND HOUSING CAPITAL PROGRAMME 2017/18</u></b></p> <p>The Committee gave consideration to the report (at pages 50 - 52) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Chair moved the recommendations <i>en bloc</i> as set out at paragraphs 2.1 to 2.2 of the report (at page 50).</p> <p>The Vice-Chair seconded the recommendations.</p> <p><b>RESOLVED THAT:</b></p> <p>(i) The report be noted by Members and the new levels of rent and service charges (as set out at paragraphs 4 and 5 of the report) be recommend to Council; and</p> <p>(ii) The totality of the Capital Programme (as set out at paragraph 6 of the report) be recommended to Council.</p> <p><b>Votes For</b>                    11</p> <p><b>Votes Against</b>                0</p> <p><b>Abstentions</b>                    1</p>	
63.	<p><b><u>RESIDENT FORUM OUTTURN BUDGET POSITION AND ALLOCATION REQUESTS</u></b></p> <p>The Committee gave consideration to the report and appendices (at pages 53 - 57) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Finance Officer added that, since the writing of the report, two further allocation requests were awarded at the Wigston Residents' Forum meeting held on 16 November 2016, namely: (i) to the Wigston Girl Guides Group for the purchase of a 6ft x 8ft shed (£300.00); and (ii) to the Little Hill Residents Association for the purchase of a Makita 4-stoke leaf blower (£187.00).</p> <p>Councillor J W Boyce moved the recommendations <i>en bloc</i> as set out at paragraphs 2.1 to 2.3 of the report (at page 53), subject an addition that the Interim Chief Finance Officer be granted delegated authority to expedite the two additional requests aforementioned.</p> <p>The Vice-Chair seconded the recommendations.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p>	

	<ul style="list-style-type: none"> <li>(i) The position of the Forums' budget be noted by Members;</li> <li>(ii) The allocation requested by the Forums (as set out at paragraphs 3.2 to 3.4 of the report) be approved;</li> <li>(iii) Delegated authority be granted to the Interim Chief Finance Officer to expedite the two additional requests (as given in the verbal update); and</li> <li>(iv) The allocation of further funding be considered by Members.</li> </ul>	
64.	<p><b><u>AWARD OF CONTRACT FOR INTERNAL AUDIT SERVICES</u></b></p> <p>The Committee gave consideration to the report (at pages 58 - 59) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Chair and Vice-Chair confirmed that they were aware of the identity of Company A which (otherwise in accordance with section 100(A)(4) of the Local Government Act 1972) could not be disclosed in open session as an exempted item of information (as defined in paragraph 3 of Part 1 of Schedule 12A of the 1972 Act).</p> <p>The Chair moved the recommendations <i>en bloc</i> as set out at paragraphs 2.(i) to 2.(ii) of the report (at page 58).</p> <p>Councillor G A Boulter seconded the recommendations.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <ul style="list-style-type: none"> <li>(i) The preferred bidder for the Internal Audit contract, Company A, be noted; and</li> <li>(ii) The Interim Chief Finance Officer, in consultation with the Chair of Policy, Finance and Development Committee, be delegated authority to conclude and sign the contract with Company A.</li> </ul>	
65.	<p><b><u>REVIEW OF COMMUNITY LEASE - OADBY YOUTH CENTRE, WIGSTON ROAD</u></b></p> <p>Having declared a non-pecuniary interest and having been properly cautioned by the Monitoring Officer, Councillor L A Bentley left the Chamber at 8:14 pm and took no part in the debate on the item of business and voting thereon.</p> <p>The Committee gave consideration to the report and appendices (at pages 97 - 154) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>Councillor J W Boyce moved the recommendations as set out at paragraph 2.1 and 2.2.(a) of the report (at page 97) subject to that: (i) a term of 25 years be granted; and (ii) delegated authority to granted to the Senior Democratic Services Officer / Legal Officer to appropriately draft and complete upon the lease, accordingly.</p> <p>Councillor R E Fahey seconded the recommendations (as amended).</p> <p>Councillor R E R Morris advocated that the Council should not be minded to otherwise evict a charitable tenant operating a facility for the benefit of</p>	



	<p>young people in Oadby. The Member further asked whether the Oadby Youth Centre (OYC) was agreeable to the increased nominal ground rent of £50.00 per annum.</p> <p>The Senior Democratic Services Officer / Legal advised that the OYC was agreeable.</p> <p>Councillor G A Boulter stated that there was a pressing need to progress the adoption of land upon which the former scout hut was situated to extend the existing Oadby Cemetery so to increase the ever-diminishing burial capacity therein.</p> <p>Councillor J W Boyce stated that the land in question urgently required reviewing as part of the ongoing Strategic Asset Management work being undertaken by the Chief Finance Officer under the remit of the Change Management Committee in order to ascertain the best long-term use(s) of the land for both the Council and the OYC.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <ul style="list-style-type: none"> <li>(i) A renewal lease of land at Wigston Road, Oadby be granted in favour of the Oadby Youth Centre for a term of 25 years, at a nominal ground rent of £50.00 per annum and a 6-month notice to terminate period exercisable by either party; and</li> <li>(ii) Delegated authority be granted to the Senior Democratic Services Officer / Legal Officer to appropriately draft and complete upon the lease, accordingly.</li> </ul> <p>Councillor L A Bentley returned to the Chamber at 8:23 pm.</p>	
<p><b>66.</b></p>	<p><b><u>COLLECTION AND WRITE-OFF OF MISCELLANEOUS DEBTORS</u></b></p> <p>The Committee gave consideration to the report (at pages 60 - 61) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Chair commended Officers for their efforts in debt(s) collected and the relatively low amount(s) of debt written off.</p> <p>The Chair moved the recommendation as set out at paragraph 2 of the report (at page 60).</p> <p>The Vice-Chair seconded the recommendation.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <p>The contents of the report be noted by Members.</p>	
<p><b>67.</b></p>	<p><b><u>CHARGING STRUCTURE AT BOROUGH LEISURE CENTRES</u></b></p> <p>The Committee gave consideration to the report and appendix (at pages 62 - 64) as delivered and summarised by the Interim Chief Finance Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Finance Officer added that the annual submission of the</p>	

	<p>Charging Structure was to be synchronised in line with future meeting(s) of the Committee at which the setting of the Council's Scale of Fees and Charges is ordinarily resolved.</p> <p>Councillor G A Boulter sought clarification as to the miscellaneous charge marked 'Admissions' at 7.10(a) of the appendix (at page 63).</p> <p>The Interim Chief Finance Officer advised that requested clarification was to be provided to Members outside the meeting in due course.</p> <p>Councillor B Dave enquired as to why the Charging Structure was not resolved at the meeting of the Committee held on 01 November 2016 which considered all the Council's income revenues.</p> <p>The Interim Chief Finance Officer advised that the Borough Leisure Centres' contractor operated to a different financial year to that of the Council thus delaying the submission of the same. The Officer's previous comments were reiterated.</p> <p>The Chair commended Officers for their efforts in debt(s) collected and the relatively low amount(s) of debt written off.</p> <p>The Chair moved the recommendation as set out at paragraph 2 of the report (at page 62), subject to the amendment that the Interim Chief Finance Officer, in consultation with the Chair of Policy, Finance and Development Committee, be delegated authority to approve or otherwise the miscellaneous charge marked 'Admissions' at 7.10(a) of the appendix following the receipt of further information from the contractor.</p> <p>The Vice-Chair seconded the recommendation (as amended).</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <p>(i) The Charging Structure for 2017/18 (as set out at Appendix 1) - but excluding the miscellaneous charge marked 'Admissions' at 7.10(a) of the appendix - be noted and approved by Members; and</p> <p>(ii) The Interim Chief Finance Officer, in consultation with the Chair of Policy, Finance and Development Committee, be delegated authority to approve or otherwise the miscellaneous charge marked 'Admissions' at 7.10(a) of the appendix following the receipt of further information from the contractor.</p>	<p><b>MHo</b> <b>CR</b></p>
<p><b>68.</b></p>	<p><b><u>COMPULSORY PURCHASE ORDER - 114 UPLANDS ROAD, OADBY</u></b></p> <p>The Committee gave consideration to the report and appendices (at pages 65 - 96) as delivered and summarised by the Director of Services / Monitoring Officer which should be read together with these minutes as a composite document.</p> <p>The Director of Services / Monitoring Officer added that, subject to a Compulsory Purchase Order (CPO) being made, the options available included, but was not limited to, incorporation of the property in question into the Council's housing stock or for the property to accommodate a homelessness provision.</p> <p>The Vice-Chair moved the recommendations <i>en bloc</i> as set out at paragraphs 2.(i) to 2.(ii) of the report (at page 65).</p>	

	<p>Councillor J Kaufman seconded the recommendations.</p> <p>Councillor J Kaufmann asked whether a record of similar void properties was being kept so that other CPO's could be pursued in the future.</p> <p>The Director of Services / Monitoring Officer advised that a record was being kept and was last reported to the meeting of the Service Delivery Committee on 17 January 2017. It was said that additional CPO's would be sought in the future.</p> <p>Councillor E R Barr enquired as to: the nature and extent of communications with the owner of the property before June 2011; and the last (successful) response received back from the owner.</p> <p>The Vice-Chair advised that before June 2011 Ward Councillors, in conjunction with Officers, were in regular contact with the owner regarding the property's poor state of repair and maintenance. It was reported that the garden(s) did undergo maintenance works on one occasion prior to June 2011 as a result of negotiations with the owner.</p> <p>The Director of Services / Monitoring Officer advised that: no response had been received back from the owner since June 2011 and; the latest (unresponded) correspondence sent to the owner was produced at appendix 2 (at pages 76 – 79).</p> <p>The Chair requested that information regarding the nature and extent of communications with the owner prior June 2011 be provided to Members outside the meeting in due course.</p> <p>Councillor J W Boyce noted the irrelevance of the requested information to the material consideration before the Committee.</p> <p><b>RESOLVED THAT:</b></p> <ul style="list-style-type: none"> <li>(i) A Compulsory Purchase Order under section 17 and Part XVII of the Housing Act 1985, and the Acquisition of Land Act 1981, for the acquisition of 114 Uplands Road, Oadby be made;</li> <li>(ii) That the Director of Services, in conjunction with the Chair of Policy, Finance and Development Committee and the Chief Financial Officer be granted delegated authority do anything necessary to give effect to the above at (i) including, but not limited to, undertaking all procedural steps required to: <ul style="list-style-type: none"> <li>(a) make advertise and secure confirmation and implementation of the Compulsory Purchase Order;</li> <li>(b) acquire the legal interest in the property the subject of the proposed Compulsory Purchase Order, whether by voluntary agreement or compulsorily using statutory powers set out in the preceding paragraph;</li> <li>(c) take all necessary action to deal with all matters relating to the payment of compensation and statutory interest including approval of agreement with land owners (if they come forward) setting out the terms for withdrawal of objections to the Order and where necessary and/or appropriate the instituting or defending of related proceedings; and</li> <li>(d) dispose of the property in accordance with the proposals set out in this report.</li> </ul> </li> </ul>	AC
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	<p><b>Votes For</b>                    11  <b>Votes Against</b>                0  <b>Abstentions</b>                    1</p>	
<b>69.</b>	<p><b><u>OADBY SWIMMING POOL SITE, LEICESTER ROAD, OADBY</u></b></p> <p>The Council gave consideration to the report (at pages 155 - 161) as delivered and summarised by the Planning, Development and Regeneration Manager which should be read together with these minutes as a composite document.</p> <p>Councillor J W Boyce moved the recommendations <i>en bloc</i> as set out at paragraphs 2.(i) to 2.(ii) of the report (at page 155).</p> <p>The Vice-Chair seconded the recommendations.</p> <p>Councillor B Dave commended the outline of options compiled by Officers and re-emphasised the importance of incorporating some recreational/community use on the site in question. The Member stated that he did not support a wholly -residential use.</p> <p>Councillor J W Boyce stated that the final decision regarding the future use(s) for the site was one reserved to Members at a future meeting of this Committee.</p> <p>The Vice-Chair stated that he supported a mixed residential and community use.</p> <p><b>RESOLVED THAT:</b></p> <p>(i) The consideration of the feasibility of the various options that have been put forward for the future ownership and use of the site as set out in the report be noted;</p> <p>(ii) The most appropriate use(s) for the site is either a wholly residential use or a combined residential and community centre use be acknowledged; and</p> <p>(iii) The task of evidencing and preparing an appropriate design scheme for the future use(s) of the site for future consideration by this Committee be delegated to Officers.</p> <p><b>Votes For</b>                    8  <b>Votes Against</b>                4  <b>Abstentions</b>                    0</p>	
<b>70.</b>	<p><b><u>THE LOCAL DEVELOPMENT SCHEME 2017</u></b></p> <p>The Council gave consideration to the report and appendix (at pages 162 - 191) as delivered and summarised by the Planning, Development and Regeneration Manager which should be read together with these minutes as a composite document.</p> <p>The Planning, Development and Regeneration Manager added that Housing and Economic Development Needs Assessment (HEDNA) presently indicated a higher housing need in the Borough than there was land to meet the need, signifying that further work was required in partnership with the other local authorities to ensure that the total housing need in Leicester and</p>	

	<p>Leicestershire was met. An amendment to the timetable was said to be essential to enable the Council to be able to ultimately adopt a sound Local Plan as part of the Local Development Scheme (LDS).</p> <p>Councillor J W Boyce moved the recommendation as set out at paragraph 2 of the report (at page 16).</p> <p>Councillor G A Boulter seconded the recommendation.</p> <p>Councillor J W Boyce announced that the HEDNA was published on 27 January 2017 and was circulated to Members ahead of this Committee meeting. The HEDNA was said to be the most viable solution available to the Council to increase local capacity in order to meet and future-proof the Borough's housing needs over the next 25 years and that this was only to be achieved by working under a duty to cooperate.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <p>The Local Development Scheme be approved for publication.</p>	
71.	<p><b><u>HOME AND COMMUNITIES AGENCY - LARGE SITES AND HOUSING ZONES CAPACITY FUND</u></b></p> <p>The Council gave consideration to the report (at pages 192 - 194) as delivered and summarised by the Planning, Development and Regeneration Manager which should be read together with these minutes as a composite document.</p> <p>The Planning, Development and Regeneration Manager added that although the bid related to the lowest priority category, the submission of a bid was considered worthwhile due to its relative simple completion <i>vis-a-vis</i> the funding opportunity that it was likely to present to the Council. The outcome of the bid was reported to unknown at the present although a decision was expected imminently.</p> <p>The Chair moved the recommendation as set out at paragraph 2 of the report (at page 192).</p> <p>The Vice-Chair seconded the recommendation.</p> <p>Councillor L A Bentley asked whether the award of resource funding, if successful, would serve to assist the Council and, or, developers to deliver housing site</p> <p>The Planning, Development and Regeneration Manager advised that a successful bid would award resource funding to the Council to support the bringing forward of housing sites by developers as opposed to the delivery thereof by the Council <i>per se</i>.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <p>A bid for funding to support the delivery of housing sites in the Borough submitted by the 9 December 2016 deadline be noted by Members.</p>	
72.	<p><b><u>BLABY ROAD ROAD AND STATION STREET CAR PARKS, SOUTH WIGSTON</u></b></p>	

	<p>The Committee gave consideration to the report (at pages 195 - 197) as delivered and summarised by the Director of Services / Monitoring Officer which should be read together with these minutes as a composite document.</p> <p>Councillor L A Bentley moved the recommendations <i>en bloc</i> as set out at paragraphs 2.1 to 2.3 of the report (at page 195).</p> <p>Councillor J Kaufman seconded the recommendations.</p> <p>Councillor L A Bentley said that there were significant differences in usage at the car parks in questions between non/term-time and that the monitoring undertaken as set out at paragraph 3.4 of the report (at page 196) provided an isolated snapshot of the situation. The Member stated that a further, systematic review was required in relation to all car parks across the Borough.</p> <p>The Director of Services / Monitoring Officer advised that a full viability study was to be commissioned to explore the feasibility and suitability of parking regulations and restrictions <i>vis-a-vis</i> the parking requirements between the three town centres, forming part of ongoing Strategic Asset Management work being undertaken by the Chief Finance Officer under the remit of the Change Management Committee, as requested at the meeting of the Service Delivery Committee on 19 January 2017.</p> <p>Councillor J Kaufman supported the introduction of uniform car parking charges and time restrictions across all car parks in the Borough.</p> <p>Councillor J W Boyce stated that the provision of car parking was to essentially provide a facility to allow the public to park and frequent local amenities only.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <ul style="list-style-type: none"> <li>(i) Signage be installed as soon as possible at Blaby Road Park Car Park and Station Street Car Park detailing the parking rules under the current Parking Order to allow enforcement action to take place, if required;</li> <li>(ii) Officers continue to monitor parking at Blaby Road Park Car Park on an <i>ad-hoc</i> basis; and</li> <li>(iii) If the situation deteriorates, a report be brought back to Committee requesting the Schedule of the current Parking Order to be amended to reduce parking time at Blaby Road Park Car Park from a maximum of 12 hours between 8.00am and 6.00pm Monday to Saturday to a maximum of 3 hours between 8.00am and 6.00pm Monday to Friday.</li> </ul>	
73.	<p><b><u>RE-FURBISHMENT OF BOROUGH ENTRY SIGNS - REVISED COSTS</u></b></p> <p>The Committee gave consideration to the report (at pages 198 - 199) as delivered and summarised by the Director of Services / Monitoring Officer which should be read together with these minutes as a composite document.</p> <p>Councillor J W Boyce moved the recommendation as set out at paragraph 2 of the report (at page 198).</p> <p>The Chair seconded the recommendation.</p>	

	<p>Councillor M L Darr stated that the dirtiness of the blocked access route and the overgrowth of the central reservation along Glen Road, Oadby (A6) required the urgent remedial attention of Leicester County Council so to improve the impression(s) made when coming into the Borough via that route.</p> <p><b>UNANIMOUSLY RESOLVED THAT:</b></p> <p>The previously agreed allocation of £2,850 for the refurbishment of the Borough Entry Signs be increased to £4,200.</p>	
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**THE MEETING CLOSED AT 8.41 PM**



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**CHAIR**

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**TUESDAY, 28 MARCH 2017**

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# Agenda Item 5

## POLICY, FINANCE AND DEVELOPMENT COMMITTEE

### ACTION LIST

ARISING FROM A MEETING HELD ON TUESDAY, 31 JANUARY 2017

<b>Min Ref.</b>	<b>Title</b>	<b>Action To Be Taken</b>	<b>Officer</b>	<b>Target Date</b>	<b>On Target</b>
61.	<b>Overall General Fund Revised Financial Position 2016/17 and Draft Budget 2017/18</b>	To provide to Members a detailed breakdown of net committee expenditure explaining budget fluctuations at Appendix 1.	MHo CR	Feb-17	Verbal Update
67.	<b>Charging Structure at Borough Leisure Centres</b>	To provide clarification to Members as to the miscellaneous charge marked 'Admissions' at 7.10(a) of the Appendix 1.	MHo CR	Feb-17	Verbal Update
68.	<b>Compulsory Purchase Order – 114 Uplands Road, Oadby</b>	To provide information to Members regarding the nature and extent of communications with the owner prior to June 2011.	AC	Feb-17	Yes





<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 28 March 2017</b>	<b>Matter for Information and Decision</b>
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**Title:** Internal Audit Progress Report 2016/17 and Audit Plan 2017/18

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

## 1. Introduction

This report summarises the work of Internal Audit for 2016/17 and details the Internal Audit Plan for 2017/18.

## 2. Recommendations

That Members:

- 2.1. Note the content of the Progress Report for 2016/17 (at Appendix 1); and
- 2.2. Approve the Audit Plan for 2017/18 (at Appendix 2).

## 3. Information

- 3.1. The Internal Audit Plan for 2016/17 totals 260 days and includes 23 reviews planned to be conducted in year. Since the last update to Committee in January 2017 a further review has been issued relating to debtors, where the auditors were able to give a score of full assurance. **Appendix 1** gives details of all the audits completed in 2016/17 and provides information on the audit recommendations.
- 3.2. **Appendix 2** to this report contains the proposed Internal Audit Plan for 2017/18. The Plan includes 20 audit assignments plus follow-ups, contingency and advice programmed over 250 days. Audits are identified and linked to the Council's business objectives and strategic risks.

### Background Documents:-

None.

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**Tel:** (0116) 257 2891

Implications	
<b>Financial (CR)</b>	None arising directly from this report.
<b>Legal (AC)</b>	None arising directly from this report.
<b>Risk (MHo)</b>	Internal audit is a key component of the Council's internal control framework. Outcomes of all internal audit reviews will be considered in the context of the Strategic Risk Register.
<b>Equalities (MHo)</b>	None arising directly from this report.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable

# Oadby & Wigston Borough Council

## Internal Audit Progress Report 2016/17

March 2017

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Bringing public value to life

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## 1. Introduction

This report summarises the work of Internal Audit for the period to mid-March 2017. The purpose of the report is to update the Committee on progress made in delivering the 2016/17 audit plan, completion of delayed and deferred audits from the 2015/16 audit plan, and to update in relation to management's implementation of internal audit recommendations.

## 2. Progress summary

The agreed internal audit plan for the 2016/17 year totals 260 days. Section 5 provides details of all of the audit assignments included in the 2016/17 year, together with details of the point in the year at which each assignment is currently planned for delivery and an update on the current position.

## 3. Reviews completed

The following reviews have been completed and final reports agreed with management since the last full Internal Audit progress report (January 2017 meeting):

Review	Status	Level of assurance
<b>2016/17 Debtors</b>	Final report issued	<b>Full</b>

For the Committee's information, we can also update on the remaining 2015/16 audits as follows:

Legal Compliance – this review, started in September, is in progress and we would expect a report to be agreed before the next meeting of this Committee.

Community Safety/Anti-social Behaviour – a draft report is under discussion and we expect that a final management briefing report will be agreed before the next meeting of this Committee.

At the request of the Committee at its February 2014 meeting, and as subsequently agreed with the Chair of this Committee, to ensure members are provided with further detail only on issues which may warrant their concern, we only report specific findings, recommendations and agreed actions arising from our finalised audits where these relate to matters we deemed to be high risk/priority. There were no such issues reported in relation to the above finalised audit.

## 4. Recommendation tracking

We provide a system for tracking the actioning of agreed Internal Audit recommendations, as a management assurance tool for the Council and specifically this Committee. Managers are responsible for updating actions taken and other key information directly on the system. The first table below represents the status of agreed actions due to be implemented by 28/02/17, the second table the age of the outstanding recommendations (based on the original date due for implementation). The status shown is as advised by the relevant manager/Head of Service and does not imply that Internal Audit has verified the status.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 28/02/17	-	38	235	71	344
Implemented	-	29	204	66	299
Closed (e.g. superseded or system changed)	-	-	6	2	8
Still to be completed	-	9	25	3	37

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	1	6	2	9
3 – 6 months	-	-	-	-	-
Greater than 6 months	-	8	19	1	28
Total	-	9	25	3	37

As previously requested we provide below details of all outstanding 'high risk' issues, and 'medium risk' issues outstanding for more than 6 months.

**'High Risk' outstanding issues** (NB given that these issues have in the main been reported on previous occasions we have not restated the original recommendation or previous updates in such cases.

Review	Recommendation	Risk Rating	Current status per Management
13/14 Health & Safety	<u>Policies and Procedures</u>	2	Update from Karen Pollard 19/1/17: The Policy is on target to go to committee. The Health and Safety Officer is trying to move the date of the report so that it can include data from the whole of the financial year. Reporting could be in March 2017. Rescheduled to 31/3/17
13/14 Health & Safety	<u>Training &amp; awareness</u>	2	Update from Karen Pollard 19/1/17: Training for staff is scheduled to take place over the next six months. Training will be delivered at the depot first as this group of employees have the highest priority.

Review	Recommendation	Risk Rating	Current status per Management
13/14 Health & Safety	<u>Risk assessments</u>	2	Update from Karen Pollard 19/1/17: Risk assessments are on going work. The Health and Safety Officer is working through them in priority order. Rescheduled to 31/3/17
14/15 Street Cleansing & Grounds Maintenance	<u>Key Service Risks</u>	2	See Response provided for Health and Safety - Risk Assessments above. The proposed implementation date has been amended to 31/3/17 by the service.
15/16 Budgetary Control/MTFS	<u>Budget Holder Training</u>	2	Update from Chris Raymakers: Senior Managers are briefed on the current financial position at the fortnightly managers meetings as appropriate. Will continue throughout 2017/18 – revised date 31/3/18.
15/16 Main Accounting	<u>Leavers Access to Council's IT system</u>	2	Original response: ICT to co-ordinate with Human Resources to identify when officers leave the employment of the authority to ensure they are deactivated in a timely manner. Paul Langham, IT Manager 28/2/16 Owner changed subsequently to Mike Dungey, ICT Infrastructure Manager. No update provided.
14/15 Housing Rents	<u>Orchard System Functionality</u>	2	Update by Steve Nash 12/1/17 : The revised rent arrears sequence covers Secure Tenancies, Introductory Tenancies, Former Tenancy Arrears and Non-secure (homelessness) tenancies. These were due to be implemented by System Support on 2 January 2017, however SopraSteria the Council's IT supplier have been unable to schedule access to the required resource which is delaying implementation. Once implemented there will be a period of adjustment as such configuration changes are not within scope of full UAT processes. This important feedback will be used to finalise the procedure which once agreed and implemented will finalise the review process started at the end of 2015. Date revised to 1/5/17
14/15 Housing Rents	<u>System administrator access to the rent system</u>	2	Update by Steve Nash 12/1/17: It is envisaged that the necessary resilience in having an additional

Review	Recommendation	Risk Rating	Current status per Management
			system administration function will be met through the wider corporate system support review which should conclude later in 2017.
2015/16 Housing Register & Allocations	<p><u>Housing Applications</u></p> <p>All current applicants on the Housing Register should be reviewed to ensure that the details and allocated bandings held on the Housing Register are correct.</p>	2	<p>Original response and proposed action: All applications on the Housing Register are reviewed annually through a 'rolling review' process administered by Technical Officers at Customer Services. This process involves writing to all applicants (usually April / May) on the Housing Register inviting them to notify the Council of any changes to their circumstances. It is proposed that the process will be amended to incorporate the Customer Services officers considering, based on responses received, whether a review of the existing banding decision is required and if so, to refer to the Housing Options Team for a full review of the banding. Note the chances of incorrect banding are minimised by the fact that applicants are written to explaining the reasons for the banding decision and have the opportunity to challenge it.</p> <p>Steve Nash, Community Housing Team Leader – by 28/2/17. No update yet provided.</p>

### **Medium (level 3) risks outstanding for over 6 months**

Review	Recommendation	Risk Rating	Current status per Management
13/14 Equalities	Compliance with the Equalities Act 2010 should be monitored by an appropriate body within the Council and progress should be reported to, and approved by an appropriate Committee.	3	Most recent management update: Work is planned for September. The Equality and Diversity Officer works alongside the local community to produce a check on the council's progress. Date revised to 1/9/17

Review	Recommendation	Risk Rating	Current status per Management
13/14 Equalities	To comply with the legislation the Council should consider enhancing the type of information presented in its workforce profile to include a profile of staff at different grade, levels and rates of pay, including part-time work etc	3	Most recent management update: Data is being collected from all staff in February with a view to publishing the data in April 2017. Date revised to 31/3/17
13/14 Equalities	The relevant data should be collated and progress against the measures for the equality objectives should be reported on a timely basis.	3	Most recent management update: This work is due to be completed in September 2017. Date revised to 1/9/17
14/15 Private Sector Housing/Disabled Facilities Grants	It should be ensured that when the Private Sector DFG Policy is reviewed, clear and accurate information is included relating to the criteria for prioritising applications.	3	Most recent update: A report has been prepared for the July 2016 committee meeting but this involves the potential for the service to be incorporated in the Lightbulb Project which will introduce a consistent county wide service. If this goes ahead the service standards will be set jointly with participating authorities through the Lightbulb project. Revised implementation date 31/10/16  Date now revised to 30/9/17
12/13 Risk Management	An exercise should be undertaken to review all existing partnerships and projects to establish what risk registers are currently in place. A review should then take place to standardise the format of partnership and project risk registers and ensure that all partnerships and projects maintain such registers.	3	Most recent management update: Zurich Municipal to be contacted to assist with risk management – revised date 31/3/17



Review	Recommendation	Risk Rating	Current status per Management
12/13 Risk Management	Priority should be given to identifying and implementing a bespoke Risk Management IT package that will allow the Council to develop from a process driven risk management function to one that is fully embedded.	3	Most recent management update: Zurich Municipal to be contacted to assist with risk management – revised date 31/3/17
14/15 Main Accounting	<p>Prompt removal of leavers from financial systems access:</p> <p>a) It should be ensured that HR provide timely notification of leavers to the IT provider to assist with the prompt removal of leavers from the domain accounts.</p> <p>b) The IT provider should delete all leavers in a timely manner upon notification from HR.</p>	3	<p>HR have confirmed they will let IT know when there is a leaver – date revised to 3/1/17. No further updates made on system.</p> <p>(Recent Audit Review has confirmed this is not being done).</p>
11/12 Corporate Governance: Tenon review-Pest Control service review	<p>a) Management should report the financial benchmarking data that compares the service to other local Authorities in Leicestershire to the Senior Management Team and the Service Delivery Committee.</p> <p>b) Management should also undertake a value for money review of the Pest Control Service to ensure that the Council is managing this area in</p>	3	<p>Pest Control income was considered and included as part of the 2016/17 budget setting process and included in the PFD Committee approved Fees &amp; Charges for 2016/17. The cost to benefits of the provision of this service will be kept under review for the first half of the 2016/17 financial year and a paper will be taken to the PFD Committee in October 2016 when the proposed Fees &amp; Charges for 2017/18 will be taken for approval, recommending discontinuing the service if this is deemed necessary.</p> <p>Stephen Glazebrook</p>

Review	Recommendation	Risk Rating	Current status per Management
	the most economic and effective manner.		Interim Community Manager October 2016  Date now revised to 31/3/17
14/15 Street Cleansing and Grounds Maintenance	Efficient working: It should be ensured that consideration is given to the maximisation of the efficient and effective use of staff and equipment (including procurement) across the Clean and Green Team and other Council Teams.	3	Purchase of equipment will continue demonstrate the consideration of efficiency issues eg the purchase of refuse trucks for approximately £1m in the last financial year. Efforts have been made to harmonise the working contracts for staff in the Clean and Green Team and Refuse and Recycling Team with direct input from the HR Team but this has stalled at the moment. Efforts will be made to progress this issue. Brian Kew, Operations Manager Ongoing  Update: date amended to 31/3/17 – this is still ongoing with HR
14/15 Street Cleansing and Grounds Maintenance	Cleanliness Service Standards – Targets: The Council should introduce specific cleaning performance targets for monitoring and reporting against.	3	All staff have been trained on the Cleanliness Standards A – D previously used in NI195. All areas are to be restored to the A standard after being visited. Areas are subject to spot checks by foremen/supervisors.  A reporting mechanism on performance has not yet been devised due to current lack of resources. Brian Kew, Operations Manager Ongoing  Update: date amended to 31/3/17

Review	Recommendation	Risk Rating	Current status per Management
15/16 Benefits	Management should review the information held on the Council website to ensure it is accurate, and up to date.	3	Update from Jacky Griffith Oct 16: The Customer Service Charters for 2015 which are now historic will not be posted on the website but the new charters when produced – will be published – revised implementation date 31 May 2017.
14/15 Refuse & Recycling Collection	<p><u>Recycling Strategy</u></p> <p>The Recycling and Composting Strategy 2005 -2015 should be reviewed, updated and re-implemented.</p>	3	<p>Original response: To be reviewed for the next 5 years 2016- 2021</p> <p>Karen Parkes, Recycling Officer –by 30/6/16</p> <p>Update from Karen Parkes: date revised to 30/6/17 - revised implementation date due to major changes in April 2018.</p> <p>Update from Karen Parkes: Until a final decision is made in September 2017 regarding the waste the strategy cannot not be written</p>
15/16 Payroll & Expenses	<p><u>Mileage and overtime claims</u></p> <p>It should be ensured that all expense claims are fully signed and dated by the claimant and the authorising officer whose signature should be legible. To aid recognition of authorising signatures, officers who can authorise expense claims should be added to the Councils ASL. - the spreadsheet used to calculate payments for mileage claims is reviewed for errors in the set formulae in cells and, associated over/underpayments during the year</p>	3	<p>Original response: Staff will be reminded that all claims must be signed with name printed in letters and dated. HR will liaise with Finance to ensure they have access to the up to date ASL for reference. The spreadsheet has been reviewed and this confirmed that it had not been updated to reflect the employees use of a car with a bigger engine which attracts a higher mileage rate. This has now been actioned and arrangements to pay the employee for the shortfall are underway.</p> <p>Karen Pollard, Interim Corporate Resources Manager, by 30/6/16</p> <p>Update and date revised to 22/12/16: Two members of the HR team check mileage claims.</p> <p>No further updates provided.</p>

Review	Recommendation	Risk Rating	Current status per Management
	identified and appropriately actioned.		
15/16 Council Tax	<p><u>Reporting of arrears</u></p> <p>Arrears reports showing the position and performance of the Recovery Team in collecting arrears should be produced periodically and considered by senior management. This could be monthly or quarterly and show information including/such as: the position to date; performance since the last report; comparative performance against prior year; and Detailed reports on the oldest and highest risk debtors outlining what has been done and other potential recovery actions that need to be considered including ongoing write-offs.</p>	3	<p>Update from Jacky Griffith: A Communications &amp; Business Performance Management Officer joined the organisation in July 2015. One of the objectives of this post is to introduce a Performance Management system across the organisation. This is currently in progress using a balanced scorecard approach which measures performance in each service area across four strands: •Financial health •Process •People (staff) •Customer Focus This will include the reporting of arrears Revised date: 31 January 2017. No further updates provided.</p>
15/16 Business Rates	<p><u>Collection and Recovery Performance Reporting</u></p> <p>The Council should ensure quarterly reports on key elements of the performance of collection and recovery of Business Rates is reported to senior management outside the department.</p>	3	<p>Original response: Reporting is done informally at present but will be put on a more formal basis. Jacky Griffith will ask Senior Management Team to specify exactly what information they require and will provide this information formally on a regular basis (suggest quarterly) – Jacky Griffith, Welfare &amp; Taxation Processing Manager, by 30/6/16.</p> <p>Update: A Communications &amp; Business Performance Management Officer joined the organisation in July 2015. One of the objectives of this post is to introduce a Performance Management system across the</p>

Review	Recommendation	Risk Rating	Current status per Management
			<p>organisation. This is currently in progress using a balanced scorecard approach which measures performance in each service area across four strands: •Financial health •Process •People (staff) •Customer Focus The process element will include reporting on Business Rates collection and recovery performance.</p> <p>Revised date: 31 January 2017.</p> <p>No further updates provided.</p>
15/16 Housing Rents	<p><u>Effective arrears management per procedures</u></p> <p>Periodic reviews should be undertaken to ensure staff comply with revised processes.</p>	3	<p>Original response: Staff have been set clear targets in terms of arrears and accounts are monitored on a weekly basis by the income officers and performance is checked by the Team Leader on a fortnightly basis.</p> <p>Steve Nash, Community Housing Team Leader, by 31/5/16.</p> <p>Update: The revised rent arrears sequence created by the Team Leader Community, Orchard (IT supplier) and the System Support Officer is due to be implemented shortly. Once implemented the new sequence will have to run for a few months to determine if there are any faults as such a change is not subject to formal UAT being a configuration issue. Once bedded in and any tweaks made then the draft procedure will be amended as necessary after which consideration will be given to checking that staff are following the procedure.</p> <p>Date revised to 1/6/17</p>
15/16 Housing Rents	<p><u>Rent Collection Procedures</u></p> <p>Up to date procedures should be produced covering rent collection activities to provide for timely and complete collection of chargeable</p>	3	<p>Original response: This is accepted by the Council. A complete review of the rent collection process and procedures will be carried out ASAP to ensure compliance with Policy. This will include implementation of ICT changes and training for all relevant members of staff including Customer Services Centre.</p>

Review	Recommendation	Risk Rating	Current status per Management
	rent.		<p>Steve Nash, Community Housing Team Leader, by 30/4/16</p> <p>Update: A draft Procedure has been produced which clarifies the various roles and a revised rent arrears collection sequence for the Orchard Housing system has been devised. Implementation of the revised rent arrears sequence is pending SopraSteria the internal IT contractor providing suitable resource.</p> <p>Date revised to 1/3/17.</p> <p>No further updates provided.</p>
15/16 Housing Rents	<p><u>Guidance to staff</u></p> <p>Guidance should be provided to staff on security and confidentiality.</p>	3	<p>Original response: Training for all relevant members of staff including Customer Services Centre will be carried out and also will be incorporated into a role specific induction programme for new staff. Steve Nash, Community Housing Team Leader, by 30/4/16</p> <p>Update: Global training is being provided via Sarah Jones on Data Protection scheduled for the end of January and beginning of February 2017.</p> <p>Revised date 12/2/17</p> <p>No further updates provided.</p>
15/16 Housing Rents	<p><u>Rent roll and reconciliation to property records</u></p> <p>An annual reconciliation should be undertaken of the properties on the rent system and the Council's asset register, and that this agrees to legal services records.</p>	3	<p>Original response: The Council accepts this and will ensure that regular reconciliations are carried out at Mid Financial Year (October) and Financial year End (April). - Property Manager /Principal Accountant / Legal Services</p> <p>Update: Will be completed when new rent roll is updated in February- Chris Raymakers, Interim Accountancy Manager 28/2/17.</p> <p>No further updates provided.</p>

## 5. 2016/17 Internal audit plan

Review	Scheduled Start*	Status	Level of assurance
Budgetary Control/Medium Term Financial Strategy	January 2017	In progress	
Main Accounting	November/December 2016	Draft Issued	<b>Significant</b>
Creditors	February 2017	In progress	
Debtors	February 2017	Final report issued	<b>Full</b>
Treasury Management	November/December 2016	Final report issued	<b>Full</b>
Income Management & Cash Receipting	November/December 2016	Final report issued	<b>Full</b>
Anti Fraud & Corruption-targeted fraud prevention/detection work	May 2016	Completed	<b>N/A</b>
Strategic Procurement / Shared Services / Service Review - VFM	To be agreed		
Income Generation/fees and charges	June/July 2016	Completed	<b>N/A</b>
Cash Receipting system implementation	April-June 2016	Completed	<b>N/A</b>

<b>Review</b>	<b>Scheduled Start*</b>	<b>Status</b>	<b>Level of assurance</b>
Grant Aid – Value for money review	March 2017 onwards		
Food Hygiene	March 2017 onwards		
Payroll & Expenses	March 2017	In progress	
Workforce – Procurement of agency staffing	Included in Payroll & Expenses	In progress	
Council Tax	December 2016	Final report issued	<b>Significant</b>
Business Rates	October - November 2016	Final report issued	<b>Significant</b>
Benefits	November 2016	Final report issued	<b>Significant</b>
Housing Rents	April 2017	Scope agreed	
Housing – investment / repairs and maintenance	March / April 2017	Scope agreed	
Void Property Management	March 2017	In progress	
Brocks Hill	To be agreed		
Health & Safety – ‘Depot Services’	July/August 2016	Final report issued	<b>Significant</b>
Vehicle procurement and management	March 2017 onwards		

- Timings either agreed with management where relevant or proposed by us.



# Oadby & Wigston Borough Council

## Operational Internal Audit Plan – 2017/18

March 2017

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Bringing public value to life

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# 1. Introduction

## General background

This document sets out a proposed operational plan of Internal Audit coverage for the period April 2017 to March 2018.

The proposed plan supports an opinion based on an assessment of the design and operation of the Council's internal control, governance and risk management arrangements noted from our risk-based audits carried out during the year. It follows therefore that the focus of the audit plan is critical to ensuring the right level of assurance to the Council.

## The aim of the plan is to:

- **Deliver a risk focused audit programme** – through detailed risk assessment across the organisation and at component level.
- **Be proactive and forward looking** – by looking at what risks the Council faces and trying to minimise these through our work.
- **Add value** - through commercial recommendations and aiming to save resources/enhance controls where possible.
- **Engage with stakeholders** – thereby achieving greater impact across the organisation.
- **Support the Policy, Finance and Development Committee** – as one of the key stakeholders and as those who are charged with governance, we will work with the Policy, Finance and Development Committee with regard to supporting its work plan for the year.

## Internal Audit Charter

The standards for Internal Audit require us to explicitly detail our terms of reference/charter with you. These have been developed in accordance with relevant guidance and are attached at Appendix Two.

## Public Sector Internal Audit Standards

In conducting our work as your Internal Auditors we are required to adhere to a set of standards for Public Sector Internal Auditors. We believe that we have in place suitable policies and procedures to ensure full compliance against these standards. We will, however, report any instances of non-compliance that do arise as soon as we are aware of them.

## Quality Assurance

Quality assurance is driven by our own quality procedures and externally by consideration of your views. All assignments are subject to our quality control procedures; these are designed to meet the requirement of regulators, appropriate auditing standards and External Audit colleagues. Council managers are engaged throughout the assignment to allow any concerns to be raised (if necessary). It is important to us that we meet your expectations. As such it is essential we measure how satisfied you are with our services and find ways to improve our service to you.

## 2. Developing the plan

Our plan of work is designed to support the annual Head of Internal Audit Opinion. The required basis for forming this opinion is as follows:

- An assessment of the design and operation of the overall internal control environment, governance and risk management arrangements; and
- An assessment of the adequacy and effectiveness of controls, based upon the results of our risk based audit assignments that are reported during the course of the year.

It follows that an effective risk based audit plan, focusing the audit resources into areas of principal risk is essential.

### Risk Assessment

The plan has been prepared in consultation with the Interim Section 151 Officer and the Senior Management Team generally. It has been informed by:

- A review of the risks contained within the Council's Risk Register and Annual Governance Statement.
- Discussions with Interim Heads of Service to identify key auditable areas based on an assessment of current and future issues and risks.
- Our understanding of the challenges to the Council to deliver its objectives within the current economic environment and changes in local government legislation.

On the basis of this process we have identified a number of priority areas (see section 3) and the resulting Internal Audit Plan is detailed at Appendix One. We will, however, continue to review the audit plan on an ongoing basis

in response to developments and initiatives. If additional risks arise or change in priority during the year the audit plan will be reconsidered with management and, subject to Policy, Finance and Development Committee approval, amended to ensure that audit resources remain focused on the key risk areas.

### 3. Linking your plan to your business

The following table sets out the proposed areas of work linked through to your business objectives/risk and showing the supporting rationale for that work and a summary outline of the work to be undertaken.

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Area	Rationale - Links to Objectives/Risks	Work outline
<b>Corporate Assurance</b>		
Performance Management	Delivery of the objectives of the recently-introduced performance management framework/approach is vital in supporting the delivery of the Council's strategic and operational objectives and ensuring best use of resources.	To assure on the recently-introduced performance management framework/approach.
Business Continuity	The Council needs to have in place tested adequate and effective Business Continuity Planning to cope with emergencies, with key corporate elements planned for centrally and each team planning locally for other relevant aspects.	To assure on the suitability and effectiveness of arrangements to ensure business continuity through emergencies.
IT & Information risk assessment	The Council is dependent on its IT infrastructure and systems to enable and support the delivery of all of its services and functions. Effective management of these assets in collaboration with the outsourced IT provider Steria is thus key to the effective running of the Council.	Risk assessment of the Council's IT infrastructure, systems and services to identify key actions and areas requiring further review.
Capital Programme	Material area of Council spend. There is a need to ensure projects within the programme are properly managed so that they are delivered on time and within budget and meet required objectives.	Review of the arrangements to govern the capital programme and constituent projects.
Anti Fraud & Corruption-targeted fraud prevention/detection work	The Council is at risk of fraud in a range of areas; national guidance in 2012 set out expectations on the Council with regard to addressing these risks. Risk of fraud is recognised in the Councils' risk register.	Proactive work to consider key areas at risk of fraud/corruption.
Project assurance (eg Housing Company, System Support, Asset Management)	The Council has a number of projects ongoing at present and independent input can contribute to effective project management through to completion.	Provision to enable support, advice and assurance on key projects.
Procurement	There is a need to ensure that the Council complies with relevant procurement legislation depending on the levels of expenditure involved whilst obtaining VFM.	Assurance on processes to control and obtain VFM from procurement.
<b>Resources – Finance, Procurement &amp; ICT</b>		
Budgetary Control / MTFS – key risk areas/savings plans assurance	Financial strategy and management is key in managing through ongoing funding reductions. Various financial risks are reflected in the risk register, and the prudence, robustness and flexibility of the Council's budget is vital in enabling the Council to respond to funding and other economic risks and pressures.	To consider the adequacy and robustness of managerial control processes regarding the medium term financial strategy, budget setting and management, including a targeted review to support and assure on key areas of change/savings within the MTFS.
Financial systems (ledger, creditors, debtors, treasury management, income management & cash receipting-key controls)	Key financial systems requiring regular assurance - governing payment to suppliers, income raising and collection (debt and cash), management of investments and borrowing – material and fundamental systems for the Council's financial resilience, and the financial reporting system from which the council's statutory accounts are prepared.	Review of key controls over fundamental financial systems.
IT contract assurance	The Council is dependent on its IT infrastructure and systems to enable and support	Review and assurance on the new IT service contract with Steria.

Area	Rationale - Links to Objectives/Risks	Work outline
	the delivery of all of its services and functions. Effective management of this vital outsourced service to Steria is thus key to the effective running of the Council.	
<b>Corporate Resources</b>		
Payroll & Expenses	Key financial system covering payment of salaries/wages and expenses to employees and members. Processing of the payroll is outsourced.	Assurance on this key financial and HR system.
Taxi and Hackney Carriage Licensing	Following high profile cases elsewhere in the country regarding safeguarding and child sex exploitation involving taxi drivers, there is a need to ensure that consistent and effective policies and processes are in place at the Council in relation to the licensing of taxi drivers.	Assessment of controls within the policies and processes to ensure local residents and service users are safeguarded in relation to the suitability of taxi/hackney carriage drivers, as a learning opportunity following concerns raised elsewhere in the country.
<b>Customer Services</b>		
Benefits / Council Tax Support	Key financial system of great importance to local population, requiring regular assurance.	Review of fundamental financial and public-facing system.
Council Tax	Key financial system requiring regular assurance. Increased risk of non-collection given localisation of Council Tax Support and impact on certain types of benefit/claimants.	Review of fundamental financial and public-facing system.
Business Rates	Key financial system requiring regular assurance. Increased risks and opportunities arising from business rates changes nationally.	Review of fundamental financial and public facing system. Provision included to enable account to be taken of recent national changes to Business Rates arrangements.
<b>Planning, Development &amp; Regeneration</b>		
Management of Section 106 agreements and related contributions	Section 106 agreements further to planning permissions provide both funds to address specific local needs and also commit developers to important obligations. The Council needs to ensure that the agreements are complied with, funding received by the Council in a timely manner and used to deliver the Council's objectives regarding the local environment.	Assurance on management processes to ensure developer obligations are met and financial contributions obtained and used in accordance with legal agreements. Important both financially to the Council and in terms of supporting objectives for the Borough.
<b>Community</b>		
Housing Rents	Key revenue source to the Council and key element of HRA Business Plan.	Review of fundamental financial and public facing system
Repairs & Voids key controls/follow-up	Key system of great importance to tenants and, to the Council in terms of financial spend and income, and, maintenance and use of its housing stock, requiring regular assurance.	Provision for review of key controls and follow up of agreed actions in relation to these key processes for the housing stock/tenants.
<b>Operations</b>		
Fuel and valuable asset control	The Council needs to ensure it has adequate procedures in place to identify and safeguard its material assets which are vital to ensuring ongoing service delivery.	Assurance on the sound security and control of valuable assets ie prevention of loss, theft, wastage.

## 4. Reporting and relationships

### 4.1 Reporting Lines

The Internal Audit Charter attached at Appendix 2 outlines the reporting lines and relationships for this engagement, essentially setting out the accountability of the Head of Internal Audit to the Chief Executive, but noting that operationally in practice this accountability is delegated to the Interim Section 151 Officer. The Head of Internal Audit also has direct right of access to the Policy, Finance and Development Committee and the Chairman where required. This is also embodied in the Council's Financial Regulations.

#### Audit Reporting

##### Periodic and Assignment Reporting

Final reports relating to individual audit assignments will be reported to the relevant operational manager and Head of Service prior to submission to the Policy, Finance and Development Committee (where relevant), which will also receive a progress update at each meeting detailing progress against the plan, a summary of assignment opinions issued to date and an update in relation to the implementation of audit recommendations.

##### Annual Head of Internal Audit Opinion

In line with the PSIAS and expected professional practice, we will issue a formal audit opinion taking account of:

- An assessment of the design and operation of the overall internal control environment, governance and risk management arrangements; and
- An assessment of the adequacy and effectiveness of controls, based upon the results of our risk based audit assignments that are reported during the course of year.

This opinion will be formally recorded in the Internal Audit Year End Report and presented to the Policy, Finance and Development Committee. In addition to this formal opinion we will also bring to the attention of the Chief Executive, Interim Section 151 Officer and the Policy, Finance and Development Committee any Significant Internal Control Issues that we feel should be declared in your Annual Governance Statement.

### 4.2 Third Party Audit Arrangements

As your Internal Auditors we are required to agree with you the arrangements for forming an appropriate opinion where either you operate key systems on behalf of other organisations, or key systems are being operated by other organisations on your behalf. We recognise that the Council operates within a number of different partnership arrangements and procures and contracts various services. We are aware that the Council procures two key systems from external providers as follows:

- Payroll – from EMSS
- ICT Services (as part of the Leicestershire ICT Partnership) – from Sopa Steria

We recommend that you review and where appropriate update the contracts/SLAs for these purchased services to explicitly detail your right to an annual audit opinion or reserve the right of your Internal Auditor to perform their own work as deemed necessary to derive an opinion. You should liaise with your external auditors to ensure that they are comfortable with the arrangements you agree. Our audit plan has been prepared on the basis that we will not be required to perform any detailed audit work on the transaction processes operated within any such service providers but that we would, on a risk basis, review the systems operated by the Council that feed into and flow from this purchased service. We are not aware at this stage of any key systems operated by the Council on behalf of other organisations.

### **4.3 Relationships with external bodies**

#### **External Audit**

We will agree a protocol of joint working arrangements supported by a regular programme of update meetings with External Audit. We will use these meetings to report on progress against our plan and as an opportunity to discuss any significant issues arising from our work.

#### **Other Review Bodies**

Where we intend to place formal reliance on the work of any other review body e.g. external auditor, we will undertake an appropriate audit or quality assurance exercise to ascertain the level of assurance that we can derive from that work.

#### **Counter Fraud**

You are required to carry out counter fraud activities, to ensure sound stewardship of public funds. We will liaise as necessary with your counter fraud officers, sharing relevant audit findings and identifying joint programmes of work where appropriate.

### **4.4 Additional Services/Ad-hoc Work**

The PSIAS requires us to define the potential role that we may have in providing ad hoc consultancy work. In providing such a service we would seek to apply the professional skills of Internal Audit through a systematic and disciplined evaluation of the policies, procedures and operations that you have put in place to ensure the achievement of your objectives. We believe that our status as Internal Auditors ensures that we can deliver such work in an independent and objective manner.

## 5. Delivery

### 5.1 The Core Audit Team

The Audit Plan will be delivered by the following team:

Team Role	Team Member	Qual	Role
Contract Lead	Paul Dudfield	CCAB	Paul will monitor overall performance and quality of the service
Chief Internal Auditor	Tim Ridout	CCAB	Tim will oversee delivery of the audit plan, manage and deliver elements of the plan, and ensure quality assurance
Audit Manager	Anand Persaud	CCAB	Anand will manage and deliver the core plan.

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### 5.2 Profiling Delivery

We will agree a programme of delivery for the audit plan with the Interim Heads of Service. We will report on compliance against this profiled delivery through our regular progress reports to each Policy, Finance and Development Committee.

## 6. Recommendation

It is recommended that the Policy, Finance and Development Committee considers and approves the Internal Audit Plan 2017/18 and Internal Audit Charter.

**Tim Ridout**  
**Chief Internal Auditor**



## Operational Internal Audit Plan

Area	Audit Assignment	2017/18 Proposed time
Corporate assurance	Performance Management	10
	Business Continuity	10
	IT & Information risk assessment	12
	Capital Programme	12
	Anti Fraud & Corruption-targeted fraud prevention/detection work	10
	Project assurance (eg Housing Company, System Support, Asset Management)	10
	Procurement	10
	<b>Sub-total</b>	<b>74</b>
Resources – Finance, Procurement & ICT	Budgetary Control	8
	Financial systems (ledger, creditors, debtors, treasury management, income management & cash receipting-key controls	25
	MTFS – key risk areas/savings plans assurance	8
	IT contract assurance	10
	<b>Sub-total</b>	<b>51</b>
Corporate Resources	Payroll & Expenses	8
	Taxi and Hackney Carriage Licensing	10
	<b>Sub-total</b>	<b>18</b>
Customer Services	Council Tax	10

Area	Audit Assignment	2017/18 Proposed time
	Business Rates	15
	Benefits/Council Tax Support	10
	<b>Sub-total</b>	<b>35</b>
Planning, Development & Regeneration	Management of Section 106 agreements and related contributions	10
	<b>Sub-total</b>	<b>10</b>
Community	Housing Rents	10
	Repairs & Voids key controls/follow-up	12
	<b>Sub-total</b>	<b>22</b>
Operations	Fuel and valuable asset control	10
	<b>Sub-total</b>	<b>10</b>
Follow Up / Contingency	Recommendation Tracking	8
	Follow Up Reviews	10
	Contingency	10
	<b>Sub-total</b>	<b>28</b>
Management & Advice	Audit Needs Assessment, Planning & Annual Report	5
	Policy, Finance & Development Committee/External Audit/Senior Team meetings	10
	Contract Management & ad hoc advice	10
	<b>Sub-total</b>	<b>25</b>
<b>Total</b>		<b>273</b>

NB given carried forward days not delivered in relation to 2016/17 internal audit plan, the 2017/18 plan will be delivered at a cost equivalent to 250 days of audit time.

## INTERNAL AUDIT CHARTER

### 1. DEFINITION

Internal Audit is an independent and objective appraisal service within the organisation:

- Internal Audit primarily provides an independent and objective opinion to the Accountable Officer (Chief Executive), the Council and the Policy, Finance and Development Committee on the degree to which risk management, internal control and governance arrangements support the achievement of the organisation's agreed objectives. In addition, Internal Audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, internal control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the organisation.
- Internal Audit also provides an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements. The service applies the professional skills of Internal Audit through a systematic and disciplined evaluation of the policies, procedures and operations that management have put in place to ensure the achievement of the organisation's objectives, and through recommendations for improvement. Such consultancy work contributes to the opinion, which Internal Audit provides on risk management, control and governance. Approval for any significant additional consulting services not already included in the audit plan will be sought from the Policy, Finance and Development Committee prior to accepting the engagement.

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### 2. STANDARDS AND ETHICS

Internal Audit acknowledges the mandatory nature of the Definition of Internal Audit, the Code of Ethics and the Standards contained in the Public Sector Internal Audit Standards. Internal Audit shall also work in accordance with any performance measures agreed with the Policy, Finance and Development Committee.

### 3. INDEPENDENCE, OBJECTIVITY AND CONFLICTS OF INTEREST

All internal audit activities shall remain free of influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports. Internal Auditors shall have no executive or direct operational responsibility or authority over any of the activities they review. Individual auditors will have an impartial, unbiased attitude, characterised by integrity and an objective approach to work, and should avoid conflicts of interest. Individual auditors must declare any conflict of interest to the Head of Internal Audit. Any conflicts of interest encountered by the Head of Internal Audit must be declared to the Head of Service / Interim Section 151 Officer. Internal Auditors will have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

### 4. AUTHORITY and ACCOUNTABILITY

Internal Audit derives its authority from the Council, the Accountable Officer and Policy, Finance and Development Committee. The Head of Internal Audit reports on a functional basis to the Council via the Policy, Finance and Development Committee. For administrative purposes, the Head of Internal Audit reports to the Head

of Service / Interim Section 151 Officer. The Head of Internal Audit has a direct right of access to the Chair of the Policy, Finance and Development Committee and the Chair of the organisation if deemed necessary. The Policy, Finance and Development Committee may have private meetings with the Head of Internal Audit. The Policy, Finance and Development Committee approves all Internal Audit plans and may review any aspect of its work.

## **5. INTERNAL AUDIT TEAM**

The Head of Internal Audit is responsible for ensuring the team is adequately staffed and that there is access to the full range of knowledge, skills, qualifications and experience to deliver the Internal Audit Plan in line with the Public Sector Internal Audit Standards. The team will undertake regular assessments of professional competence through an on-going appraisal and development programme (i.e. Personal Development Plans and Continuing Professional Development) with training provided where necessary. Auditors also have responsibilities for applying due professional care when performing their duties. The Head of Internal Audit must hold a professional qualification.

If the Head of Internal Audit, Chief Executive, Head of Service / Interim Section 151 Officer or the Policy, Finance and Development Committee consider that the level of Internal Audit resources or the terms of reference in any way limit the scope of Internal Audit, or prejudice the ability of Internal Audit to deliver a service consistent with the definition of internal auditing, they should advise the Council accordingly.

## **6. SCOPE**

The Head of Internal Audit is responsible for developing and maintaining an Internal Audit plan for providing the Chief Executive, economically and efficiently, with objective evaluation of, and opinions on, the effectiveness of the organisation's risk management, control and governance arrangements. The Head of Internal Audit's opinion is a key element of the framework of assurance the Chief Executive needs to inform the completion of the Annual Governance Statement. This strategy will be realised through the delivery of considered and approved annual plans. These will systematically review and evaluate risk management, control and governance which comprises the policies, procedures and operations in place to:

- Establish, and monitor the achievement of, the organisations objectives.
- Identify, assess and manage the risks to achieving the organisations objectives.
- Ensure the economical, effective and efficient use of resources.
- Ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations.
- Safeguard the organisation's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.
- Ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

Internal Audit's planning will embrace risk management, control and governance processes of the organisation including all its operations, resources, services and responsibilities for other bodies.

## **7. APPROACH**

To ensure delivery of its objectives, Internal Audit will develop and implement an audit strategy/plan. This will be prepared each year and will describe arrangements for the delivery of the internal audit service based upon knowledge of the organisation's objectives, risk assessment, and appropriate management consultation. The allocation of resources between assurance and consultative work will be set out. A detailed Annual Operational Plan will be prepared designed to implement the

audit strategy. The audit strategy and annual plans shall be prepared to support the audit opinion to the Accountable Officer on the risk management, internal control and governance arrangements within the organisation. The strategy (delivered through the operational plan) will be approved by the Policy, Finance and Development Committee and reported to the Council.

## **8. REPORTING**

Internal Audit will report formally to the Policy, Finance and Development Committee through the following:

An annual report will be presented to confirm completion of the audit plan and will include the Head of Internal Audit opinion provided for the Accountable Officer that will support the Annual Governance Statement. The Head of Internal Audit opinion will:

- a) State the overall adequacy and effectiveness of the Council's risk management, control and governance processes;
- b) Disclose any qualification to that opinion, together with the reasons for the qualification;
- c) Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies;
- d) Draw attention to any issues internal audit judge as being particularly relevant to the preparation of the Annual Governance Statement;
- e) Compare work actually undertaken with the work which was planned and summarise performance of the internal audit function against its performance measures criteria; and
- f) Comment where necessary on compliance with the Public Sector Internal Audit Standards and internal quality assurance arrangements.

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For each Policy, Finance and Development Committee meeting a progress report will be presented to summarise progress against the plan. The findings arising from individual audit reviews will be reported in accordance with Policy, Finance and Development Committee requirements. The Policy, Finance and Development Committee members will be provided with copies of individual audit reports for each assignment undertaken unless the Head of Internal Audit is advised otherwise. The reports will include an action plan with target dates for completion (wherever relevant).

Following the closure of fieldwork, Internal Audit will discuss findings with operational/local managers. Operational/Local management will receive draft reports which will include the action plans they have agreed following the discussion of findings. A copy of the draft report will also be provided to the relevant Head of Service. The draft report will give an "assurance" opinion on the area reviewed, wherever relevant. The draft report will also indicate action ratings for individual report findings and recommendations.

Operational management will be required to respond to the draft report, stating their agreement or otherwise to the content of the report, identifying action, staff with responsibility for implementation and the dates by which action will be taken. Final reports inclusive of management comments will be issued by Internal Audit to the relevant Executive Director within 5 working days of management responses being received. The final report will be placed on (or referred to in) the agenda for the next available Policy, Finance and Development Committee. Internal Audit will make provision to review the implementation of agreed action within the agreed timescales. However, where there are issues of particular concern provision maybe made for follow up review within the same financial year. Issue and clearance of follow up reports shall be as for other assignments referred to above.

## **9. IRREGULARITIES, FRAUD AND CORRUPTION**

It is the responsibility of management to maintain systems that ensure organisation's resources are utilised in the manner and on activities intended. This includes the responsibility for the prevention and detection of fraud and other illegal acts. Internal Audit shall not be relied upon to detect fraud or other irregularities. However, Internal Audit will give due regard to the possibility of fraud and other irregularities in work undertaken. Additionally, Internal Audit shall seek to identify weaknesses in control that could permit fraud or irregularity. If Internal Audit discovers suspicion or evidence of fraud or irregularity, this will immediately be reported to the organisation's Counter Fraud Specialist (if/where appropriate) in accordance with the organisation's Counter Fraud Policy & Fraud Response Plan.

#### **10. RELATIONSHIPS**

In order to maximise its contribution to the Council's overall framework of assurance, Internal Audit will work closely with the organisation's Head of Service/Interim Section 151 Officer in planning its work programme. Co-operative relationships with line management enhance the ability of internal audit to achieve its objectives effectively. Audit work will be planned in conjunction with management as far as possible, particularly in respect of the timing of audit work.

Internal Audit will meet regularly with the external auditor to consult on audit plans, discuss matters of mutual interest, discuss common understanding of audit techniques, method and terminology, and to see opportunities for co-operation in the conduct of audit work. In particular, internal audit make available their working files to the external auditor for them to place reliance upon the work of Internal Audit where appropriate

The Head of Internal Audit will establish a means to gain an overview of other assurance providers' approaches and output as part of the establishment of an integrated assurance framework. In addition the Head of Internal Audit shall make provision to form an opinion where key systems are being operated by organisation's outside of the remit of the Accountable Officer, or through a shared or joint arrangement.

#### **11. ACCESS**

Internal Audit shall have the authority to access all the organisation's information, documents, records including patient records where appropriate, assets, personnel and premises that it considers necessary to fulfil its role. This shall extend to the resources of the third parties that provide services on behalf of the organisation. All information obtained during the course of a review will be regarded as strictly confidential to the organisation and shall not be divulged to any third party without the prior permission of the Accountable Officer. However, open access shall be granted to the organisation's external auditors. In any instances of conflict this will be referred for resolution to the Section 151 Officer, Chief Executive or Chair of Policy, Finance and Development Committee as appropriate.

#### **12. QUALITY ASSURANCE**

The work of internal audit is controlled at each level of operation to ensure that a continuously effective level of performance, compliant with the Public Sector Internal Audit Standards is being achieved. The Head of Internal Audit will establish a quality assurance programme designed to give assurance through internal and external review that the work of internal audit is compliant with the Public Sector Internal Audit Standards and to achieve its objectives. A commentary on compliance against the Standards will be provided in the annual audit report to Policy, Finance and Development Committee.

#### **13. APPROVAL, REVIEW AND INTERPRETATION OF THE CHARTER**

This Internal Audit Charter shall be reviewed annually and approved by the Policy, Finance and Development Committee.



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 28 March 2017</b>	<b>Matter for Information and Decision</b>
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**Title:** **External Audit Report on Grant Claims, Returns for 2015/16  
and Audit Plan for 2017/18 Accounts**

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

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## 1. Introduction

This report serves two functions. Firstly to summarise the findings from the External Auditor's Certification of Grants and Returns 2015/16 Report which includes the Auditor's assessment of the Council's arrangements for preparing claims and returns. Secondly, to inform Members of the External Audit Plan for the 2016/17 accounts. The report also provides brief information on any returns that have been amended or qualified.

## 2. Recommendations

That Members note the content of the report.

## 3. Information

- 3.1. Attached as **Appendix 1** is the report from KPMG setting out their opinions on the processes adopted by the Council in respect of the management of its grant claims and returns. In 2015/16 the External Auditor reviewed Council grant claims and returns with a total value of £9.4 million.

KPMG, the Council's appointed External Auditor, is responsible for completing all aspects of the audit required for the certification of claims and returns. This includes delivering the annual report on certification work set out in **Appendix 1**.

The Council has adequate arrangements for preparing its grants and returns and supporting the audit certification work. All grants and returns were submitted on a timely basis. The Council keeps adequate records in relation to grants and returns that were accurate and sufficient for the audit work. Some minor amendments were identified:

- Housing Benefit Subsidy Claim – The Auditor has noted three minor adjustments are required to the grant claim, reducing the total by £5,062.
- Pooling Return – The Auditor has required an adjustment of £6,546 and has noted some inconsistencies regarding records of housing stock held in different departments of the Council.

The Auditor issued an unqualified opinion on the Pooling Return.

The audit fee for the grants and claims work is £11,560.

- 3.2. **Appendix 2** of this report sets out the External Auditor's plans to audit the Council's financial statements and provide an opinion on use of resources and value for money. The indicative fee for this work is £42,784.

Appropriate provision has been made for the costs of audit work in the Council's

budget.

**Background Documents:-**

None.

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<b>Implications</b>	
<b>Financial (CR)</b>	As set out in the report.
<b>Legal (AC)</b>	None arising directly from this report.
<b>Risk (MHo)</b>	External audit is a key component of the Council's control and governance framework.
<b>Equalities (MHo)</b>	None arising directly from this report.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable





# Annual Report on grants and returns 2015/16



**Oadby and Wigston Borough Council**

23 January 2017

# Contents

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

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

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

## Headlines

### Introduction and background

This report summarises the results of work we have carried out on the Council's 2015/16 grant claims and returns.

This includes the work we have completed under the Public Sector Audit Appointment certification arrangements, as well as the work we have completed on other grants/returns under separate engagement terms. The work completed in 2015/16 is:

- Under the Public Sector Audit Appointments arrangements we certified one claim – the Council's 2015/16 Housing Benefit Subsidy (benefits) claim. This had a value of £9.036 million.
- Under separate assurance engagements we certified one return as listed below.
  - Pooling of Housing Capital Receipts return (the pooling return). This had a value of £323,756.

### Certification and assurance results (Pages 3-6)

Our certification work on the benefits claim included:

- Page 49
- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of each rate for the year;
  - sample testing of benefit claims to confirm that the entitlement had been correctly calculated and was supported by appropriate evidence;
  - undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
  - confirming that the subsidy claim had been prepared using the correct benefits system version; and
  - completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.

Following the completion of our work, the claim was subject to a qualification letter.

Our work on the pooling return resulted in an unqualified assurance report.

Adjustments were necessary to both of the Council's grants and returns as a result of our certification work this year:

- A net reduction in subsidy receivable on the benefits claim of £5,062, compared to a £183 reduction in 2014/15; and
- An increase to the poolable amount on the pooling claim of £6,546 (no such issue identified in 2014/15)

Our work on the pooling return identified an apparent inconsistency between the records of the Council's housing stock in the different departments of the Council. While the specific test which prompted this discovery met the testing requirements of the Department of Communities and Local Government (DCLG), it has highlighted an issue that needs further investigation by the Council in order to ensure that any similar incorrect records are identified and updated.

### Recommendations (Pages 8 – 9)

We have made one recommendation to the Council from our work this year relating to inconsistencies in the Council's records of its housing stock and agreed an action plan with officers.

In addition there was one recommendation outstanding from the previous year's work on grants and returns. We found that the recommendation had not yet been fully implemented. More details is included on page 9 of this report.

### Fees (Page 7)

Our proposed fee for certifying the Council's 2015/16 Housing Benefit Subsidy grant was £7,560, which is more than the indicative fee set by PSAA. An additional fee of £696 has been proposed and agreed with the Interim Chief Finance Officer, but this is still subject to determination by PSAA.

Our fees for the capital receipts pooling claim were subject to agreement directly with the Council. The fee initially agreed for this work was £3,000, but an additional fee of £1,000 was agreed following our identification of errors and inconsistencies in your records. A total of £4,000 was therefore charged.

# Summary of reporting outcomes

**Overall, we carried out work on two grants and returns:**

- one was amended and required a qualification to our audit certificate; and
- one was unqualified but required some amendment to the final figures.

Detailed comments are provided overleaf.

Detailed below is a summary of the reporting outcomes from our work on the Council’s 2015/16 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate or assurance report.

A qualification means that issues were identified concerning the Council’s compliance with a scheme’s requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

	Comments overleaf	Qualified	Significant adjustment	Minor adjustment	Unqualified
<b>Public Sector Audit Appointments regime</b>					
— Housing Benefit Subsidy	1	●		x3	
<b>Other assurance engagements</b>					
— Capital Receipts Pooling return	2			●	●
		1	0	2	1

# Summary of certification work outcomes

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Page 51

Ref	Summary observations	Amendment
1	<p><b>Housing benefits claim</b></p> <ul style="list-style-type: none"> <li>— Testing identified an expenditure misclassification within the claim where a landlord had been incorrectly classified as a Registered Social Landlord (RSL) instead of a private landlord where a rent officer determination was required.</li> <li>— Failure to classify claims correctly could result in loss of subsidy on amounts paid.</li> <li>— This issue did not arise in previous years.</li> </ul>	- £5,702
2	<p><b>Housing benefits claim</b></p> <ul style="list-style-type: none"> <li>— An overpayment of benefit was identified due to the incorrect calculation of child care costs. Extended testing of all relevant cases identified one further error which had no impact on the amount of benefit paid.</li> <li>— Due to the relatively low level of error this had not impacted on subsidy claimed, however it is possible that such errors could have a subsidy impact in future years.</li> <li>— This issue did not arise in previous years.</li> </ul>	- £59
3	<p><b>Housing benefits claim</b></p> <ul style="list-style-type: none"> <li>— Testing identified one case where there had been a misclassification of benefit between payments below and above the rent cap. The amendment resulted in an increase in subsidy payable.</li> <li>— Failure to correctly classify claims could result in loss of subsidy on amounts paid.</li> <li>— This issue did not arise in previous years.</li> </ul>	+£637
4	<p><b>Housing benefits claim</b></p> <ul style="list-style-type: none"> <li>— Our testing identified three instances of where errors had been made which had no impact on the amount of benefit payable or subsidy due, but which required reporting to DWP.</li> <li>— Errors could result in either underpayment of benefit to claimants, or overclaim of subsidy from DWP.</li> <li>— The instances identified had not occurred in prior years.</li> </ul>	£0

# Summary of certification work outcomes (cont)

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the page 4.

Ref	Summary observations	Amendment
5	<p><b>Pooling of Housing Capital Receipts return</b></p> <ul style="list-style-type: none"> <li>— The return required amendment to include the receipt of a repayment of discount from a sale made prior to 1 April 2012. There was some delay in the processing of this amendment requiring additional KPMG resource, contributing to the additional fee.</li> <li>— Errors such as this could result in additional interest charges being levied by the Department of Communities and Local Government, due to late payment of pooled receipts .</li> <li>— This error did not occur in the previous year.</li> </ul>	+ £6,546

## Fees

Our fees for the Housing Benefit Subsidy claim are set by Public Sector Audit Appointments.

Our fees for other assurance engagements on grants/returns are agreed directly with the Council.

The overall fees we charged for carrying out all our work on grants/returns in 2015/16 was £11,560.

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### Public Sector Audit Appointments certification arrangements

Public Sector Audit Appointments set an indicative fee for our work on the Council's Housing Benefit Subsidy claim in 2015/16 of £6,864. Our actual fee was higher than the indicative fee, and this compares to the 2014/15 fee for this claim of £9,314. The additional fee is due to the additional errors identified this year and is still subject to determination by PSAA .

### Grants subject to other assurance engagements

The fees for our assurance work on other grants/returns are agreed directly with the Council. Our fees for 2015/16 were more than those in 2014/15. The reason for the increase was a delay in the provision of some information to allow us to conclude our work, and the identification and investigation of the differences in housing stock records.

### Breakdown of fees for grants and returns work


Breakdown of fee by grant/return		
	2015/16 (£)	2014/15 (£)
Housing Benefit Subsidy claim	7,560	9,314
Pooling of Housing Capital Receipts return	4,000	3,500
<b>Total fee</b>	<b>11,560</b>	<b>12,814</b>

# Recommendations

We have given each recommendation a risk rating and agreed what action management will need to take.

Priority rating for recommendations		
<p><b>1</b> Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.</p>	<p><b>2</b> Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</p>	<p><b>3</b> Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.</p>

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Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
<b>Pooling of Housing Capital Receipts return</b>					
<p><b>Records of housing stock</b></p> <p>We identified an inconsistency in the age of a dwelling between the Finance department records of the housing stock included in the fixed asset register and the quarterly valuation worksheets, and the records held by the Housing department.</p>	<p>The age (and type) of dwellings determine the amount of attributable debt held by the authority. There may be an impact if the incorrect figures have been used.</p>	<p><b>1</b> Undertake a full reconciliation of the information contained in two sets of records to ensure that the records correctly reflect the age of the Council's housing stock.</p>		<p><b>Agreed.</b></p>	<p>Chief Finance Officer</p> <p>30 June 2017</p>



# Prior year recommendations

We made one recommendation in our 2014/15 Certification of Grants and Returns Annual Report. Where recommendations have not yet been implemented fully we have detailed their current status below.

Prior year recommendation	Priority	Status as at November 2016	Management comments
<b>Pooling of Housing Capital Receipts return</b>			
<p><b>1 Use of retained capital receipts</b></p> <p>Check that all the agreement requirements are met when considering whether to fund capital housing schemes (either in house or by an external provider), to ensure that the correct funding decisions are made.</p>	<p>2</p>	<p>Our 2015/16 review found that while expenditure on housing schemes had been correctly included within the return, there was limited information on the working paper file provided to show that all of the agreement requirements had been met. This resulted in some delay in completing our work as additional evidence needed to be provided, incurring additional fees.</p>	<p><b>Agreed</b></p> <p>The recommendation will be implemented fully.</p> <p>Chief Finance Officer</p> <p>30 June 2017</p>

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# External Audit Plan 2016/17



**Oadby and Wigston Borough Council**

**March 2017**

## Financial Statement Audit



There are no significant changes to the Code of Practice on Local Authority Accounting in 2016/17, which provides stability in terms of the accounting standards the Authority need to comply with.

### Materiality

Materiality for planning purposes has been based on last year's expenditure and set at **£500k**, which equates to 1.6% percent of gross expenditure. This is consistent with the prior year.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this threshold has been set at **£25k**.

### Significant risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error have been identified as:

- Significant changes in the pension liability due to LGPS Triennial Valuation.

### Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding have been identified as:

- Restatement of Comprehensive Income and Expenditure Statement (CIES), Movement in Reserves Statement (MIRS) and Expenditure and Funding Analysis (EFA) to comply with Code of Practice on Local Authority Accounting in 2016/17.

See pages 3 to 5 for more details.

## Value for Money Arrangements work



Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risks:

- **Financial Resilience:** The Authority continues to face similar financial pressures and uncertainties to those experienced by others in the local government sector, such as the future of business rate distribution.
- **Implementing Change:** The Authority has set up a Change Management Committee to address the issues raised in the Independent Investigator's report, and a change management project plan has been put in place to take appropriate action to help improve the working arrangements of the Authority.

## Logistics



Our team is:

- Tony Crawley – Director
- Sundeep Gill – Audit Manager
- James Keen – Assistant Manager

More details are on **page 13**.

Our work will be completed in four phases from January to September 2017 and our key deliverables are this Audit Plan and a Report to those charged with Governance as outlined on **page 12**.

Our fee for the audit is £42,784 + VAT (2015/16: £42,784) see **page 11**.

# Introduction

## Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2016/17 presented to you in April 2016, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Our audit has two key objectives, requiring us to audit/review and report on your:

- *Financial statements (including the Annual Governance Statement)*: Providing an opinion on your accounts; and
- *Use of resources*: Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary.

## Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

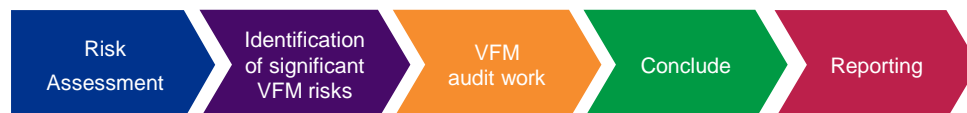
## Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.



## Value for Money Arrangements Work

Our Value for Money (VFM) Arrangements Work follows a five stage process which is identified below. Page 6 provides more detail on the activities that this includes. This report concentrates on explaining the VFM approach for 2016/17 and the findings of our VFM risk assessment.





## Financial Statements Audit Planning

Our planning work took place during January and February 2017. This involves the following key aspects:

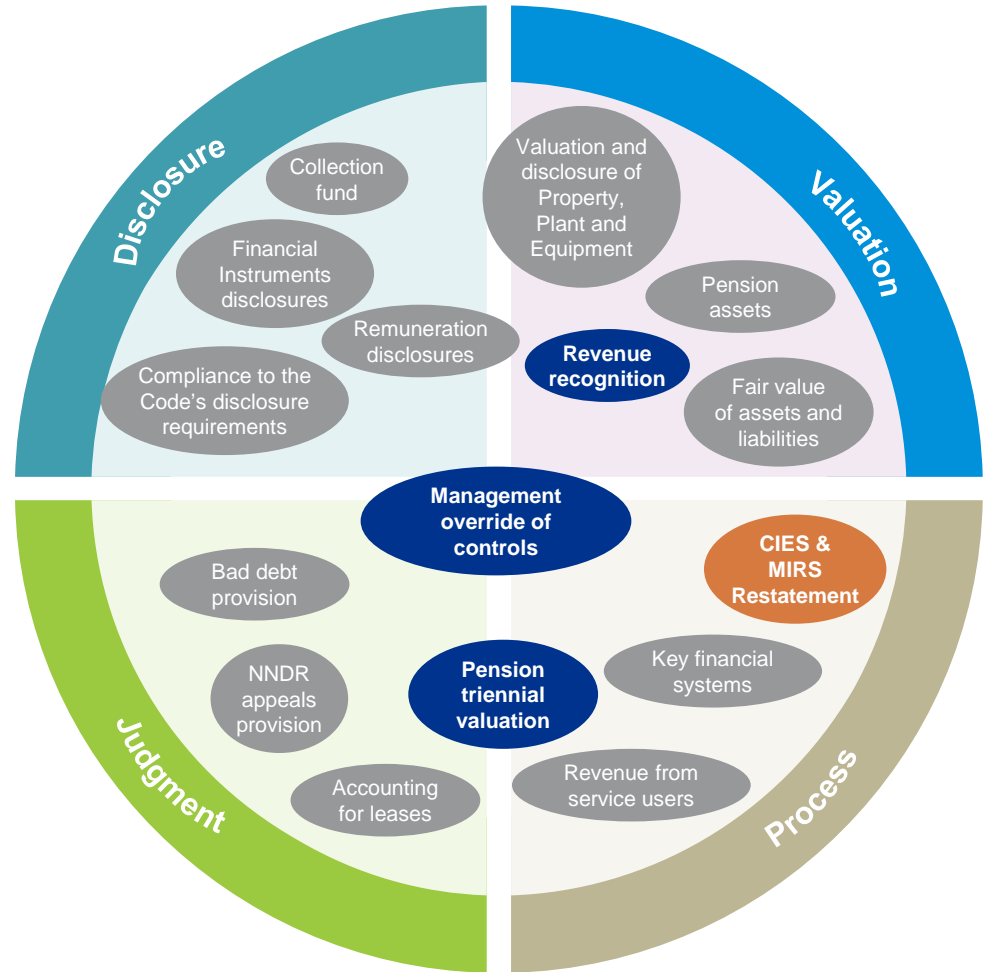
- Risk assessment;
- Determining our materiality level; and
- Issuing this audit plan to communicate our audit strategy.

### Risk assessment

Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 260 Report.

- **Management override of controls** – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- **Fraudulent revenue recognition** – We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

The diagram opposite identifies significant risks and other areas of audit focus, which we expand on overleaf. The diagram also identifies a range of other areas considered by our audit approach.



Keys: ● Significant risk ● Other area of audit focus ● Example other areas considered by our approach



## Significant Audit Risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error.

### Significant changes in the pension liability due to LGPS Triennial Valuation

During the year, the Local Government Pension Scheme for Leicestershire (the Pension Fund) has undergone a triennial valuation with an effective date of 31 March 2016 in line with the Local Government Pension Scheme (Administration) Regulations 2013. The Authority's share of pensions assets and liabilities is determined in detail, and a large volume of data is provided to the actuary in order to carry out this triennial valuation.

The pension liability numbers to be included in the financial statements for 2016/17 will be based on the output of the triennial valuation rolled forward to 31 March 2017. For 2017/18 and 2018/19 the actuary will then roll forward the valuation for accounting purposes based on more limited data.

There is a risk that the data provided to the actuary for the valuation exercise is inaccurate and that these inaccuracies affect the actuarial figures in the accounts. Most of the data is provided to the actuary by Leicestershire County Council, who administer the Pension Fund.

**Approach:** As part of our audit, we will agree any data provided by the Authority to the actuary back to the relevant systems and reports from which it was derived, in addition to checking its accuracy. We will liaise with KPMG auditors of the Pension Fund where data was provided by the Pension Fund on the Authority's behalf, to check the completeness and accuracy of that data.

We will also review assumptions made by the actuaries and the accounting entries made within the financial statements.

## Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

### Disclosure associated with retrospective restatement of CIES, EFA and MiRS

CIPFA has been working with stakeholders to develop better accountability through the financial statements as part of its 'telling the whole story' project. The key objective of this project was to make Local Government accounts more understandable and transparent to the reader in terms of how authorities are funded and how they use the funding to serve the local population. The outcome of this project has resulted in two main changes in respect of the 2016-17 Local Government Accounting Code (the Code) as follows:

- Allowing local authorities to report on the same basis as they are organised by removing the requirement for the Service Reporting Code of Practice (SeRCOP) to be applied to the Comprehensive Income and Expenditure Statement (CIES); and
- Introducing an Expenditure and Funding Analysis (EFA) which provides a direct reconciliation between the way local authorities are funded and prepare their budget and the CIES. This analysis is supported by a streamlined Movement in Reserves Statement (MIRS) and replaces the current segmental reporting note.

As a result of these changes, retrospective restatement of the CIES (cost of services), EFA and MIRS is required from 1 April 2016 in the Statement of Accounts. The new disclosure requirements and the restatement of the accounts require compliance with relevant guidance and the correct application of applicable Accounting Standards.

Though less likely to give rise to a material error in the financial statements, this is an important material disclosure change in this year's accounts, and we will need to review the restatement and presentation.

**Approach:** We will liaise with the Authority's finance team regarding the new requirements and agree the new disclosures, including the restatement of the prior year comparators.



## Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgement to represent 'misstatements' unless the application of that judgement results in a financial amount falling outside of a range which we consider to be acceptable.

Materiality for planning purposes has been set at £500k (PY: £500k) for the Authority which equates to 1.6% percent of prior year gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision.

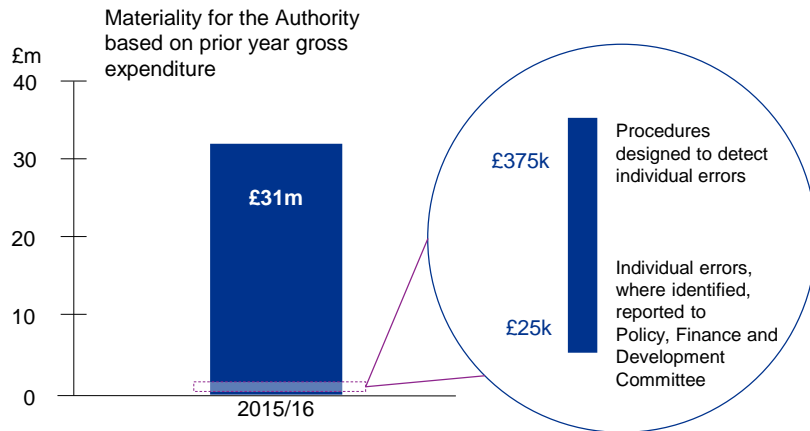
## Reporting to the Policy, Finance and Development Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Policy, Finance and Development Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £25k.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Policy, Finance and Development Committee to assist it in fulfilling its governance responsibilities.





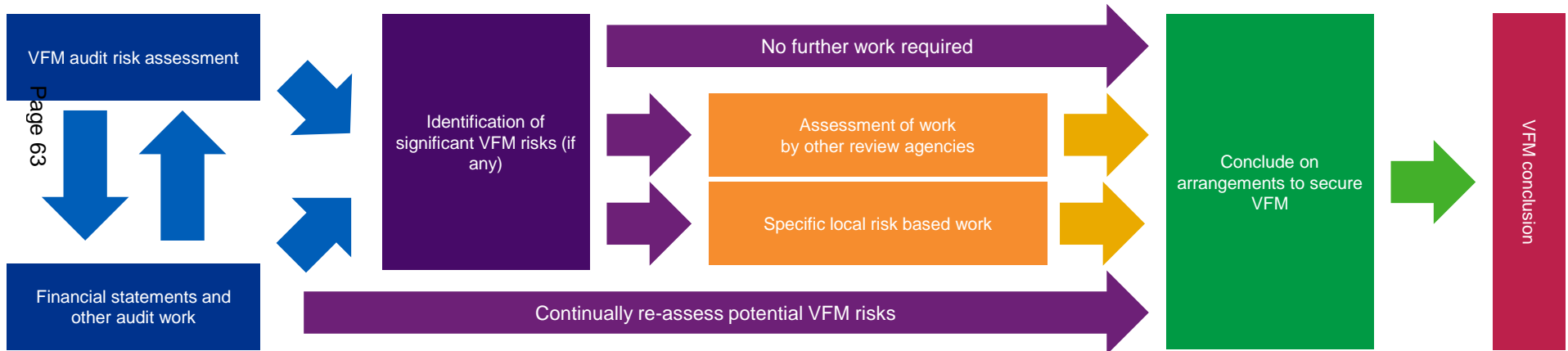


## Background to approach to VFM work

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

The VFM approach is fundamentally unchanged from that adopted in 2015/16 and the process is shown in the diagram below. The diagram overleaf shows the details of the criteria for our VFM work.





## Overall criterion

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

### Informed decision making

#### Proper arrangements:

- Acting in the public interest, through demonstrating and applying the principles and values of sound governance.
- Understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management.
- Reliable and timely financial reporting that supports the delivery of strategic priorities.
- Managing risks effectively and maintaining a sound system of internal control.

### Sustainable resource deployment

#### Proper arrangements:

- Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.
- Managing and utilising assets to support the delivery of strategic priorities.
- Planning, organising and developing the workforce effectively to deliver strategic priorities.

### Working with partners and third parties

#### Proper arrangements:

- Working with third parties effectively to deliver strategic priorities.
- Commissioning services effectively to support the delivery of strategic priorities.
- Procuring supplies and services effectively to support the delivery of strategic priorities.

# Value for money arrangements work (cont.)



VFM audit stage	Audit approach
<b>VFM audit risk assessment</b>	<p>We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Authority. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the <i>Code of Audit Practice</i>.</p> <p>In doing so we consider:</p> <ul style="list-style-type: none"> <li>— The Authority's own assessment of the risks it faces, and its arrangements to manage and address its risks;</li> <li>— Information from the Public Sector Auditor Appointments Limited VFM profile tool;</li> <li>— Evidence gained from previous audit work, including the response to that work; and</li> <li>— The work of other inspectorates and review agencies.</li> </ul>
<b>Linkages with financial statements and other audit work</b>	<p>There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Authority's organisational control environment, including the Authority's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.</p> <p>We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.</p>
<b>Identification of significant risks</b>	<p>The Code identifies a matter as significant '<i>if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.</i>'</p> <p>If we identify significant VFM risks, then we will highlight the risk to the Authority and consider the most appropriate audit response in each case, including:</p> <ul style="list-style-type: none"> <li>— Considering the results of work by the Authority, inspectorates and other review agencies; and</li> <li>— Carrying out local risk-based work to form a view on the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.</li> </ul>

# Value for money arrangements work (cont.)



VFM audit stage	Audit approach
<p>Assessment of work by other review agencies and Delivery of local risk based work</p>	<p>Depending on the nature of the significant VFM risk identified, we may be able to draw on the work of other inspectorates, review agencies and other relevant bodies to provide us with the necessary evidence to reach our conclusion on the risk.</p> <p>If such evidence is not available, we will instead need to consider what additional work we will be required to undertake to satisfy ourselves that we have reasonable evidence to support the conclusion that we will draw. Such work may include:</p> <ul style="list-style-type: none"> <li>— Meeting with senior managers across the Authority;</li> <li>— Review of minutes and internal reports;</li> <li>— Examination of financial models for reasonableness, using our own experience and benchmarking data from within and without the sector.</li> </ul>
<p>Concluding on VFM arrangements</p>	<p>At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.</p> <p>If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.</p>
<p>Reporting</p>	<p>On the following page, we report the results of our initial risk assessment.</p> <p>We will report on the results of the VFM audit through our ISA 260 Report. This will summarise any specific matters arising, and the basis for our overall conclusion.</p> <p>The key output from the work will be the VFM conclusion (i.e. our opinion on the Authority's arrangements for securing VFM), which forms part of our audit report.</p>



## Significant VFM Risks

Those risks requiring specific audit attention and procedures to address the likelihood that proper arrangements are not in place to deliver value for money.

### Financial Resilience

#### — Risk

The Authority continues to face similar financial pressures and uncertainties to those experienced by others in the local government sector, such as the future of business rate distribution. The Medium Term Financial Strategy (MTFS), last updated in April 2016, projects total saving requirements on the General Fund Revenue Account of £4,165k by year 2019/20. For 2017/18, the Authority has a balanced budget with £802k savings identified and £150k funded from the general fund reserves.

Following the July 2015 Budget, which introduced a 1% per annum rent reduction for tenants over the next four years, the Authority reviewed its HRA business plan to assess the impact of these reductions. The updated plan showed that the plan was still viable, but that HRA balances would drop to their minimum sustainable level and remain there until around 2023. The MTFS forecasts a reduction in reserve balances of the Housing Revenue Account to £300k by 2019/20, the recommended minimum level of reserves, with a forecast funding gap in that year of £272k.

The Authority needs to have effective arrangements in place for managing its annual budget, generating income and identifying and implementing any savings required to balance its medium term financial plan. We consider financial resilience to be a significant risk given the potential impact on the financial standing of the Authority. This is relevant to the sustainable resource deployment sub-criterion of the VFM conclusion.

#### — Approach

We will assess the arrangements for ensuring that annual budget has been achieved as planned, including any actions taken when services do not deliver as expected.

We will review the assumptions underpinning the MTFS, and review the arrangements the Authority has in place for identifying further financial measures for future years.

### Implementing Change

#### — Risk

The Independent Investigator's report made recommendations regarding the action that the Authority will need to take in the aftermath of the investigation process.

The Authority has set up a Change Management Committee to address the issues raised in the report, and a change management project plan has been put in place to take appropriate action to help improve the working arrangements of the Authority. The Committee also decided on a plan for further review of the implementation of the cultural changes and lessons required, consisting of planning the way forward, staff involvement, the role of leadership, employee buy-in, infrastructure, capabilities and measuring success.

The challenge now facing the Authority is to continue delivering quality services with a reduced middle management team, whilst implementing change. It also needs to rebuild trust between staff, management and members.

As part of our consideration of the sustainable resource deployment element of the value for money conclusion we will continue to monitor the Authority's progress in implementing change.

#### — Approach

We will review the arrangements the Authority has put in place to address the issues raised in the Independent Investigator's report.

## Whole of government accounts (WGA)

We are required to review your WGA consolidation and undertake the work specified under the approach that is agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and the specified approach for 2016/17 have not yet been confirmed.

## Electoral challenge

The Local Audit and Accountability Act 2014 gives electors certain rights. These are:

- The right to inspect the accounts;
- The right to ask the auditor questions about the accounts; and
- The right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the PSAA's fee scales.

## Our audit team

Our audit team will be led by Tony Crawley, supported by Sundeep Gill and James Keen who have joined the audit team for 2016/17. Appendix 2 provides more details on specific roles and contact details of the team.

## Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the finance team and the Policy, Finance and Development Committee. Our communication outputs are included in Appendix 1.

## Independence and Objectivity

Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

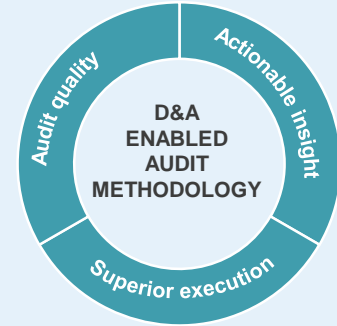
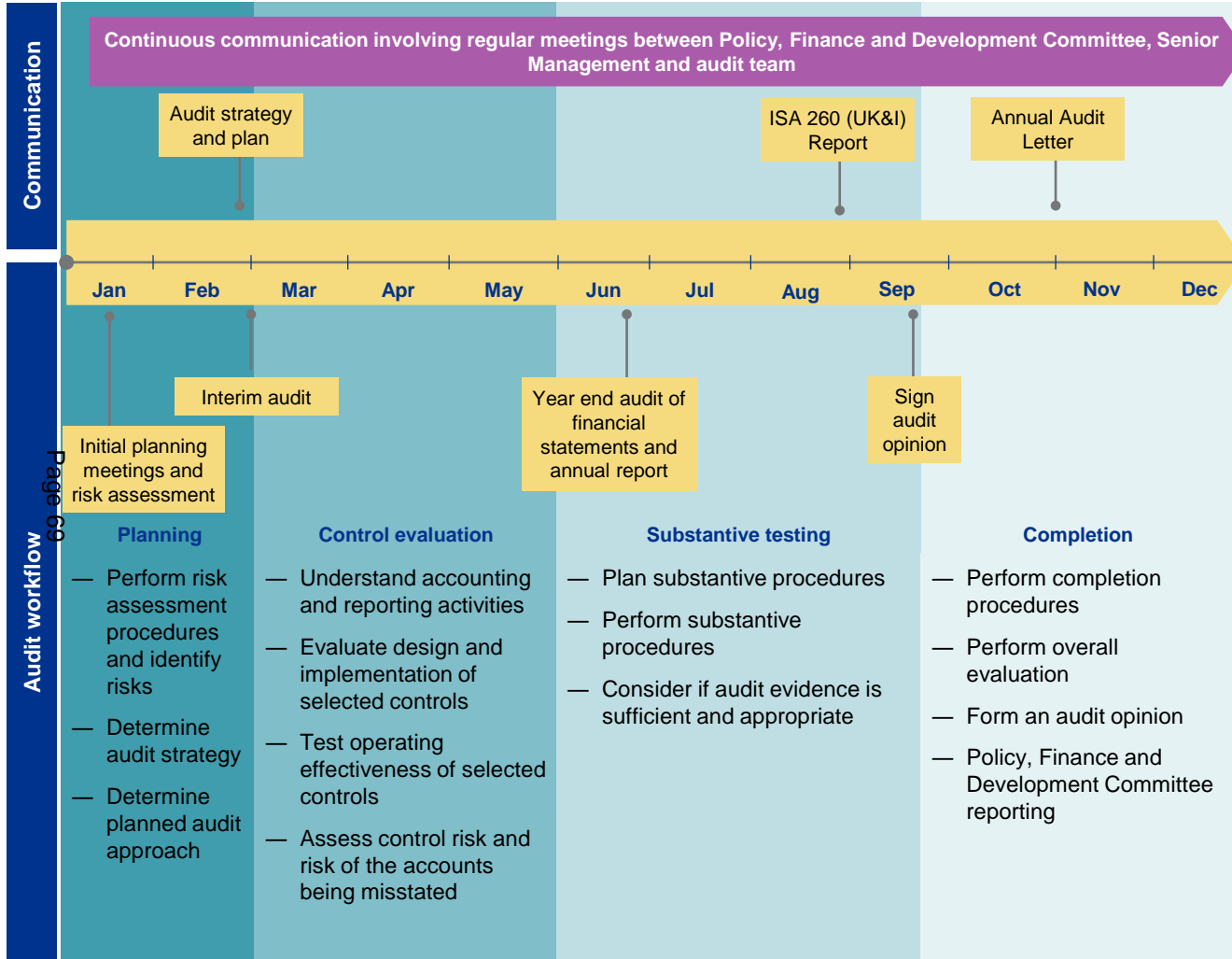
## Audit fee

*Our Audit Fee Letter 2016/17* presented to you in April 2016 first set out our fees for the 2016/17 audit. This letter also sets out our assumptions. We have not considered it necessary to make any changes to the agreed fees at this stage. But our audit fee may be varied later, subject to agreement with PSAA, for our work on the changes in the pension liability due to LGPS Triennial Valuation and changes in the Code, specifically this year the changes in relation to the disclosures associated with retrospective restatement of the CIES, EFA and MIRS.

The planned audit fee for 2016/17 is £42,784 + VAT (2015/16: £42,784).

Our audit fee includes our work on the VFM conclusion and our audit of the Authority's financial statements.

# Appendix 1: Key elements of our financial statements audit approach



## Driving more value from the audit through data and analytics

Technology is embedded throughout our audit approach to deliver a high quality audit opinion. Use of Data and Analytics (D&A) to analyse large populations of transactions in order to identify key areas for our audit focus is just one element. We strive to deliver new quality insight into your operations that enhances our and your preparedness and improves your collective 'business intelligence.' Data and Analytics allows us to:

- Obtain greater understanding of your processes, to automatically extract control configurations and to obtain higher levels assurance.
- Focus manual procedures on key areas of risk and on transactional exceptions.
- Identify data patterns and the root cause of issues to increase forward-looking insight.

We anticipate using data and analytics in our work around key areas such as journals.

# Appendix 2: Audit team



Your audit team has been drawn from our specialist public sector assurance department. Tony was part of the Oadby and Wigston Borough Council audit team last year. Sundeep and James have joined the audit team this year.



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<b>Name</b>	Tony Crawley
<b>Position</b>	Director
<b>Role</b>	<p>'My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.</p> <p>I will be the main point of contact for the Policy, Finance and Development Committee and Chief Executive.'</p>
<b>Contact Details</b>	<p>Tel: 0116 256 6067</p> <p>Email: tony.crawley@kpmg.co.uk</p>



<b>Name</b>	Sundeep Gill
<b>Position</b>	Audit Manager
<b>Role</b>	<p>'I provide quality assurance for the audit work and specifically any technical accounting and risk areas.</p> <p>I will liaise with the Interim Chief Financial Officer (Section 151 Officer) and other senior officers.'</p>
<b>Contact Details</b>	<p>Tel: 07798 572337</p> <p>Email: sundeep.gill@kpmg.co.uk</p>



<b>Name</b>	James Keen
<b>Position</b>	Assistant Manager
<b>Role</b>	<p>'I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants.'</p>
<b>Contact Details</b>	<p>Tel: 07774 707273</p> <p>Email: james.keen@kpmg.co.uk</p>



# Appendix 3: Independence and objectivity requirements

## Independence and objectivity

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Policy, Finance and Development Committee.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standards require us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Further to this auditors are required by the National Audit Office's Code of Audit Practice to:

- Carry out their work with integrity, independence and objectivity;
- Be transparent and report publicly as required;
- Be professional and proportional in conducting work;
- Be mindful of the activities of inspectorates to prevent duplication;
- Take a constructive and positive approach to their work;
- Comply with data statutory and other relevant requirements relating to the security, transfer, holding, disclosure and disposal of information.

PSAA's Terms of Appointment includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of PSAA audit work should not take part in political activity.

- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.
- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Auditors appointed by the PSAA should not accept engagements which involve commenting on the performance of other PSAA auditors on PSAA work without first consulting PSAA.
- Auditors are expected to comply with the Terms of Appointment policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the PSAA's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the Terms of Appointment.

## Confirmation statement

We confirm that as of March 2017 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.



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

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

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



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 28 March 2017</b>	<b>Matter for Information</b>
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**Title:** **Collection and Write-Off of Miscellaneous Debtors**

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

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**1. Introduction**

As part of the income collection process the Council's 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 Council's Financial Regulations.

**2. Recommendations**

That Members note the contents of the report.

**3. Information**

3.1. The Council's Finance Section is responsible for the raising and collection of around 1,500 invoices per annum, with an annual value of approximately £1.25 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; and
- iii. Legal action through the courts.

At the 28 February the Council has raised 1,257 invoices totalling £965,000 during 2016/17.

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

	<b>Days Overdue</b>				
	<b>0 – 90</b>	<b>90 – 182</b>	<b>182 – 365</b>	<b>365 - 730</b>	<b>Over 730</b>
<b>31 Dec 16</b>	76,416	11,262	28,698	42,091	124,412
<b>28 Feb 17</b>	63,693	6,074	16,620	33,326	132,939

Over the first two months of 2017 miscellaneous debt has continued to fall through careful management. Of the total debt of £253,000 approximately £100,000 (83 accounts) is actively managed through instalments.

In the fourth quarter to date the Council has:

- referred 16 cases to the Council's collection agent; and
- not written-off any debt.

Service departments are be updated on their debt portfolio on a regular basis by the Finance department as part of the collection process, with a further update brought to

this Committee in July 2017.

### 3.3. Requested Debt Write-Off

There are no write-offs in the second quarter which require Committee approval.

#### Background Documents:-

None.

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

**Tel:** (0116) 257 2891

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



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 28 March 2017</b>	<b>Matter for Information and Decision</b>
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**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 28 February 2017 and give an indication of the amount of unallocated balances.

## 2. Recommendations

- 2.1. That Members note the position of the Forums' budget.
- 2.2. That Members approve the allocation requested by the Forums as set out below.
- 2.3. That Members approve the allocation of additional funding as described in paragraph 3.5 below.

## 3. Information

- 3.1. The attached report at **Appendix 1** shows the financial position for the three Local Residents Forums at 28 February 2016. The report shows the actual spend at the end of February 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 28 February 2017
	£	£	£	£	£
<b>Wigston</b>	230,000	216,489	10,492	24,003	194,948
<b>South Wigston</b>	115,000	113,920	7,401	8,481	93,714
<b>Oadby</b>	230,000	220,714	11,075	20,361	198,515
	575,000	551,123	28,968	52,845	487,177

- 3.2. The Oadby Residents Forum met on the 28 February 2017 at which no requests for funding were made.
- 3.3. The South Wigston Residents Forum met on the 7 March 2017, at which no requests for funding were made.
- 3.4. The Wigston Residents Forum met on the 13 March 2017, at which the following request was made.

That a new cooker be fitted, by the Council, in the Sheila Mitchell Pavilion at an estimated cost of £400.

- 3.5. At the Policy, Finance and Development Committee in January Members were asked

to consider how an extra allocation of £73,000 should be split between the three forums. Two options which Members could consider are to divide the funds:

**i. In proportion to the original allocation.**

Forum	% age	Addition allocation	Current Available	New total
		£	£	£
Wigston	40	29,200	24,003	53,203
South Wigston	20	14,600	8,481	23,081
Oadby	40	29,200	20,361	49,561
	100	73,000	52,845	125,845

**ii. Equally between the three forums**

Forum	% age	Addition allocation	Current Available	New total
		£	£	£
Wigston	33.33	24,333	24,003	48,336
South Wigston	33.33	24,333	8,481	32,814
Oadby	33.33	24,333	20,361	44,694
	100	73,000	52,845	125,845

However Members may decide on any method of apportionment they deem to be appropriate.

**Background Documents:-**

None.

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

**Tel:** (0116) 257 2891

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

<b>OADBY RESIDENTS' FORUM</b>	<b>Approved amount</b>	<b>Actual amount spent at 28/02/17</b>	<b>Completed projects - balance available for reallocation</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Total allocated budget</b>	<b>230,000</b>	<b>230,000</b>	
<b>Spend at 1 April 2016</b>	<b>200,602</b>	<b>183,582</b>	<b>(11,494)</b>
Ellis Park drinking fountain/notice board refurbishment (PFD July 15)	1,800	1,624	176
Litter Bin placed on Uplands Park nr Manor Rd School (PFD July 15)	450	0	
Oadby Market Traders Festive Lights Grant (PFD Oct 15)	1,000	1,000	0
Grant to Friends of Brocks Hill (PFD Feb 16)	1,000	1,000	0
Howden Close Bus Shelter (PFD March 16)	3,500	520	
Grant to St peters Church to fund the Church Clock refurbishment (PFD March 16)	1,380	1,379	1
Litter bins - Coombe Park (PFD March 16)	900	0	0
Grant to Phoenix Theripies to assist support programes (PFD Nov 16)	1,700	1,700	0
Grant to Oadby Remembers to carry out WWI commemoration event (PFD Nov 16)	6,500	6,500	0
Grant to Oadby and Wigston Civic Society for conservation plaques (PFD Nov 16)	1,452	1,210	242
Grant Oadby and Wigston First Responders - Jackets (PFD Feb 17)	180	0	
Grant to 7Events - Defibulator (PFD Feb 17)	250	0	
<b>Schemes currently requiring completion</b>	<b>20,112</b>	<b>14,933</b>	<b>419</b>
<b>Total committed</b>	<b>220,714</b>	<b>198,515</b>	<b>(11,075)</b>
<b>Completed projects - unused balance available for reallocation</b>	<b>11,075</b>		
<b>Funds Remaining</b>	<b>20,361</b>		

<b>WIGSTON RESIDENTS' FORUM</b>	<b>Approved amount</b>	<b>Actual amount spent at 28/02/17</b>	<b>Completed projects - balance available for reallocation</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Total allocated budget</b>	<b>230,000</b>	<b>230,000</b>	
<b>Spend at 1 April 2016</b>	<b>208,272</b>	<b>193,548</b>	<b>(10,492)</b>
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	400	0
Litterbin at Horsewell lane (PFD July 16)	400	0	0
Refurbishment of Marrome Square (PFD July 16)	5,000	0	0
Grant to Phoenix Theripies to assist support programes (PFD Nov 16)	1,000	1,000	0
Grant Oadby and Wigston First Responders - Jackets (PFD Feb 17)	180		0
Grant to Little Hill Residents Assoc - leaf Blower (PFD Feb 17)	187		
Grant to Girls Guides Assoc - Purchase of a shed (PFD Feb 17)	300		
<b>Schemes currently requiring completion</b>	<b>8,217</b>	<b>1,400</b>	<b>0</b>
<b>Total committed</b>	<b>216,489</b>	<b>194,948</b>	<b>(10,492)</b>
<b>Completed projects - unused balance available for reallocation</b>	<b>10,492</b>		
<b>Funds remaining</b>	<b>24,003</b>		



	Approved amount	Actual amount spent at 28/02/17	Completed projects - balance available for reallocation
<b>SOUTH WIGSTON RESIDENTS' FORUM</b>			
	£	£	£
<b>Total allocated budget</b>	<b>115,000</b>	<b>115,000</b>	
<b>Spend at 1 April 2016</b>	<b>106,890</b>	<b>89,489</b>	<b>(7,401)</b>
South Wigston Market Traders Community Newsletter (PFD Oct 15)	500	0	
Civic Orchestra Commemorative Event (PFD Feb 16)	500	0	0
Oadby and Wigston Civic Society plaque at Train Station (PFD March 16)	450	225	0
S Wigston Traders grant for Christmas Capers (PFD July 16)	4,000	4,000	0
Grant for Step-Out Project (PFD July 16)	400	0	0
Grant to Phoenix Theripies to assist support programes (PFD Nov 16)	1,000	0	0
Grant Oadby and Wigston First Responders - Jackets (PFD Feb 17)	180	0	0
<b>Schemes currently requiring completion</b>	<b>7,030</b>	<b>4,225</b>	<b>0</b>
<b>Total committed</b>	<b>113,920</b>	<b>93,714</b>	<b>(7,401)</b>
<b>Completed projects - balance available for reallocation</b>	<b>7,401</b>		
<b>Funds remaining</b>	<b>8,481</b>		

# Agenda Item 11



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 28 March 2017</b>	<b>Matter for Decision</b>
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**Title:** Annual Review of Health and Safety

**Author:** Paul Evans (Health and Safety Officer)

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## 1. Introduction

- 1.1 The Annual Report is structured in such a way as to reflect Health and Safety Executive guidance. It summarises the Council's health and safety policies, procedures and activities which have taken place over the last year. It also sets out training programmes delivered, provides numerical and statistical data and the proposed health and safety objectives for the year.
- 1.2. Attached to this report at **Appendix 1**, is the Council's Health and Safety Annual Report which provides a summary of the Council's health and safety performance during the year April 2016 – early March 2017.
- 1.3. The Health and Safety Policy and Statement is also attached at **Appendix 2** for approval. This revised Policy has taken into account comments made by the Committee at its meeting on the 29 March 2016.

## 2. Recommendations

- 2.1. That Members approve the Annual Health and Safety Plan (at Appendix 1).
- 2.2. That Members approve the Health and Safety Policy (at Appendix 2).

## 3. Information

- 3.1. At the meeting of this Committee on the 29 March 2016 the report on health and safety stated that the policy and statement will be reviewed annually and also a report will be made on the performance. This report will therefore show the performance over the year and will also cover data monitoring such as accident statistics.
- 3.2. Managing corporate risk is a key issue for all organisations in the public, private and voluntary sectors. Risks can take on many forms and organisations need to have systems in place to manage those risks. One key risk area is the health and safety of a Council's employees, of its contractors, service users and Members of the public, who may be affected by its activities.

Effective management of health and safety risks will help the Council to:

- maximise the well-being and productivity of our employees;
  - maintain the well-being of contractors, service users and Members of the public
  - stop people getting injured, ill or killed by their work they do for the Council;
  - prevent damage to the Council's reputation in the eyes of service users, suppliers, other stakeholders and the wider community and public realm;
  - avoid damaging effects on certain financial areas.
- 3.3. The Annual Report includes appropriate health and safety information on the Council's activities and performance. This demonstrates to our stakeholder's the Council's

commitment to effective health and safety risk management and performance monitoring, to support our desire to continuously improve.

The Equality Assessment is attached at **Appendix 3**.

**Background Documents:-**

Report to Policy Finance and Development Committee of 29 March 2016

Health and Safety at Work etc Act 1974

Managing for Health and Safety (HSG65)

**Email:** paul.evans@oadby-wigston.gov.uk

**Tel:** (0116) 257 2608

Implications	
<b>Financial (CR)</b>	No significant implications.
<b>Legal (AC)</b>	Breach of Health and Safety Regulations is a criminal offence and can result in the Council being prosecuted by the Health and Safety Executive and if found guilty being fined or individuals imprisoned.
<b>Risk (PE)</b>	CR4 - Reputational Damage. CR6 - Reputation Governance. CR7 - Failure to Respond to a Significant Incident.
<b>Equalities (PE)</b>	No significant implications. An Initial Screening is attached to this report.
	Equality Assessment:-
	<input checked="" type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input type="checkbox"/> Not Applicable

# OADBY & WIGSTON BOROUGH COUNCIL



**Oadby & Wigston**  
BOROUGH COUNCIL

## HEALTH AND SAFETY ANNUAL REPORT 2016 TO 2017

Produced by Paul Evans  
Health and Safety Officer  
1 March 2017

## 1. Introduction and Overview

The Council recognises that health and safety are management responsibilities that rank equally with professional and service responsibilities.

The purpose of the Council's health and safety policy is to provide a framework around which a safe and healthy working environment can be maintained by good working practices concerning health and safety of the employees, public (including visitors to our premises), members and contractors within the Council.

Whilst legislation exists to enforce good standards of health and safety, all employees, the public (including visitors to our premises), members and contractors, should recognise their responsibility and actively ensure that all health and safety policies are adhered to.

This report has been produced in line with the Local Government Employer's (LGE) guidance.

The report covers the period from April 2016 to early March 2107 (and will be described in this Annual Report as 'financial year 2016/17'); it also makes a brief mention to the period December 2015 to end of March 2016 (commensurate with the appointment of the author)

## 2. Corporate Governance

**Elected Members of the Council** shall ensure that suitable resources are made available and take necessary strategic direction to discharge the Council's health and safety responsibilities and monitor, via reports, the overall performance of the Council's health and safety management systems.

**Chief Executive Officer (CEO)** will take overall responsibility for health & safety across the Council and lead in setting corporate policy and direction.

**Senior Management Team (SMT)** which consists of the Chief Executive, Chief Finance Officer and Director of Services are responsible for the management of risks at a corporate level.

**Service Managers** are responsible for managing the risks created by their service area's activities. In particular they should ensure that work related hazards are identified and risk assessments are undertaken and that these are communicated to all relevant parties, monitored and updated.

### 3. Statistical Information

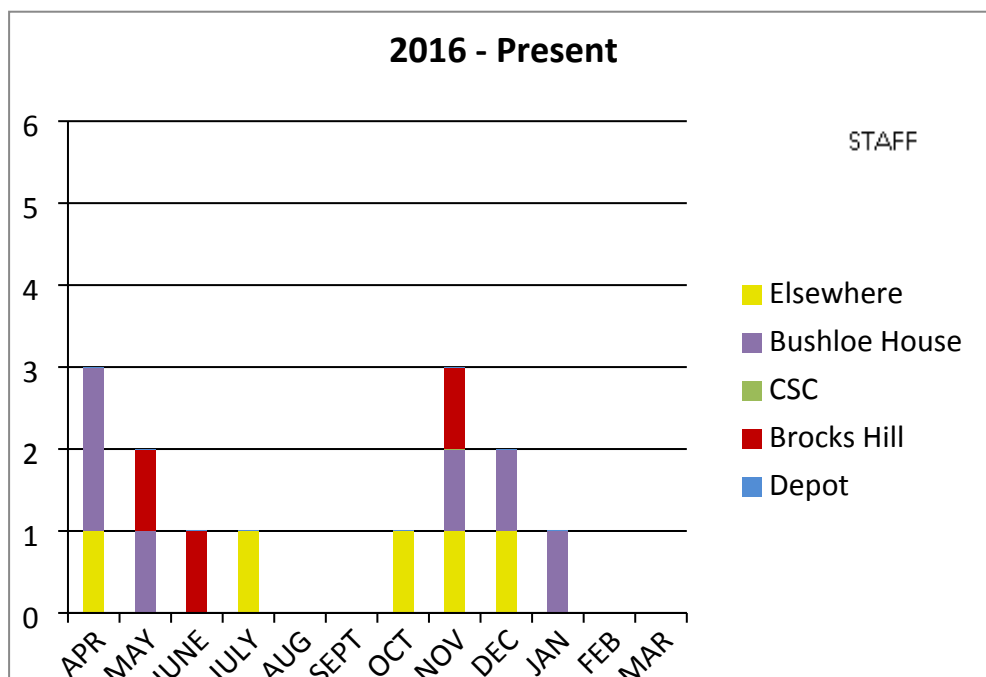
**Regulatory Interventions:** There have been no regulatory interventions this financial year either from the Health and Safety Executive or the Leicestershire Fire & Rescue Service.

**Auditing Activity:** The Council's Internal Auditor, CW Audit has carried out audits on: corporate health & safety (2015/16); depot health & safety (2016/17) with updates on progress regularly reported to this Committee.

The audits carried out by the Health and Safety Officer are principally on progress on the Fire Risk Assessment Action Plans.

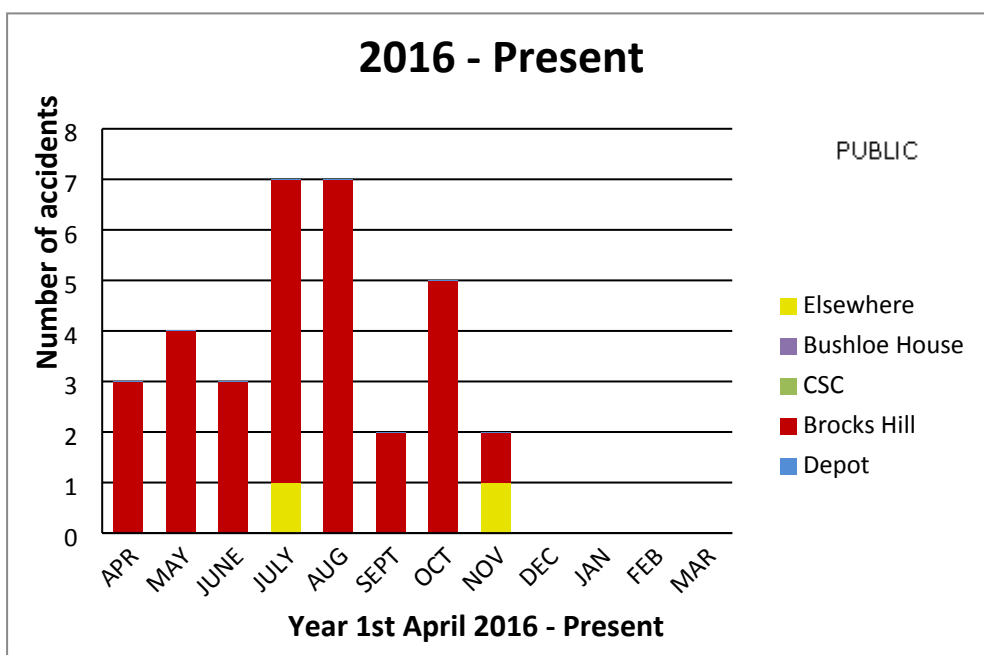
**Accident Statistics:** The two tables below show the number of accidents at each Council owned location and 'elsewhere'. Accidents categorised as 'elsewhere' are normally staff from the depot who have accidents on site whilst collecting refuse/ recycling or undertaking grounds maintenance or street cleansing works.

*Table 1: Staff Accidents via location*



The Table 1 above shows 14 accidents occurring in 2016/17 for staff related activities. Fortunately none were serious or reportable and principally consisted of 'slips, trips and falls'.

Table 2: Public Accidents via location



The Table 2 above shows 33 accidents occurring in 2016/17 for public related activities. Again, as similar to staff in Table 1, fortunately none were serious or reportable and principally consisted of ‘slips, trips and falls’. The accidents at Brocks Hill, as the table indicates, are usually in the school summer term and consists of small cuts and grazes.

**Accidents (RIDDOR):** The Council has had no reportable accidents this financial year. One accident in February 2016 was reportable under RIDDOR.

#### 4. Partnerships

The Health and Safety Officer attends the Leicester, Leicestershire and Rutland Safety Advisers Group meetings where technical information is discussed.

#### 5. Joint Consultation

The Health and Safety Group had its first meeting in March 2016 and meets every three months. Attendees are from various teams within the Council and also represent all key buildings. Representation is also from the trade unions, senior management and the Health and Safety Officer. There is regular discussion on accidents; fire evacuation procedure; risk assessments; lone working and other important elements. All agenda items and notes of the meetings are available for staff on the Intranet.

## 6. Key Activities 2016/17

The Health and Safety Policy was submitted to this Committee in March 2016 and approved. In July 2016 a revised policy was submitted to Strategic Management Team for approval which reduced the content of the original document and focused more on strategic delivery and also risk assessments. This revised document is attached at Appendix 2 to the main report. A shortened version of Appendix 2 is also available on the intranet for staff to utilise. The non exhaustive list below shows a number of areas that the Health and Safety Officer has been involved in this financial year:

- The health and safety knowledge bank on the Intranet is being populated on a regular basis. The emphasis at the moment is on lone working and the relationship between the Customer Alert System.
- Fire evacuations have been successfully carried out at Bushloe House (x2), Customer Services (x2), the depot and Brocks Hill over the last twelve months. Revised fire evacuation plans have been produced for all the above properties.
- The existing risk assessments at the depot are currently being revised and updated where necessary. A handbook of safe working practices for each team based on these risk assessments is currently being prepared
- Display screen assessments for the majority of staff have been undertaken and recorded by managers and their teams. No significant issues have arisen.
- The Customer Alert System (CAS) is shortly to be rolled out to staff, as is the Lone Worker policy. The CAS, jointly developed by the Welfare and Taxation Manager; Interim Corporate Resources Manager & the Health and Safety Officer, will inform those members staff who carry out lone working type activities where there could be potential issues when visiting certain types of addresses in the Borough. The Lone Worker policy will also give guidance on the risk assessment process and also personal safety.
- First Aid training and re-training has been undertaken in order to keep within guidelines suggested by St John's Ambulance for the ratios of First Aiders/ staff (Note 1)
- A briefing to Councillors on health and safety was undertaken early in 2016
- Responses to the internal audit reports on health and safety based on the Action Plans have been carried out
- Training in the topics of 'general awareness in health and safety and also fire evacuation' for depot staff was carried out in February 2017.
- The Boulter Crescent Community Flat and officers who work from there was subject to an in-depth risk assessment process.



- Various levels of assistance were given to members of staff who had roles in planning events such as at Brocks Hill and the VC ceremony at Bell Street.

## 7. Action Plan 2017/18

The main focus in 2017/18 will be:

- Ensuring that the Customer Alert System is utilised by managers & staff and revised where appropriate with new knowledge
- Incidents recorded on the Customer Alert System over the next financial year will be reported to the Committee as part of the Annual Report for 2017/2018.
- Considering the effectiveness of the new Lone Worker policy
- Providing guidelines and procedures in the risk assessment process in all areas
- Consideration of reporting contractors performance in health and safety
- Other areas as suggested by the Health and Safety Group

## 8. Conclusion

The role of health and safety at both senior management team and by all officers is increasing in importance and in profile. The dissemination of information by emails, Health and Safety Group, Notice Boards and the Intranet is assisting in this process. The recent focus on Lone Working has also brought health and safety to a much wider audience within the Council.

The work in 2017/18 will build on these foundations and lead to more informed officers on their role within health and safety culture.

Notes:

1.

<i>FIRST AID CALCULATIONS (as at 22 February 2017)</i>						
	<i>Numbers of Staff</i>	<i>Actual Number of First Aiders</i>	<i>Suggested Number of First Aiders (St John's Ambulance)</i>	<i>Suggested Cover</i>	<i>Total</i>	<i>Over and Above</i>
<i>Customer Service Centre</i>	18	5	2	2	4	(1)
<i>Brocks Hill</i>	9	2	1	1	2	0
<i>The Depot</i>	54	4	2	1	3	(1)
<i>Bushloe House</i>	101	4	3	1	4	0

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## Contents

- Health and Safety Statement
- Introduction
- Roles and Responsibilities
- Risk Assessments
- Personal Protective Equipment
- Monitoring and Review

## General Statement of Health and Safety Policy

The Council recognises that good health and safety management supports the delivery of our services to the people of Oadby and Wigston. Oadby and Wigston Borough Council is committed to providing and maintaining a healthy and safe working environment for all its employees, and in ensuring that their work does not adversely affect the health and safety of other people such as service users, visitors and contractors.

In order to achieve this aim the Council has the following key objectives:

- as a minimum, to comply with requirements of relevant legislation;
- to identify hazards (the potential for harm), assess risks (the likelihood of that harm being realised) and manage those risks from our premises and works;
- to provide suitable induction training for all new employees, visitors, members and contractors;
- to ensure that employees (and others as appropriate) are adequately informed of the identified risks and where appropriate receive instruction, training and supervision;
- to consult with employees on health and safety matters;
- to provide and maintain safe and healthy premises and work equipment;
- to provide a safe working environment;
- to ensure that employees are competent to do their tasks, providing training and personal protective equipment where necessary;
- to ensure that contractors are competent to manage the health and safety aspects of their work;
- to maintain appropriate health and safety management systems and arrangements;
- to monitor and review the effectiveness of the safety management systems and arrangements and where appropriate implement improvements.



Mark Hall  
*Chief Executive*

Date:



Councillor John Boyce  
*Leader of the Council*

Date:

## Introduction

The Council recognises that health and safety are management responsibilities that rank equally with professional and service responsibilities.

The purpose of this policy is to provide a framework around which a safe and healthy working environment can be maintained by good working practices concerning health and safety of the employees, public (including visitors to our premises), members and contractors within the Council.

Whilst legislation exists to enforce good standards of health and safety, all employees, the public (including visitors to our premises), members and contractors, should recognise their responsibility and actively ensure that all health and safety policies are adhered to.

## Roles and Responsibilities

**Elected Members of the Council** shall ensure that suitable resources are made available and take necessary strategic direction to discharge the Council's health and safety responsibilities and monitor, via reports, the overall performance of the Council's health and safety management systems.

**Chief Executive Officer (CEO)** will take overall responsibility for health & safety across the Council and lead in setting corporate policy and direction.

**Senior Management Team (SMT)** which consists of the Chief Executive, Chief Finance Officer and Director of Services are responsible for the management of risks at a corporate level. They should ensure that:

- robust health and safety management systems, arrangements and procedures exist in each service area that are aligned to the corporate health and safety policy and any subordinate policies or procedures that affect the entire council.
- ensuring appropriate consultation with staff on health and safety matters takes place with assistance from the Health and Safety Officer
- their managers are competent in health and safety management techniques
- they are involved in the investigation of major accidents or incidents of corporate significance

**Service Managers** are responsible for managing the risks created by their service area's activities. In particular they should ensure that:

- SMT are supported in meeting their health and safety responsibilities and show clear leadership and commitment to health and safety, in order to promote a positive health and safety culture.
- adequate resources are available to manage risks
- work related hazards are identified and risk assessments are undertaken and that these are communicated to all relevant parties, monitored and updated
- health and safety documentation is produced for risks specific to their service areas
- When procuring contractors and suppliers ensure that suitable risk assessments and method statements are provided prior to work commencing

**Team Leaders and other Supervisory Staff** have day-to-day responsibility for managing health and safety of the people, activities, sites, plant, materials under their control or who organise work for others.

- Ensure that risk assessments have been undertaken and reviewed on a regular basis, controls are implemented and they are communicated to relevant persons.

- Provide suitable personal protective equipment or other control measures identified in the risk assessments
- Ensure staff under their control cooperate with measure provided for their health and safety
- Consult with staff on health and safety matters
- Ensure that facilities, plant, tools and equipment are safe and all records are maintained
- Monitor health and safety performance
- Investigate all accidents/incidents/ 'near-misses', record findings and review
- Ensure that training is identified and arranged

**Employees** will take reasonable care of their own health and safety and that of others affected by their acts or omissions. Any breaches of health and safety arrangements will be subject to the Council's formal employment procedures. In particular all employees will:

- Co-operate with the council's management to enable risks to be controlled and achieve compliance with legislation
- Keep all tools, plant, equipment and protective clothing issued for personal use in good condition and utilise it in conjunction with other safety controls in accordance with the information, instruction and training provided and to not intentionally misuse it.
- Report to a manager or the Health and Safety Officer any health and safety problem which they cannot deal with themselves or any limitation they consider to be in the health and safety policy
- Report to a manager any accident or near miss incident

**Health and Safety Officer (H&SO)** will be responsible for the distribution of information for effective management systems on health and safety matters. This professional role is essentially advisory. The Health and Safety Officer will also be responsible for monitoring and reviewing the arrangements for the management of corporate health, safety and welfare matters as follows:

- To support SMT, managers, team leaders and supervisory staff to meet their health and safety responsibilities
- To review, monitor and take action in relation to health and safety performance and to effectively audit systems in order to ensure that health and safety management arrangements are in operation.
- To ensure accident and incident reporting procedures are maintained and internal investigations are undertaken
- To liaise with enforcement agencies on the council's behalf
- To advise on relevant changes in legislation
- Facilitate the Health and Safety Group

## **Risk Assessments**

The Council's policy is to ensure that all significant tasks, jobs and operations within the Council's undertaking are subject to suitable and sufficient risk assessment. The risk assessments must be a thorough, careful and systematic evaluation of work tasks, situations or premises which identify all significant hazards and associated risks so that suitable precautions can exist and consideration be given to implementation of further measures to reduce the hazards to the lowest practicable level. The Council accepts this is a fundamental risk management process within the Authority.

All members of staff must play their part in the implementation of risk assessment by adhering to the procedures in place to ensure the protection of all persons affected by the Council's undertakings. Additionally, employees must report any significant changes in their work methods or equipment that may alter the status of any existing risk assessments to their Manager.

## **Personal Protective Equipment**

- Systems of work shall be selected which avoid the use of PPE wherever reasonably practicable. PPE shall be regarded as the last resort to protect against risks to Health and Safety.
- PPE shall be supplied free of charge to all employees. Service areas are responsible for obtaining and paying for PPE required by their staff, to include any storage and maintenance required.
- Service Managers must identify the need for any PPE in a suitable and sufficient risk assessment. The risk assessment should identify:
  - that the equipment is appropriate to risk and working conditions;
  - that it does not increase risks or place any unreasonable demands on the user's health and ability to work safely;
  - it adjusts/fits properly;
  - compatibility of different items of PPE used together.
- Staff must be properly informed and trained in the use of PPE.
- All PPE must be maintained and stored properly in accordance with supplier's instructions.
- Staff must follow instructions on when/how to use PPE if the need has been identified.
- Staff must treat PPE supplied to them with care and report defects immediately.

## **Monitoring and Review**

This policy will be reviewed by the Policy, Finance and Development Committee on an annual basis.

~\*~



**Oadby & Wigston**  
BOROUGH COUNCIL

## **EQUALITY ASSESSMENT**

### **PART 1 - INITIAL SCREENING**

|                                 |                                     |                                                                      |
|---------------------------------|-------------------------------------|----------------------------------------------------------------------|
| <b>Name of Policy/Function:</b> |                                     | This is <b>new</b>                                                   |
| Health and Safety Policy        |                                     | This is a <b>change</b> to an existing policy                        |
|                                 |                                     | This is an <b>existing</b> policy, Function, not previously assessed |
|                                 | <input checked="" type="checkbox"/> | This is an existing policy/function for <b>review</b>                |

|                          |                  |
|--------------------------|------------------|
| <b>Date of screening</b> | 22 February 2017 |
| <b>Name of screener</b>  | Peter Evans      |

#### **1. Briefly describe its aims & objectives**

To implement a Health and Safety Policy that will ensure the health, safety, welfare and security of employees, employees of other organisations working with the Council and the general public. To identify, eliminate, reduce and control the risks associated with our facilities and undertakings.

The Council will provide suitable and sufficient resources to meet the requirements of Health and Safety legislation.

Health and Safety performance will be monitored regularly and the Policy will be reviewed and revised every twelve months.

#### **2. Are there external considerations?**

*e.g. Legislation/government directive etc*

Health and Safety at Work etc Act 1974.

Managing for Health and Safety.

Approved codes of practice, statutory instruments and associated legislation.

### 3. Who are the stakeholders and what are their interests?

All Council employees, all employees of other organisations working with and for the Council, councillors and the general public. All stakeholders have an interest in their own and others health, safety, welfare and security.

### 4. What outcomes do we want to achieve and for whom?

To prevent accidents and cases of work-related ill health by managing the health and safety of risks in the workplace.

To maintain safe and healthy working conditions and to provide and maintain plant, equipment and machinery, and ensure safe storage/use of substances. To see a reduction in accidents on a year by year basis and to ensure that staff are more aware of risk and hazards.

To engage and consult with employees on health and safety in order to increase health and safety awareness with individuals and within teams.

### 5. Has any consultation/research been carried out?

The Health and Safety Policy was considered at the Policy, Finance and Development Committee on the 29 March 2016 and at the Health and Safety Group.

A Health and Safety Policy is a legal requirement under the Health and Safety at Work Act, and this revision takes into account previous versions, health and safety policies from other councils and good practice.

### 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 and satisfaction levels, complaints, comments, research, outcomes of review, issues raised at previous consultations, known inequalities) If so please provide details.*

There are no concerns about any negative impacts. If there are any issues picked up during any future satisfaction surveys or audit reviews on council services that may impact on health and safety, these issues will be incorporated into any future reviews.

### 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 - A risk assessment of the workplace must be carried out for employees with disabilities and any areas identified that are additional requirements would be provided.          |
| Race (including Gypsy & Traveller) | Neutral                                                                                                                                                                                 |
| Age                                | Positive - A risk assessment of the workplace must be carried out for employees who are young persons and any areas identified that are additional requirements would be provided.      |
| Gender Reassignment                | Neutral                                                                                                                                                                                 |
| Sex                                | Neutral                                                                                                                                                                                 |
| Sexual Orientation                 | Neutral                                                                                                                                                                                 |
| Religion/Belief                    | Neutral                                                                                                                                                                                 |
| Marriage and Civil Partnership     | Neutral                                                                                                                                                                                 |
| Pregnancy and Maternity            | Positive - A risk assessment of the workplace must be carried out for employees who are pregnant or returning from maternity leave and any actions would be taken to address any issues |

**8. Could other socio-economic groups be affected?**

*e.g. carers, ex-offenders, low incomes, homeless?*

No.

**9. Are there any human rights implications?**

Yes, the Council has a duty of care to ensure that the workplace is a safe and healthy environment.

**10. Is there an opportunity to promote equality and/or good community relations?**

In carrying out the review, it shows the Council is acting to promote equality of opportunity (being fair) in addressing perceived /unmet need for staff/the public (those pregnant/disabled) in identifying opportunities where none or little existed before.

**11. If you have indicated a negative impact for any group is that impact legal?**

*i.e. not discriminatory under anti-discrimination legislation*

No.

**12. Is any part of this policy/service to be carried out wholly or partly by contractors?**

Yes. The risk factor would in part be governed in accordance with the Equality Act 2010 Section 149 the Public Sector Equality Duty.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/85041/equality-duty.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85041/equality-duty.pdf)

**13. Is a Part 2 full Equality Assessment required?**

N/A

**14. Date by which a Part 2 full Equality Assessment is to be completed with actions.**

N/A

We are satisfied that an initial screening has been carried out and a full equality assessment **is not required\*** (please delete as appropriate).

Completed by Paul Evans Date 22/02/2017  
(Policy/Function/Report written)

Countersigned by Karen Pollard Date 22/02/2017  
(Head of Service)

Please forward an electronic copy to: [veronika.quintyne@oadby-wigston.gov.uk](mailto:veronika.quintyne@oadby-wigston.gov.uk)  
(Community Engagement Officer)

Equality Assessments shall be published on the Council website with the relevant and appropriate document upon which the equality assessment has been undertaken.



|                                                  |                               |                                            |
|--------------------------------------------------|-------------------------------|--------------------------------------------|
| <b>Policy, Finance and Development Committee</b> | <b>Tuesday, 28 March 2017</b> | <b>Matter for Information and Decision</b> |
|--------------------------------------------------|-------------------------------|--------------------------------------------|

**Title:**                    **Asset of Community Value Nomination for Highcroft Park, Oadby**

**Author:**                **Adrian Thorpe (Planning, Development and Regeneration Manager)**

---

**1. Introduction**

- 1.1. Section 88 of the Localism Act (2011) and the Assets of Community Value (England) Regulations (2012) set out the procedures for communities wishing to identify Assets of Community Value (ACV) and to have them listed.
- 1.2. A nomination has been received from Highcroft Householder Association (HHA) to list Highcroft Park in Oadby as an Asset of Community Value. This report provides an overview of the application that has been submitted by Highcroft Householders Association and a summary of the regulations that must be considered when the Council determines the application.

**2. Recommendations**

It is recommended that Members approve the nomination of Highcroft Park, Oadby, as an Asset of Community Value on the basis that it has been made by a qualifying community group and that the nominated asset “furthers the social wellbeing or social interests of the local community”.

**3. Background to Assets of Community Value**

- 3.1. The Localism Act 2011 (“the Act”) and the Assets of Community Value (England) Regulations 2012 introduced a right for voluntary or community groups to nominate buildings or pieces of land which contribute to the “social wellbeing or social interests” of the local community to be listed on a Assets of Community Value (ACVs) register which is managed and maintained by the relevant Local Authority.
- 3.2. Nominations can apply to public or private assets, although there are certain exemptions, including private homes.
- 3.3. The statutory tests which the Council must apply when assessing a nomination are:
  - (i) Its main use furthers the social wellbeing or cultural, recreational or sporting interests of the local community; and it is realistic to think that the main use will continue to further the social wellbeing or cultural, recreational or sporting interests of the local community; or,
  - (ii) Where the main use does not currently have such a community benefit, in the “recent past” it did have and the Council considers it likely that it would be able to have such a use in the next 5 years.
  - (iii) That the nomination is a community nomination made by a community or voluntary organisation or group which qualifies under the Act to make the nomination.
- 3.4. Where either criterion i) or ii), and criterion iii) of the above is met, the Council must list the land or building on its register of Assets of Community Value.

- 3.5. If the Council lists the nominated land, a restriction is placed on the asset when the land is registered. If the owner wishes to sell the asset or to lease it for more than 25 years, the owner is legally obliged to notify the Council. At this point, the Council will then need to inform the nominating group which begins an interim moratorium period of six weeks where the nominating group or any other eligible community group may register an interest in bidding for the asset. If during the six weeks a local community group expresses an interest in taking on the asset and continuing its community use, then the sale or lease is delayed for a six month period. This is designed to give the community group the opportunity to raise funds to try to purchase the asset at market value.
- 3.6. The owner is under no obligation to accept the community's bid over any other bid. There is no 'right of first refusal' for the community group, only the right to request the moratorium. The owner is free to work with other potential buyers and stimulate the wider market during the moratorium
- 3.7. Therefore, the Act enables local constituted groups to have a say in the future role of listed assets and if able, these bodies can delay the sale or lease by up to six months and in which time, they can put in a proposal to buy it themselves.
- 3.8. If an asset is listed, the asset owner has the right to appeal against this, initially through an internal review process and subsequently through an appeal to the First Tier Tribunal. The Council may be liable for costs associated with this and/or costs incurred to a property owner or former owner through loss or expense as result of the land being listed as an asset of community value.
- 3.9. If an asset is not listed, the Council must communicate its reasoning to the nominating group but the nominating group has no right to appeal against the decision.

#### **4. Nomination**

- 4.1. As a registered charity, Highcroft Householders Association submitted an application to nominate Highcroft Park, Oadby, as an Asset of Community Value (ACV) which was formally acknowledged by the Council on Wednesday, 1 February 2017. The land is located to the rear of residential properties on Ash Tree Road, Glen Way and Park Crescent, Oadby. Please note, a red-line plan indicating the location of the nominated land is attached as **Appendix 1** at the end of this report.
- 4.2. Highcroft Householders Association submitted the following information in support of their nomination:
  - an Assets of Community Value nomination form;
  - a red-line location plan;
  - evidence of the organisation's legal status;
  - evidence that the land is under the ownership of Highcroft Householders association; and,
  - evidence and supporting evidence to accompany the application, including a comprehensive selection of letters and pictures from local residents of varying ages explaining why the park is a real asset to their community.
- 4.3. As part of their nomination form, Highcroft Householders Association suggest that the park should be placed on the Council's Local List of Assets of Community Value Register because:

*“Highcroft Park is unique. We know of no other community-owned park like this in the Borough. Its value is greater than simply as a place for exercise and to hold events.*

*It brings more people together than would otherwise meet and it supports the socialisation and independence of children. The park was established in 1957 and we want to ensure it remains as it is for the future benefit of residents.*

*For almost 60 years it has been a protected space managed and cared for by local residents. It is owned by Highcroft Householders Association who bought the land for one shilling. The conveyance document stipulated that the land should remain open and without any permanent fixtures. Hard ball games, dogs and other animals are not permitted and it now includes mature trees with preservation orders, a small woodland area, a wild meadow and willow tunnel. Wildlife in the park includes a variety of grassland and hedgerow wildflowers, at least 12 species of butterfly, bats, hedgehogs and a wide range of birds.*

*As well as its natural assets, the park is primarily the focus for neighbourhood gatherings and events, particularly in the summer. Each year there is a lively calendar of activities including a Rounders match, BBQs, cream teas, art activities, 5-aside football, impromptu music recitals and camp outs. We held parties for the Queen's Silver and Diamond Jubilees and celebrate individual's birthdays and organise carol singing and a Christmas meal for those who wish to join.*

*Each year residents come together to agree a programme of maintenance which includes a grass cutting rota, Spring clean, bulb planting and tree pruning. An annual voluntary fee (currently £10) is also agreed and Members of the Committee go round to invite residents to contribute.*

*For many, the park means more than participating in annual events. For those with children it has been a safe place to play away from the street, to explore, make friendships and develop independence. Places like this are becoming rarer now but increasingly important. It provides an opportunity to meet socially on regular occasions and to get to know each other. We are a diverse group with our origins and family connections in Asia, Africa, Latin America and Europe. The park brings people together and supports a greater understanding between us.*

*Highcroft Park is located in a popular residential neighbourhood close to a cluster of oversubscribed schools and within commuting distance of Leicester. House prices here have increased significantly in recent years and the HHA's trustees want to make sure there is no basis for challenge on the ownership of the land and that we secure it for the future as a tranquil place for the benefit of residents.*

*We believe that registering the park as an Asset of Community Value will help to make this a reality".*

## **5. Timescale for Determining the Nomination**

The Council must decide whether or not to list the nomination as an Asset of Community Value within 8 weeks of receiving the nomination. Highcroft Householders Association's nomination was formally received by the Council on Wednesday, 1 February 2017 and therefore, a decision on this nomination must be made by Wednesday, 29 March 2017.

## **6. Assessment of Nomination**

- 6.1. Officers undertook a site visit on Tuesday, 14 February 2017, where they met two Members of the Highcroft Householders Association. Upon visiting the park and having read through the nomination submission, it is clear that Highcroft Park plays an important and valuable role for this community, fully encapsulating the objectives of an Asset of Community Value.

- 6.2. Highcroft Householders Association has demonstrated to the Council in its submission the role that this space plays in *furthering the social wellbeing or cultural, recreational or sporting interests of the local community*; and it is realistic to think that the main use will continue to further the social wellbeing or cultural, recreational or sporting interests of the local community for a long time to come, thus satisfying criterion (i) of the statutory tests.
- 6.3. Highcroft Householders Association is eligible to make a nomination as a ‘registered charity’, thus satisfying criterion (iii) of the statutory tests, also.

## 7. Potential Risks to the Council

Please refer to the ‘Implications’ section, below.

## 8. Next Steps

Should Members resolve to designate Highcroft Park as an Asset of Community Value, Officers will inform the Highcroft Householders Association of the decision and update the List of Assets of Community Value register on the Council’s website (on the dedicated Community Right to Bid web page). The Council’s Legal team will also inform the Land Registry of the designation, as well as update the Local Land Charges Register.

### Background Documents:-

None.

**Email:** ed.morgan@oadby-wigston.gov.uk

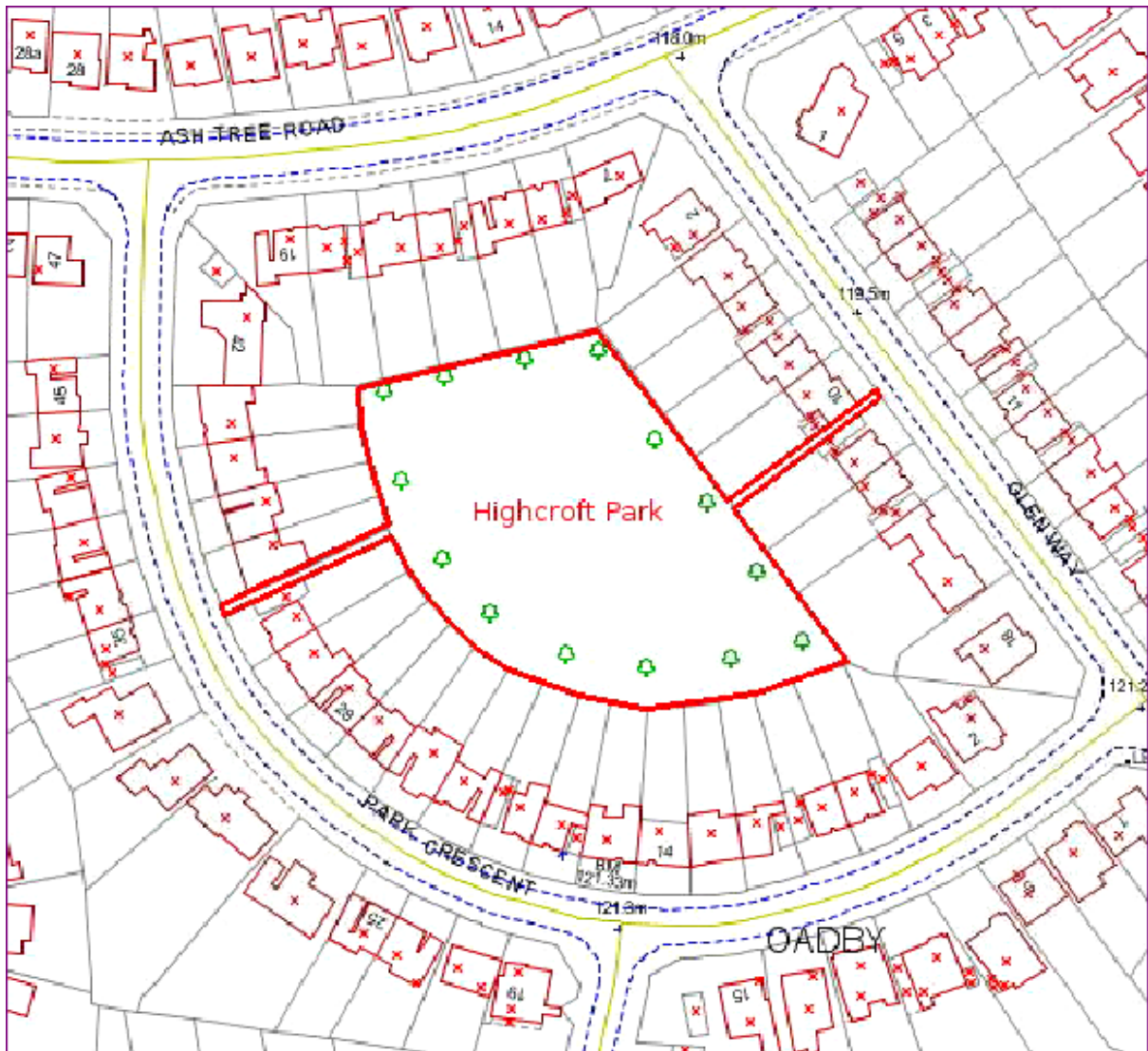
**Tel:** (0116) 257 2650

| Implications          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial (CR)</b> | Property owners, and former owners, who believe they have incurred loss or expense as a result of their land being listed as an ACV may be able to claim compensation from the Council. The DCLG Community Right to Bid: Non-Statutory advice note for local authorities (2012) states that central government will meet the costs of compensation payments paid by local authorities of over £20,000 in a financial year (either for a single claim or a number of smaller claims). However, in this instance, the nominated land is owned by the nominating body and therefore, the risk of receiving a compensation claim for this ACV nomination is minimal. |
| <b>Legal (AC)</b>     | The Localism Act 2011 and the Assets of Community Value (England) Regulations 2012 requires local authorities to maintain a list of buildings and other land in its area that are registered Assets of Community Value and ensure that when such land is to be sold, local community groups have the opportunity to delay the sale to enable them to prepare a bid to buy it. The owner of the asset also has a right to claim compensation attributable to the listing. Upon approving a nomination, local authorities must also inform the Land Registry and update the Local Land Charges Register.                                                           |
| <b>Risk (AT)</b>      | <b>CR1: Decreasing Financial Resources</b><br>Property owners, and former owners, who believe they have incurred loss or expense as a result of their land being listed as an ACV may be able to claim compensation from the Council. The DCLG Community Right to Bid: Non-statutory advice note for local authorities (2012) states that central government will meet the costs of compensation payments paid by local authorities of over £20,000 in a financial year (either for a single claim or a number of smaller claims).                                                                                                                               |

|                               |                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | <p><b>CR6: Regulatory Governance</b><br/> The Council is determining this ACV nomination on the basis of The Localism Act 2011; The Assets of Community Value (England) Regulations 2012; and, DCLG's Community Right to Bid: Non-Statutory advice note for local authorities (2012). Consideration should be given to preparing a locally adopted procedure.</p> |
| <p><b>Equalities (AT)</b></p> | <p>An equality impact screening assessment has been carried out and there are no equality and diversity implications arising from this report.</p> <p>Equality Assessment:-</p> <p><input checked="" type="checkbox"/> Initial Screening    <input type="checkbox"/> Full Assessment    <input type="checkbox"/> Not Applicable</p>                               |

# Appendix 1

## Asset of Community Value Nomination for Highcroft Park, Oadby Brocks Hill Ward, Oadby, LE2 5YH







**Oadby & Wigston**  
BOROUGH COUNCIL

## EQUALITY ASSESSMENT

### PART 1 - INITIAL SCREENING

|                                                                  |                                     |                                                                      |
|------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------|
| <b>Name of Policy/Function:</b>                                  | <input checked="" type="checkbox"/> | This is <b>new</b>                                                   |
| Asset of Community Value<br>Nomination for Highcroft Park, Oadby | <input type="checkbox"/>            | This is a <b>change</b> to an existing policy                        |
|                                                                  | <input type="checkbox"/>            | This is an <b>existing</b> policy, Function, not previously assessed |
|                                                                  | <input type="checkbox"/>            | This is an existing policy/function for <b>review</b>                |

|                          |                  |
|--------------------------|------------------|
| <b>Date of screening</b> | 22 February 2017 |
| <b>Name of screener</b>  | Ed Morgan        |

#### 1. Briefly describe its aims & objectives

The Localism Act (2011) and the Assets of Community Value (England) Regulations (2012) set out the opportunities and procedures to follow for communities wishing to identify assets of community value and have them listed.

A nomination has been received from Highcroft Householders Association to list Highcroft Park as an Asset of Community Value. This report provides an overview of the application that has been submitted by Highcroft Householders Association and a summary of the regulations that must be considered to inform the Council's decision.

#### 2. Are there external considerations?

*e.g. Legislation/government directive etc*

The Localism Act (2011) and the Assets of Community Value (England) Regulations (2012), as well as DCLG's Community Right to Bid: Non-statutory advice note for local authorities (2012).

#### 3. Who are the stakeholders and what are their interests?

The Council; the nominating group (Highcroft Householders Association, a registered

charity); and, the land owner (also Highcroft Householders Association).

#### 4. What outcomes do we want to achieve and for whom?

To assess the nomination of Highcroft Park, Oadby Brocks Hill Ward, Oadby, LE2 5YH (Land between Ash Tree Road, Glen Way and Park Crescent, Oadby) to be listed as an Asset of Community Value Register for the Borough of Oadby and Wigston. The Council will assess this application against the national guidance available at this time.

#### 5. Has any consultation/research been carried out?

Yes.

The Council received a nomination form and supporting evidence from the applicant and a full assessment of this application, together with a site visit, has been carried out. The Council has notified all interested parties and followed guidelines as set out in The Localism Act (2011) and the Assets of Community Value (England) Regulations (2012), as well as DCLG's Community Right to Bid: Non-statutory advice note for local authorities (2012).

#### 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 and satisfaction levels, complaints, comments, research, outcomes of review, issues raised at previous consultations, known inequalities) If so please provide details.*

No.

#### 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                         | Neutral                               |
| 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, homeless?*

No.

**9. Are there any human rights implications?**

No.

**10. Is there an opportunity to promote equality and/or good community relations?**

Yes. The application is seeking to protect Highcroft Park by placing it on an Asset of Community Value Register, thus recognising its value to the local community.

**11. If you have indicated a negative impact for any group is that impact legal?**

*i.e. not discriminatory under anti-discrimination legislation*

N/A.

**12. Is any part of this policy/service to be carried out wholly or partly by contractors?**

No.

**13. Is a Part 2 full Equality Assessment required?**

N/A

**14. Date by which a Part 2 full Equality Assessment is to be completed with actions.**

N/A

We are satisfied that an initial screening has been carried out and a full equality assessment **is not required\*** (please delete as appropriate).

Completed by Ed Morgan Date 22/02/2017  
(Policy/Function/Report written)

Countersigned by Adrian Thorpe Date 22/02/2017  
(*Head of Service*)

Please forward an electronic copy to: [veronika.quintyne@oadby-wigston.gov.uk](mailto:veronika.quintyne@oadby-wigston.gov.uk)  
(*Community Engagement Officer*)

Equality Assessments shall be published on the Council website with the relevant and appropriate document upon which the equality assessment has been undertaken.