

Public Document Pack



**North East
Derbyshire**
District Council

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Date: Monday, 1 February 2021

To: **All Members of the Audit & Corporate Governance Scrutiny Committee**

Please attend a meeting of the Audit & Corporate Governance Scrutiny Committee to be held on **Wednesday, 10 February 2021 at 3.00 pm by Conference Call**. Access credentials to the meeting will be sent to you separately. The public parts of the meeting will be streamed from the Council's website.

Virtual Attendance and Hybrid Meetings

I have provided the Leader and Deputy Leader with advice on the holding of "hybrid" meetings outlining the risks including to employees dealing with the Chamber and to Members. Hybrid meetings are those where some attendance is in person in the Council Chamber and some is virtual. I would encourage you all to attend virtually. Accordingly if you attend in person you will be deemed to have accepted the following disclaimer as applying.

Risk Assessment Disclaimer

When attending this meeting in person, I confirm that I have read and understood the contents of each of the following risk assessments and agree to act in line with its content.

- RA – Return to Work Mill Lane Covid 19 V13
- Mill Lane Coronavirus Control Measures V8

Both documents have been emailed to Members and are available on the Modern.Gov App library.

The same advice is given to officers who are also encouraged to participate in the meeting remotely.

Yours sincerely



Joint Head of Corporate Governance and Monitoring Officer

Conservative Group	Labour Group	Liberal Democrat Group
Cllr W Armitage Cllr S Clough Cllr L Deighton Cllr M Roe Cllr M E Thacker	Cllr N Barker Cllr P R Kerry Cllr G Morley	Cllr R Shipman

AGENDA

1 Apologies for Absence

2 Declarations of Interest

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interests, in any item on the agenda and withdraw from the meeting at the appropriate time.

3 Minutes of Last Meeting (Pages 4 - 7)

To approve as a correct record and the Chair to sign the Minutes of the Special Audit and Corporate Governance Scrutiny Committee held on 20 January 2021.

4 Report of the External Auditors - Mazars

a. Progress Report and Technical Update (Pages 8 - 21)

5 Report of the Internal Audit Consortium Manager

a. Summary of Progress on the Annual Internal Audit Plan 2019/20 (Pages 22 - 37)

6 Report of the Information, Engagement and Performance Manager

a. Performance Management Quarter 3 2020/21 (Pages 38 - 63)

7 Report of the Director of Corporate Resources and Head of Paid Service

a. Risk Management (Pages 64 - 84)

8 Report of the Head of Finance and Resources and Section 151 Officer

a. Quarter 3 Financial Monitoring 2020/21 (Pages 85 - 100)

b. Corporate Debt (Pages 101 - 107)

c. Proposed Accounting Policies 2020/21 (Pages 108 - 132)

9 **Report of the Head of Corporate Governance and Monitoring Officer**

a. **Corporate Work Programme 2020/21** (Pages 133 - 136)

10 **Forward Plan of Executive Decisions**

To consider the Forward Plan of Executive Decisions. The most up-to-date Forward Plan of Executive Decisions can be accessed via the following link:

<https://democracy.ne-derbyshire.gov.uk/mgListPlans.aspx?RPId=1137&RD=0&bcr=1>

11 **To consider any other items which the Chair is of the opinion should be considered as a matter of urgency.**

12 **Date of Next Meeting**

The next meeting of the Audit and Corporate Governance Scrutiny Committee is scheduled to take place on 28 April 2021.



North East
Derbyshire
District Council

***We speak
your language***

Polish

Mówimy Twoim językiem

French

Nous parlons votre langue

Spanish

***Hablamos su
idioma***

Slovak

***Rozprávame Vaším
jazykom***

Chinese

我们会说你的语言

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AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE

MINUTES OF SPECIAL MEETING HELD ON WEDNESDAY, 20 JANUARY 2021

Present:

Councillor Martin E Thacker MBE JP (Chair)

Councillor Stephen Clough (Vice-Chair)

Councillor William Armitage

Councillor Lilian Deighton

Councillor Gerry Morley

Councillor Nigel Barker

Councillor Pat Kerry

Councillor Ross Shipman

Also Present:

S Kitching

P Roberts

J Dethick

J Williams

N Calver

D Stanton

A Bond

Arlingclose

Arlingclose

Head of Finance and Resources, Section 151 Officer

Internal Audit Consortium Manager

Governance Manager

Governance Officer

Governance Officer

AUD/28 Apologies for Absence **/20-21**

Apologies for absence had been received from Councillor M Roe.

AUD/29 Declarations of Interest **/20-21**

Members were requested to declare the existence and nature of any disclosable pecuniary interests and/or other interests, not already on their register of interests, in any item on the agenda and to withdraw from the meeting at the appropriate time.

There were no interests declared at this meeting.

AUD/30 Minutes of Last Meeting **/20-21**

RESOLVED – That the Minutes of the meeting of the Audit and Corporate Governance Scrutiny Committee held on 2 December 2020 be approved as a correct record and signed by the Chair.

AUD/31 Presentation from Arlingclose - Treasury Advisors **/20-21**

The Committee welcomed Stephen Kitching and Paul Roberts from Arlingclose, the Council's Treasury Advisors. Members received a presentation that outlined Treasury Management.

The Committee was reminded that Treasury Management referred to the management of the Council's investments, cash flows, banking arrangements,

money market transactions (short term) and capital market transactions (long term). Members noted that it was the effective control of associated risks.

Members were informed about the legislation that governed investments and borrowing by local authorities, as well as good practice for capital expenditure plans and investments. The Committee noted the published codes and guidance provided by CIPFA, and the role of elected Members.

Members were also presented with a range of borrowing forecasts and market projections for NEDDC.

The Committee heard that the Public Works Loan Board had recently established new lending terms, and the Treasury Advisors outlined the impact this would have on the Council in the coming months and years.

Members discussed Section 114 Notices, and the implications this could have on loans given to other local authorities by the Council. The Treasury Advisors explained that those loans received statutory protection, and were relatively low risk in comparison to banks.

Members requested that a report be brought to the Committee that outlined benchmarking, bank risk and mitigations the Authority could put in place to lower the risks.

The Committee also requested that a report on ethical fund management be brought to the Committee at a future meeting.

RESOLVED – That the update be noted.

AUD/32 /20-21 Business Continuity - Maintaining Financial Control

The Internal Audit Consortium Manager presented a report which outlined business continuity arrangements in relation to maintaining financial control.

Members were reminded that at the last meeting of the Committee it was noted that one of the outstanding recommendations related to the updating of Service Area Business Continuity plans. The Committee was particularly concerned with business continuity in terms of maintaining financial control and therefore the Internal Audit Consortium Manager was asked to bring a report addressing this issue.

The Committee were informed that several key areas were reviewed to provide the required assurance on financial control. The review concluded that the Council's processes satisfied the principles of good financial management and was managing its resources effectively. It was stated that a rating of substantial assurance was given.

The Committee also requested that Benchmarking be changed from a low to medium priority.

RESOLVED – That the report be noted.

AUD/33 **Money Laundering Policy Refresh**
/20-21

The Committee received a report that enabled Members to consider the Anti-Money Laundering Policy.

Members noted that the Policy had been updated to take account of all legislative and operational changes to ensure it remained fit for purpose.

RESOLVED – That the Anti-Money Laundering Policy be recommended to Cabinet for approval.

AUD/34 **Treasury Management**
/20-21

The Head of Finance and Resources and Section 151 Officer presented a report that outlined the Council's proposed suite of Treasury Strategies for the period 2021/22 to 2024/25. Members were asked to note the report and make additional comments prior to the report being submitted to a meeting of Council on 01 February 2021.

The Committee discussed external and internal borrowing, and the range of external factors that could make it difficult to forecast beyond one year.

Members agreed to amend the report recommendations so that consideration was given to the advice the Committee had received at the meeting from Arlingclose, such as on external influences, bank risk and ethical fund management.

RESOLVED –

- (1) That the report be noted.
- (2) The report recommendations be amended prior to submission to Council with the Committee's comments.

AUD/35 **Medium Term Financial Plan**
/20-21

The Committee considered the Medium Term Financial Plan (MTFP) 2020/21 to 2024/25 prior to the report being taken to Cabinet and Council.

Members discussed the proposed investment in Killamarsh Sports Centre. At this point in the meeting, Councillor S Clough declared an interest and left the room for the duration of the discussion on Killamarsh Sports Centre.

The Committee requested advanced sight and pre-scrutiny of the financial arrangements for Killamarsh Sports Centre before any arrangements were formally agreed.

Councillor S Clough was re-admitted to the room.

RESOLVED – That the report be noted.

AUD/36 **Forward Plan of Executive Decisions - November to December 2020**
/20-21

AGREED – That the Forward Plan of Executive Decisions – November to December 2020 be noted.

AUD/37 **To consider any other items which the Chair is of the opinion should be**
/20-21 **considered as a matter of urgency.**

There were no additional items discussed at this meeting.

AUD/38 **Date of Next Meeting**
/20-21

The date of the next meeting of the Audit and Corporate Governance Scrutiny Committee was scheduled for 10 February 2021 at 3.00 pm.

Audit Progress Report

North East Derbyshire District Council

January 2021



1. Audit Progress
2. National Publications

01

Section 01: **Audit Progress**

Audit Progress

Purpose of this report

This report provides the Audit and Corporate Governance Scrutiny Committee with an update on progress in delivering our responsibilities as your external auditors.

The report includes at Section 2 for your information a summary of recent reports which we believe are relevant to your responsibilities.

Audit progress

We completed our external audit of the Council's 2019/20 financial statements and value for money conclusion in November 2020, signing the audit report on 30 November 2020. Audit and Corporate Governance Scrutiny Committee members were sent an updated Audit Completion Report with the completed audit findings.

We issued our Audit Certificate, which formally closed the 2019/20 audit on 30 November 2020.

We issued our 2019/20 Annual Audit Letter in December 2020. The Annual Audit Letter is issued for the attention of all Members and is the final communication from us on the year's audit. It summarises our findings for the year and confirms the final 2019/20 audit fee.

There is still work in progress on two 2019/20 returns (the Housing Benefit Subsidy Claim and the Pooling of Housing Capital Receipts return). We expect to complete the work and issue the required assurance report on the Pooling return by the 31 January 2021 deadline, and the on Housing Benefit Subsidy Claim by the extended 31 March 2021 deadline.

We have commenced our audit planning for the 2020/21 audit and will present our Audit Strategy Memorandum to a future Audit and Corporate Governance Scrutiny Committee meeting. We have continued to hold regular discussions with the Council's Head of Finance and Resources and the finance team and these help us to keep up to date with emerging issues that may impact on our external audit.

Audit Progress (continued)

External audit work on the Council's arrangements to deliver value for money in its use of resources

We reported during 2019/20 that the National Audit Office had updated their Code of Audit Practice and that this new Code applies from 2020/21. The new Code changes the work that auditors will be required to do, and the related reporting, on Councils arrangements to deliver value for money in their use of resources.

The changes to the reporting requirements means that from 2020/21 we will no longer include a value for money conclusion in our Financial Statements Audit Report. We will report our commentary on the Council's arrangements to deliver value for money in a new Auditor's Annual Report (which replaces the Annual Audit Letter). The NAO Code requires that where auditors identify weaknesses in Council's arrangements they should report recommendations to the Council promptly through the year.

In carrying out our work we will comply with the NAO's guidance on value for money work, which identifies that the work must have regard to the following specific criteria:

- **Financial sustainability:** how the body plans and manages its resources to ensure it can continue to deliver its services;
- **Governance:** how the body ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness:** how the body uses information about its costs and performance to improve the way it manages and delivers its services.

The new Code requirements represent a significant change to the focus and reporting of our value for money conclusion work. We will keep the Audit and Corporate Governance Scrutiny Committee up to date on our progress as we complete our audit work.

02

Section 02: **National Publications**

National Publications

	Publication/update	Key points	Page
CIPFA			
1	Code of Practice on Local Authority Accounting in the United Kingdom: Disclosure Checklist for 2020/21 Accounts	2020/21 Disclosure checklist	8
2	Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for 2020/21 Accounts	2020/21 Code Guidance Notes	8
3	Service Reporting Code of Practice for Local Authorities 2021/22	2020/21 SeRCOP Guidance	8
4	Guidance for Head of Internal Audit Annual Opinions 2020/21	Guidance	9
5	A Guide to Local Authority and Public Sector Asset Management	Step-by-step guide	9
6	Planning to Deliver Good Value in Demand-led Services (social care)	Good practice framework	9
National Audit Office			
7	Local auditor reporting application	Data on local auditor reporting presented through an interactive map	10
MHCLG			
8	Local authority financial reporting and external audit: government response to the Redmond review	MHCLG's response to Sir Tony Redmond's independent review	11
Financial Reporting Council			
9	Local Audit Inspections	FRC Audit Quality report	12

NATIONAL PUBLICATIONS

CIPFA

1. Code of Practice on Local Authority Accounting in the United Kingdom: Disclosure Checklist for 2020/21 Accounts, January 2021

The 2020/21 version of the disclosure checklist has been updated to reflect the reporting requirements introduced by the 2020/21 Code of Practice. This annual publication is for finance practitioners in local authorities and external audit agencies and firms in England, Scotland and Wales.

The checklist is in the form of a series of questions. If the answer to any question is no, then a justification for departing from the Code should be given and potentially disclosed in the accounts, where the impact of departures is material.

<https://www.cipfa.org/policy-and-guidance/publications/d/disclosure-checklist-202021-print>

2. Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for 2020/21 Accounts, January 2021

This edition of the Guidance Notes provides detailed guidance on the key accounting changes introduced by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 2020/21, and includes amendments to implement amendments to accounting standards, reference to arrangements for the application of accounting standards arising as a consequence of the UK's withdrawal from the EU and legislative amendments. The example financial statements have also been updated to reflect these changes.

<https://www.cipfa.org/policy-and-guidance/publications/c/code-of-practice-guidance-notes-202021-print>

3. Service Reporting Code of Practice for Local Authorities 2021/22, January 2021

Modern local government is constantly developing and adapting to its current economic climate. Transparency initiatives, performance and best value regimes are evolving in expectation of the government becoming more sophisticated.

SeRCOP is reviewed annually to ensure that it develops in line with the needs of local government, transparency, best value and public services reform.

In England, SeRCOP is given legislative backing under the Local Government Act 2003. In Scotland SeRCOP's Service Expenditure Analysis (SEA) and guidance is used by the Scottish Government as the basis for specifying the requirements of the Local Financial Returns (LFRs).

<https://www.cipfa.org/policy-and-guidance/publications/s/service-reporting-code-of-practice-for-local-authorities-202122>

NATIONAL PUBLICATIONS

CIPFA

4. Guidance for Head of Internal Audit Annual Opinions 2020/21, November 2020

The annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control is a requirement of the Public Sector Internal Audit Standards (PSIAS). It is an important source of assurance that supports a local government body's annual governance statement.

If sufficient assurance is not available from internal audit work completed and other sources of assurance that the head of internal audit may seek to place reliance on then they should publish a limitation of scope to explain the position and impact on the annual opinion. The guidance sets out the steps heads of internal audit, together with the leadership team and audit committee, should take.

To further support the guidance CIPFA held a free webinar on 15 December.

<https://www.cipfa.org/policy-and-guidance/standards/guidance-for-head-of-internal-audit-annual-opinions-202021>

5. A Guide to Local Authority and Public Sector Asset Management, November 2020

This step by step guide to asset management in the public sector has been produced by CIPFA Property. It takes the reader on the asset management journey, from the development of strategic asset management policies and strategies designed to deliver corporate objectives through to the development, implementation, challenge and review of asset management practices and portfolios.

<https://www.cipfa.org/policy-and-guidance/publications/a/asset-management-in-the-public-sector-a-practitioners-guide>

6. Planning to Deliver Good Value in Demand-led Services (social care), November 2020

Several local authorities successfully deliver good value in these areas, and this publication draws on their experience and best practice. It sets out a three step framework, based on a number of essential elements that recognise the challenges involved. This framework emphasises the importance of business partnering and ensuring plans reflect reality to enable improved operational and financial resilience.

<https://www.cipfa.org/policy-and-guidance/publications/p/planning-to-deliver-good-value-in-demand-led-services-social-care>

NATIONAL PUBLICATIONS

National Audit Office

7. Local auditor reporting application, December 2020

The local auditor reporting application presents the opinions of local auditors on local public bodies' financial statements and conclusions on whether they have proper arrangements in place to secure value for money. The data is presented through an interactive map which allows users to explore auditor reporting for nine different types of local body and two different audit years. The interactive map also contains pop-ups to enable users to access further information about the body, such as the local auditor's report or annual audit letter.

<https://www.nao.org.uk/other/local-auditor-reporting-application/>

NATIONAL PUBLICATIONS

MHCLG

8. MHCLG's response to Sir Tony Redmond's independent review, December 2020

The response of the Ministry of Housing, Communities and Local Government to Sir Tony Redmond's Independent review into the oversight of local audit and the transparency of local authority financial reporting. The Redmond Review made 23 recommendations relating to the quality, timeliness and sustainability of local audit, and the transparency of local authority accounts. The department has grouped its response into 5 themes, which are summarised in Annex A to the response.

Amongst the responses MHCLG confirmed that they intend to amend existing regulations to extend the deadline for publishing audited local authority accounts from 31 July to 30 September, for a period of two years (i.e. covering the audit of the 2020/21 and 2021/22 accounting years). At the end of this period they will review whether there is a continued need to have an extended deadline.

They also confirmed that they did not intend to create an Office of Local Audit and Regulation (OLAR) stating in their response that they “do not wish to re-create the costly, bureaucratic and over-centralised Audit Commission”. They added that they “will commit to explore the full range of options as to how best to deliver Sir Tony's finding that a ‘system leader’ is required. This will include close consideration of whether existing bodies could take on this function.”

<https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-government-response-to-the-redmond-review/local-authority-financial-reporting-and-external-audit-government-response-to-the-independent-review>

NATIONAL PUBLICATIONS

Financial Reporting Council

9. Major Local Audits – Audit Quality Inspection, October 2020

The framework for the inspection of local audit work

Responsibility for the inspection of local audit work is now with the Financial Reporting Council (FRC) for 'major local audits' (those with annual expenditure which exceeds £500m) and the ICAEW for those bodies which do not meet the major local audit definition. As part of their inspection of major local audits for the 2018/19 financial year, the Audit Quality Review (AQR) team of the FRC reviewed two of our major local audits and found these to require significant improvements in respect of our audit of the financial statements. The same reviews indicated that our work on value for money arrangements for those audits was of a good standard. Our non-major local audits for 2018/19 were not subject to inspection by the ICAEW.

Our response to the FRC's findings

We are committed to delivering high-quality audits to all of our clients and have responded robustly to the AQR's findings. Our Local Audit Quality Plan incorporates the risks to audit quality identified from a range of sources and identifies that actions we have put in place, or are taking, to mitigate these risks. Our Audit Quality Team is responsible for the maintenance of the plan which is also subject to oversight and scrutiny from the firm's Audit Board.

In addition, we have undertaken a detailed root cause analysis project to identify and understand the drivers of poor audit quality in some of our local audit work. This has focused on all local audits where the need for improvement or significant improvements have been identified either through external inspections or our programme of internal quality monitoring reviews.

We have taken steps to respond to the AQR's specific findings in relation to our work in the following areas of the audit:

- Testing the valuation of property assets;
- Exercising appropriate oversight of group audits, including the direction, supervision and review of the work of component auditors; and
- Document judgements made as part of the audit process, specifically those in relation to our testing of income and expenditure.

We have also strengthened our standard procedures in relation to the audit of net defined benefit pension liabilities arising from our clients' membership of local government pension schemes.

The FRC's report on its inspection findings in relation to the quality of major local audits for the year ended 31 March 2019, can be found [here](#). This also includes our detailed response to their findings on our financial statement audits.

NATIONAL PUBLICATIONS

Financial Reporting Council

9. Major Local Audits – Audit Quality Inspection, October 2020 (continued)

What this means for the Council

As outlined above, we take the weaknesses identified by the FRC extremely seriously, and our response to the improvement areas has been robust. It is clear that on areas of the audit such as the valuation of property assets (including investment properties) and the audit of defined benefit pension liabilities, we must do more to meet the regulator's expectations. This means the time we spend on these areas of the audit will increase and the level of challenge we apply in auditing these areas will also increase. Your finance team and your experts will have seen the increase in the scope and scale of work we have undertaken in 2019/20 in terms of the granularity and depth of testing and changes to our sample sizes in a number of key areas.

Going forward, our response and the increase in the challenge we make, is likely to include the engagement of our own experts (for example, property valuation experts) to fully consider the methodologies and judgements applied by the Council's own experts. There will be consequential effects on the fee that we are likely to request from the Council to undertake the audit.

Contact

Mazars

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

10th February 2021

Internal Audit Consortium Summary of Progress on the 2020/21 Internal Audit Plan

Report of the Internal Audit Consortium Manager

This report is public

Purpose of the Report

- To present, for members' information, progress made by the Internal Audit Consortium in respect of the 2020/21 Internal Audit Plan.

1 Report Details

- 1.1 The Consortium Legal Agreement in paragraph 9.3 requires that the Head of the Internal Audit Consortium (HIAC) or his or her nominee will report to the Audit Committee of each Council on progress made in relation to their annual audit plan.

Audits issued

- 1.2 Appendix 1 is a summary of reports issued between the 14th November 2020 and the 15th January 2021. The Appendix shows for each report the level of assurance given and the number of recommendations made / agreed where a full response has been received. This provides an overall assessment of the system's ability to meet its objectives and manage risk.
- 1.3 Appendix 2 details the definitions in respect of the assurance levels used currently and those used prior to April 2017 for comparison in order that the direction of travel of an audited area can be monitored.
- 1.4 In this period 5 reports have been issued, all 5 with substantial assurance.
- 1.5 Reports are issued as Drafts with five working days being allowed for the submission of any factual changes, after which time the report is designated as a Final Report. Fifteen working days are allowed for the return of the Implementation Plan.
- 1.6 In respect of the audits being reported, it is confirmed that no issues arising relating to fraud were identified.

Progress on the 2020/21 Plan

- 1.7 At the end of November 2020 CIPFA issued guidance in relation to the Head of Audits Annual Opinion: Addressing the Risk of a limitation of scope (Appendix 3). A limitation of scope should be considered if enough work has not been carried out to provide assurance on the Council's governance, risk management and control processes in place. There is no definition of the amount of work required to provide an opinion, this is left up to professional judgement.
- 1.8 At this stage, although the whole of the plan will not be completed, I believe that by prioritising the work for the remainder of the year I will be able to give an unlimited audit opinion.
- 1.9 Appendix 4 shows the 2020/21 internal audit plan and details the audits that have been completed and those in progress. It is considered that reasonable progress is being made given the circumstances.

2 Conclusions and Reasons for Recommendation

- 2.1 To inform Members of progress on the 2020/21 Internal Audit Plan and to provide details of the Audit Reports issued to date.
- 2.2 To comply with the requirements of the Public Sector Internal Audit Standards.

3 Consultation and Equality Impact

- 3.1 None.

4 Alternative Options and Reasons for Rejection

- 4.1 None.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 The regular reporting of the progress made by the Internal Audit Consortium enables Members to monitor progress against the approved internal audit plan.

5.2 Legal Implications including Data Protection

- 5.2.1 None.

5.3 Human Resources Implications

- 5.3.1 None.

6 Recommendations

- 6.1 That the report be noted.

- 6.2 That the CIPFA guidance relating to the Head of Internal Audit Annual Opinion: Addressing the Risk of a limitation of scope be noted.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: BDC: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies</p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	N/A
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
1	Summary of Internal Audit reports issued in respect of the 2020/21 Internal Audit Plan between the 14th November 2020 and the 15th January 2021
2	Definition of assurance and control levels
3	CIPFA Guidance on the Head of Internal Audit's Annual Opinion
4	Progress on the 2020/21 Internal Audit Plan
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
<p>Report Author</p>	
<p>Contact Number</p>	
Jenny Williams Internal Audit Consortium Manager	01246 959770

NORTH EAST DERBYSHIRE DISTRICT COUNCIL

Appendix 1

Internal Audit Consortium - Report to Audit and Corporate Governance Scrutiny Committee

Summary of Internal Audit Reports Issued 14th November 2020 – 15th January 2021

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Previous Control Level	Date		Number of Recommendations	
					Report Issued	Response Due	Made	Accepted
N010	Sundry Debtors	To review the processes for raising invoices and the collection of debt	Substantial	Substantial	23/11/2020	14/12/2020	2L	2
N011	Dog Warden Service	To ensure there is an adequate system for receiving, logging, actioning and monitoring requests, To ensure that fees and charges are charged correctly.	Substantial	N/A	2/12/2020	23/12/2020	2L	2
N012	Disabled Facilities Grants	To ensure that DFG's are awarded appropriately, tenderers are selected fairly and work is monitored	Substantial	Substantial	17/12/2020	19/01/2021	3L	Note 1
N013	Street Cleansing	To review the procedures in place	Substantial	Good	22/12/2020	21/01/2021	2 (1M 1L)	2

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Previous Control Level	Date		Number of Recommendations	
					Report Issued	Response Due	Made	Accepted
N014	Leisure Services Direct Debits	To ensure that direct debits are being collected promptly and accurately	Substantial	Substantial	7/01/2021	27/01/2021	1L	1

Note 1 – Response not received at time of writing report

H = High Priority

M = Medium Priority

L = Low Priority

Current Assurance Levels

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

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Control levels that were used until end March 17

Control Level	Definition
Good	A few minor recommendations (if any).
Satisfactory	Minimal risk; a few areas identified where changes would be beneficial.
Marginal	A number of areas have been identified for improvement.
Unsatisfactory	Unacceptable risks identified, changes should be made.
Unsound	Major risks identified; fundamental improvements are required.

CIPFA Guidance to Internal Auditors and the Leadership Team and Audit Committee of Local Government Bodies

Head of Internal Audit Annual Opinions: Addressing the Risk of a Limitation of Scope

Introduction and rationale for the guidance

The impact of COVID-19 on all the public services has been considerable and for internal auditors it has raised the question of whether they will be able to undertake sufficient internal audit work to gain assurance during 2020/21. This is a key consideration to fulfil the requirement of the Public Sector Internal Audit Standards (PSIAS) for the head of internal audit (HIA) to issue an annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This opinion is in turn one of the sources of assurance that the public body relies on for its annual governance statement.

CIPFA recognises that local government bodies are struggling with considerable challenges and are having to make difficult decisions on how best to use their available staff and financial resources to meet critical needs. However, the professional and regulatory expectations on local government bodies to ensure that their internal audit arrangements conform with PSIAS have not changed. In this difficult situation, heads of internal audit will need to consider whether they can still issue the annual opinion or whether there will need to be a limitation of scope. A limitation of scope arises where the HIA is unable to draw on sufficient assurance to issue a complete annual opinion in accordance with the professional standards. This is an issue not only for the HIA but also for the leadership team and the audit committee who normally rely on that opinion. It may also have wider consequences for stakeholder assessments of the organisation.

While the limitation of scope will only be formally published in 2021 as part of the HIA's annual report, this guidance addresses the importance of early identification of the risk. It suggests mitigating actions to be taken now to avoid a limited scope where possible. If a limited scope does become necessary the guidance suggests possible wording to use in the report.

Status of the CIPFA guidance

This guidance is prepared by CIPFA for internal auditors working in or for local government in the UK. CIPFA is the Relevant Internal Audit Standard Setter (RIASS) for local government and works with the other UK RIASS¹ to mandate the PSIAS across the public sector. This guidance has been shared with the other RIASS and other members of the Internal Audit Standards Advisory Board including the Chartered Institute of Internal Auditors. Other sectors should look to the appropriate RIASS for guidance.

This guidance is a sector specific requirement for local government in the UK.

¹ The Relevant Internal Audit Standard Setters are: HM Treasury in respect of central government; the Scottish Government, the Department of Finance Northern Ireland and the Welsh Government in respect of central government and the health sector in their administrations; the Department of Health and Social Care in respect of the health sector in England (excluding foundation trusts); and the Chartered Institute of Public Finance and Accountancy in respect of local government across the UK.

Key requirements for local government bodies

The key requirements that heads of internal audit, leadership teams and audit committees should follow are set out below and are supported by additional explanation.

1. The HIA should plan to obtain sufficient assurance to support the annual opinion, taking into account both internal audit work and other sources of assurance. The reliance the HIA is placing on other sources of assurance should be disclosed in the overall opinion.
2. The HIA, leadership team and audit committee should review and discuss internal audit capacity where there are concerns and develop an action plan to mitigate the risk.
3. The HIA should make best use of their audit resources to maximise assurance.
4. Where the HIA considers that a limitation of scope is likely, the leadership team and audit committee should be advised promptly. The HIA should set out the likely consequences assessed and advise on remedial action to avoid a limitation of scope.
5. The HIA annual report should contain a clear explanation of any limitation of scope along with its causes and plans to address the situation going forward.
6. Where the HIA annual report and opinion contains a limitation of scope the authority should state this in the annual governance statement.

Detailed guidance to support implementation

Planning adequate assurance to support the annual opinion

Just as in more normal times the HIA should plan audit work to ensure that sufficient assurance will be available to support the annual opinion. This guidance will not go into details about risk-based audit planning but it emphasises that the professional requirements of PSIAS have not changed. It is likely that internal audit plans will be more fluid than normal as a result of the impact of the pandemic on the organisation. Head of internal audit should already have agreed new audit priorities to cover the new risks and changes from the impact of COVID-19 and that work will provide support for the annual opinion.

CIPFA recognises that the impact of COVID-19 and the capacity of the organisation to respond will vary as a result of a number of factors. Alongside direct internal audit work the HIA can also place reliance on other assurance providers, as set out in PSIAS 250. However it is important to recognise that the quality and availability of that other assurance may also be impacted adversely by the pandemic in some organisations. These factors are likely to be beyond the control of the HIA.

The factors impacting on the availability of assurance from internal audit and other sources of assurance include:

- the changing risks and impacts on the organisation itself
- whether key governance, risk management and internal control arrangements have deteriorated or been maintained
- changes to the resource base of internal audit, whether staff or budget related
- demands on internal audit for any advisory or non-audit support that will not directly support the HIA opinion
- operational disruptions that impact on the access of internal auditors to key staff, information or systems resulting in greater inefficiency and reduced outputs.

Where an organisation has adopted a comprehensive assurance framework then this may be used by the HIA to support the opinion, if those other sources of assurance are demonstrated to be robust. CIPFA's [Financial Management Code](#) (FM Code), which is applicable to all UK local government bodies, has

assurance as one of its key principles. Principle C of the FM Code clearly sets out the responsibility of the leadership team to establish and support appropriate arrangements:

The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.

The CIPFA [Statement on the Role of the Head of Internal Audit](#) also emphasises the responsibility of the leadership team for establishing wider frameworks of assurance and accountability.

Engagement between the leadership team, audit committee and HIA

The PSIAS require regular communication and engagement with the leadership team and audit committee on the development of the internal audit plan (PSIAS 2010 and 2020), its execution (PSIAS 2060) and the results of the audit engagements (PSIAS 2400). Each organisation will have its own agreed arrangements in place that will also take into account the terms of reference of the audit committee. The CIPFA [Position Statement on Audit Committees in Local Authorities and Police](#) (2018) sets out the responsibility for the audit committee to provide oversight of the independence, performance and professionalism of internal audit.

PSIAS 2030 requires the HIA to ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan. If the HIA believes that the level of agreed resources will impact adversely on the provision of the internal audit opinion, the consequences must be brought to the attention of the leadership team and audit committee promptly. The CIPFA *Statement on the Role of the Head of Internal Audit* is clear that to perform their role effectively the HIA must lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively (Principle 4).

It is the responsibility of the organisation's leadership team to provide the HIA with the resources, expertise and systems necessary to perform their role effectively. Therefore it is essential for there to be meaningful engagement between the HIA, leadership team and audit committee. If the HIA has concerns about the quantity or calibre of internal audit resources available or there are other operational barriers to the delivery of the audit plan, they should assess the impact and likely consequences for the annual opinion and work with the leadership team and audit committee to find solutions to bridge the gap.

Making effective use of internal audit resources

When delivering the risk-based audit plan the HIA, supported by the leadership team, should make every effort to make best use of available internal audit resources over the remainder of the year. Possible actions could include:

- Streamlining audit processes to increase capacity.
- Narrowing the focus of audit scopes to examine only key risks
- Filling vacant audit posts, whether permanently, on a temporary basis or buying in audit expertise from an external provider.
- Exploring opportunities for internal secondments or other support for the audit team from non-internal audit staff who can nevertheless undertake some internal audit work.
- Evaluating any requests for advisory work and prioritising assurance work and advisory work that supports the annual opinion.
- Avoiding diversion of internal audit staff on to counter fraud work, or other non-core audit work, beyond that which is already accommodated within the plan.
- Increasing communication with client services to help ensure good co-operation from client services and avoid unnecessary delays in undertaking engagements.

Where the internal audit service provides services to partner bodies or on a commercial basis then agreements in place may provide little scope to amend resourcing in the short term.

Early identification of a limitation of scope

A limitation of scope arises where the HIA is unable to draw on sufficient assurance to issue a complete annual opinion. This should not be confused with an adverse opinion, which arises when sufficient work has been completed to enable the HIA to conclude that arrangements are not adequate and effective.

There are three possible scenarios for a limitation of scope:

1. The HIA has obtained insufficient assurance across each of the three aspects of the opinion: governance, risk management and internal control, and is therefore unable to issue an opinion.
2. The HIA has obtained insufficient assurance across one of the three aspects of the opinion. The limitation of scope will be restricted to that aspect only.
3. The HIA has obtained insufficient assurance across a significant subset of risk or area of operation that is material. An example might be where there were significant engagements set out in the plan that the audit service could not complete.

Where one of these situations is a risk then the HIA should take steps to inform the leadership team and audit committee of it as soon as possible and identify the underlying reasons. As part of the discussions with the leadership team and audit committee the HIA should identify the following:

- the extent of limitation of scope that is likely
- the reasons for limitation being necessary
- remedial steps planned or sought to minimise the extent of the limitation
- consequences of not addressing the risk that a limitation of scope will impact on the opinion.

Understanding the consequences of a limitation of scope

The primary consequence is that the leadership team and those charged with governance do not receive independent assurance that the framework of governance, risk management and control is adequate and effective. Without this assurance the organisation should consider the risk of significant control weaknesses, inefficiencies or poor performance remaining unidentified. In addition, opportunities for improvement may be lost. While internal audit can only offer reasonable assurance, not a 100% guarantee, the presence of that reasonable assurance is rightly valued.

Other consequences to consider:

- The organisation will need to highlight the limitation in its annual governance statement when referring to the HIA opinion
- Where the reason for the limitation also results in significant non-conformance with PSIAS during the year, then the HIA must report that as part of the quality assurance and improvement programme (QAIP) (PSIAS 1320). The results of the QAIP must be included in the annual report (PSIAS 2450). CIPFA's view is that if the limitation of scope is so significant that the HIA cannot provide an annual opinion that fulfils the PSIAS requirement then it is likely that there are other areas of non-conformance. Taken as a whole the internal audit service may no longer conform with PSIAS.
- The internal audit team is only able to state that they conform with the PSIAS if the results of the QAIP can demonstrate that. So if the last EQA concluded that the service conformed, but this year's QAIP demonstrates that the internal audit service does not, then it cannot claim to conform with PSIAS. Non-conformance should be considered for inclusion in the annual governance statement.

- Non-conformance with the PSIAS should also be taken into account when assessing the strength of assurance and the organisation's compliance with the CIPFA FM Code.
- If the internal audit service bids for or supplies its services to other organisations or partner bodies then losing conformance with the standards may have commercial consequences.
- The organisation's external auditor may take the limitation on the audit opinion or non-conformance with PSIAS into account when reviewing overall governance arrangements under the value for money or best value scope of the external audit. Different external audit arrangements apply across the UK and audit committees may wish to discuss this matter with their local auditors to understand the consequences.
- Internal audit will have a smaller than anticipated knowledge base to support future audit planning. The HIA will need to consider the implications for planning and resources as a consequence.
- Outside bodies who may have looked to the internal audit opinion as evidence for the organisation's sound governance may draw adverse inferences from the reported opinion.

Suggested wording of the limitation

In the annual report the HIA should detail the impact of COVID-19 on internal audit and the underlying causes of the limitation of scope. It should set out steps taken to mitigate or compensate, for example where additional reliance has been placed on other assurance providers.

The PSIAS do not specify the wording to use for the opinion section within the annual report but it should be clearly linked to the PSIAS requirement of *the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control*. The suggested wordings below apply when there is a need to accommodate a limitation of scope.

Type of limitation	Suggested wording
<p>The HIA has obtained insufficient assurance across each of the three aspects of the opinion: governance, risk management and internal control, and is therefore unable to issue an opinion.</p>	<p>The results of the work carried out by internal audit, taken together with other sources of assurance, are not sufficient to support an HIA annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This opinion is a requirement of PSIAS.</p> <p>The results of internal audit work concluded during the year and a summary of where it is possible to place reliance on the work of other assurance providers is presented in the annual report but this does not result in a comprehensive opinion.</p> <p>This limitation of scope has arisen because of... [reasons]</p> <p>To avoid similar limitations in future the HIA plans to... [actions].</p>
<p>The HIA has obtained insufficient assurance across one of the three aspects of the opinion: governance, risk management and internal control. The limitation of scope will be restricted to that aspect only.</p>	<p>The results of the work carried out by internal audit, taken together with other sources of assurance, are not sufficient to support an HIA annual opinion on the overall adequacy and effectiveness of the organisation's framework of [specify one of governance, or risk management or control].</p> <p>The results of internal audit work concluded during the year and a summary of where it is possible to place reliance on the work of other assurance providers in respect of [governance or risk management or control] is presented in the annual report but this does not result in an opinion on this aspect.</p> <p>[The HIA can then present their opinion on the remaining two aspects required.]</p> <p>This limitation of scope has arisen because of... [reasons]</p> <p>To avoid similar limitations in future the HIA plans to... [actions].</p>
<p>The HIA has obtained insufficient assurance across a significant subset of risk or area of operation that is material.</p>	<p>The HIA opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control is [set out opinion].</p> <p>The HIA opinion however must exclude [specify area excluded] as there is insufficient assurance available for the HIA to offer reasonable assurance.</p> <p>This limitation of scope has arisen because of... [reasons]</p> <p>To avoid similar limitations in future the HIA plans to... [actions].</p>

Note it is possible for the HIA to separate out their annual opinions on governance, risk management and control if it is more meaningful to do so. This might arise for example where one aspect was significantly weaker than the other.

Ensuring there is a robust plan for future years

The HIA, leadership team and audit committee should work together to ensure that internal audit will be sustainable in 2021/22 and onwards. Specifically, they should ensure that the HIA can develop a risk-based plan that will support the annual opinion. Regular reporting and monitoring should take place to ensure that achievement of the plan is on track.

Where the organisation has identified weaknesses in any assurance arrangements beyond internal audit then the leadership team should develop appropriate improvement plans and the audit committee should monitor these regularly.

For further information please contact Diana Melville, Governance Advisor CIPFA

diana.melville@cipfa.org

**Approved by the Public Financial Management Board, CIPFA
19 November 2020**

North East Derbyshire District Council Internal Audit Plan 2020/21

Progress as at 15th January 2021

	Audit Complete
	Audit in Progress
	Ongoing

	2020/21 Days	Priority
Main Financial Systems		
CIPFA Financial Management Code	8	M
Debtors (Key Controls)	10	M
Cash and Banking	18	M
Council Tax	20	M
Housing / Council Tax Benefit	18	Defer to 21/22
Total Main Financial Systems	74	
Other Operational Audits	2020/21	Priority
Asset Management Arrangements	10	M
Corporate Targets	15	M
Data protection	12	M
Disabled Facilities Grants	10	M
Dog Warden Service	5	L
Elections (carry fwd from 19/20)	10	L
Food Hygiene	13	Defer to 21/22
Homelessness	10	Defer to

			21/22
	Leisure Operational including Cafe	20	M
	Leisure direct debits	5	L
	Planning Processes & Procedures / Appeals	10	M
	Procurement	15	H
	Social Media	8	M
	Street Cleansing	10	L
	Total Operational Areas	153	
	Rykneld Homes	97	H
	IT Related		Priority
	Laptops & Removable Media	12	M
	Network / cyber security	12	H
	Total IT	24	
		2020/21	Priority
	Fraud and Corruption		
	National Fraud Initiative	5	
	Total Fraud & Corruption	5	
	Corporate / Cross Cutting Issues		Priority

Climate Change	5	H
Corporate Governance/Assurance Statement	2	H
Ethics	10	M
Financial Advice/Working Groups/Test Schedule Development	12	
Mobile Phones / Communications	10	L
Transformation Agenda	10	Defer to 21/22
Use of Consultants / IR35 (carry fwd from 19/20)	14	Defer
Total Corporate/Cross Cutting Issues	63	
Special Investigations / Contingency	25	
Apprenticeships / training	30	
Audit Committee / Client Liaison	15	
Grand Total	486	

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

10th February 2021

<p>Council Plan Targets Performance Update October to December 2020 (Q3 – 2020/21)</p>

Report of the Information, Engagement & Performance Manager

This report is public

Purpose of the Report

- To report the Quarter 3 outturns for the Council Plan 2019-2023 targets.

1 Report Details

1.1 The attached contains the performance outturn as of 31st December 2020.

1.2 A summary by council plan aim is provided below:

1.3 Our Economy - Creating a business friendly District that develops skills and jobs

- 16 targets in total
- 13 targets are on track
- 1 target is overdue:
 - **ECO 20** - *Review resources to ensure tourism is a focus of the Economic Development Team by April 2020* - This target is being reviewed as part of a resource review of the Housing Strategy and Economic Development service. A proposed structure is being developed and the cost is being clarified now.
- 2 targets have been affected by Covid 19 (ECO 31 and 32):

1.4 Our Environment - Protecting and promoting the character of our District

- 13 targets in total
- 6 targets are on track
- 1 target remains on alert for 2020/21:
 - **ENV 05** - *Deliver 2 proactive planning enforcement exercises per year* - As noted at Q2 the service is not expecting to meet this target during 2021/21 due to capacity and recruitment issues The Planning Enforcement Team continues to work proactively with all relevant departmental colleagues to address enforcement issues as they arise.
- 4 targets have been affected by Covid 19 (ENV08,09, 13 and 14):

- 2 targets have been achieved behind target:
 - **ENV 03** - *Publish the adopted Planning Enforcement Protocol by 1 April 2020*
 - **ENV 04** - *Complete review of Planning Enforcement Resources by 1 April 2020*

1.5 **Our Residents – Enhancing our residents’ quality of life**

- 25 targets in total
- 12 targets are on track
- 12 targets have been affected by Covid 19 (RES01, 02, 03, 04, 06, 07, 25 to 28, 30 and 31)
- 1 target has been achieved:
 - **RES 10** - *Commence direct electronic communications with at least 1000 residents by December 2020*

1.6 **Our Services - Delivering high quality, cost effective services by engaging with residents, partners and Council staff**

- 20 targets in total
- 14 targets are on track
- 2 targets are overdue:
 - **SER 18** - *Review the Council's Petition Scheme by Annual Council 2020* - The Monitoring Officer has discussed this with the Leader and will be bringing forward a report in the new year to Standards Committee.
 - **SER 25** - *Publish the adopted Planning Enforcement Protocol by 1 April 2020.*- The protocol is still being considered by Members
- 1 target achieved
- **SER 24** - *Have first Planning customer feedback survey ready by 1st April 2021* The survey has been produced and ready for use.
- 3 targets have been affected by Covid 19 (SER12, 15 and 16):

1.7 Details have been provided in the appendix for those at exception including Covid19 affected.

2 Conclusions and Reasons for Recommendation

- 2.1 Out of the 74 targets 45 (61%) are on track, 21 (28%) have been affected by Covid 19, 2 (2%) achieved behind target, 3 (4%) are overdue, 1 (1%) is on alert and is unlikely to be achieved in 2020/21 and 2 (3%) has been achieved this quarter.
- 2.2 This is an information report to keep Members informed of progress against the council plan targets noting achievements and any areas of concern.

3 Consultation and Equality Impact

3.1 None

4 Alternative Options and Reasons for Rejection

4.1 Not applicable to this report as providing an overview of performance against agreed targets.

5 Implications

5.1 Finance and Risk Implications

5.1.1 No finance or risk implications within this performance report. Finance and risk implications will be assessed for individual targets.

5.2 Legal Implications including Data Protection

5.2.1 No legal implications within this performance report.

5.3 Human Resources Implications

5.3.1 No human resource implications within this performance report.

6 Recommendations

6.1 That quarterly outturns against the Council Plan 2019-2023 targets be noted.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has the relevant Portfolio Holder been informed	Yes
District Wards Affected	Not applicable
Links to Council Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
1	Council Plan Targets Update – Q3 October to December 2020
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Kath Drury, Information, Engagement and Performance Manager.	01246 242280

**North East Derbyshire District Council
Council Plan Targets Update – Quarter 3 October to December 2020**

Status key

Target Status	Usage
 On Track	The target is progressing well against the intended outcomes and intended date.
 Achieved Behind Target	The target has been completed but outside the intended target date
 Alert	The target is six months off the intended completion date and the required outcome may not be achieved.
 Overdue	The target has passed its due date for completion. Lead Officers need to give an explanation and seek an extension at the quarterly performance meeting.
 Covid - 19 Affected	Performance affected due to Covid 19 Pandemic

Aim: Our Economy - Creating a business friendly District that develops skills and jobs

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
ECO 02 - Process all major planning applications 10% greater than the National Target per annum.	Environment	On track	 During the quarter 13 major applications were determined and 11 were determined within the statutory period Target 70% Actual 85%	Fri-31-Mar-23
ECO 03 - Process all minor planning applications 10% greater than the National Target per annum.	Environment	On track	 During the quarter 50 minor applications were determined. 37 were determined within the statutory period. Target 70% Actual 74%	Fri-31-Mar-23
ECO 04 - Increase letting of council owned business premises to achieve and maintain a minimum occupancy level of 95%	Development	On track	 Occupation levels as of 31st December 20 are set against the background of the re-emergence of Covid-19 lockdown restrictions - despite this occupation levels remain buoyant, although the medium to long term effect on occupation levels caused by the	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			<p>pandemic still remains unknown. Combined business centre accommodation at Coney Green and Midway consists 104 units comprising of Office, workshop and industrial unit space currently running at 91.4% occupancy. Coney Green has 9 vacant ground & first floor offices and Midway is currently 100% occupied. Retail units- currently 14 retail units throughout the district with 1 vacancy. Miscellaneous property 10 various office/light workshop/etc. with 2 long term office vacancies at Rotherside Court, Eckington. Industrial Units - currently 62 units currently 100% occupied. Overall occupation level for non-business centre property 96.2%. This gives an overall occupancy level for all property at 91.4%. During this last period a number of tenants have served notice, however interest in property particularly small industrial units remains high, with submissions of interest being received prior to vacant possession.</p>	
ECO 07 - Deliver 3 engagement events annually to support business	Development	On track	<p>A joint event between NEDDC and the East Midlands Chamber took place on 30th November 2020 to encourage NED businesses to take advantage of the Kickstart scheme and over 20 businesses attended the virtual event.</p>	Fri-31-Mar-23
ECO 09 - Produce a North East Derbyshire Employment and Skills Strategy by January 2021 and deliver the action plan by March 2024	Development	On track	<p>The Strategy is almost completed and it is planned that this will go to Cabinet in January 2021.</p>	Fri-31-Mar-23
ECO 13 - Hold 4 events annually to foster effective links with further and	Development	On track	<p>Discussions have taken place with Chesterfield College, Sheffield Hallam University, Sheffield</p>	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
higher education establishments			University, Nottingham Trent University and Derby University with regards to closer joint working to upskill NED residents, particularly with digital skills and in the sectors of manufacturing and construction. An article on apprenticeships will be in the spring issue of the News and all have been invited to contribute to this. Close partnership working is taking place with Nottingham Trent University on the potential development of a local Institute of Technology focusing on low carbon skills. Partnership working is also taking place with Derby University and Chesterfield College on the development of a skills hub as part of the Clay Cross Town Deal.	
ECO 15 - Deliver a bi-annual jobs fair to support jobs and skills	Development	On track	Virtual job fair took place in September 20 and there were 45,000 engagements with the job fair. The next job fair is being planned and is taking place on the 26th January 2021.	Fri-31-Mar-23
ECO 16 - Produce a Tourism Strategy by January 2021 and deliver the action plan by March 2024	Development	On track	The final draft of the Visitor Economy Strategy is being taken to January 2021 Cabinet for approval. Once this is received, then it will be published on the Council's website. The strategy includes an action plan, with a number of actions to help deliver the strategy's priorities. The action plan runs until March 2024.	Fri-31-Mar-23
ECO 20 - Review resources to ensure tourism is a focus of the Economic Development Team by April 2020	Development	Overdue	This target is being reviewed as part of a resource review of the Housing Strategy and Economic Development service. A proposed structure is being	Mon-30-Mar-20

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			developed and the cost is being clarified now.	
ECO 21 - Produce a Growth Strategy by January 2021 and deliver the action plan by March 2024	Development	On track	A draft Growth Strategy for the Council has been produced by the team. This is currently being consulted with senior officers and relevant members. Once this is completed, the document will be sent to the Communications team for designing. This will then be sent to Cabinet for final approval. The document will then be published on the Council's website. It is expected that this will be completed by Spring 2021.	Thu-30-Mar-23
ECO 25 - Lead on reviews of Town Centres and larger settlements through Government funded programmes such as the One Public Estate, Town Deal and future opportunities	Development	On track	Eckington and Killamarsh town centres are currently part of an OPE project, with consultants appointed to undertake reviews of the town centres and the publicly owned land and property there, and create a study document for each town centre, with recommended options and projects that will then be used to provide evidence for future funding bids. Currently, the consultants have created draft studies, and are working with each parish council and district members to finalise options for each town centre. Once this is completed, then the consultants will provide more detailed information for those options (e.g. costs etc). These final documents will then be taken to the Project Control Board for approval.	Fri-31-Mar-23
ECO 29 - Reduce the number of complaints in relation to town centre cleanliness	Environment	On track	In order to measure performance throughout the 2019\20 and 2020\21 periods, a baseline 12 (1 per month\3 per quarter) target is set to measure	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			performance. However, throughout Q2 'zero' complaints were received. (No complaints received so far during 2020/21).	
ECO 30 - Establish and deliver NED Weekly Apprenticeship hour	Environment	On track	This has been established and has been promoted however to date, there has been no interest. This will be promoted again in the second employment and skills newsletter and the spring issue of the News.	Fri-31-Mar-23
ECO 31 - Implement and manage an annual programme of capital improvements to council owned business premises to attract and retain business clients (Measure by % completion of annual programme)	Environment	Covid Affected	Capital improvement programmes currently underway include the replacement of personnel and roller shutter doors in industrial workshop premises as part a general programme of the replacement of non-compliant and aged doors. This is designed to uprate security and improve the general condition of industrial sites. Replacement of tenant lighting at Coney Green Business Centre to improve the standard of lighting within business premises and link into The Council's Carbon reduction programme. Due to Covid 19 some tenants have been reluctant to allow access due to livelihood concerns and some have been isolating. This has impacted on the schedule which the team is monitoring and managing. Capital Projects on business premises currently 18% complete of the forecast works with 70% expected to be complete by the financial years end	Fri-31-Mar-23
ECO 32 - Increase revenue from business centre meeting bookings by 10% each year to maximise the use of these district facilities (Baseline: 2019/20)	Environment	Covid Affected	The revenue stream from the letting of meeting rooms at Coney Green Business Centre has been severely affected by risk management at the centre relating to Covid 19. Meeting rooms have been closed for the most part and have not been available for letting. The	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			revenue at the end of quarter three is £1284 against an annual budget of £12,000. With the current Covid restrictions in place the outturn from the baseline of 2019/20 + 10% would not be achievable.	
ECO 33 - Support at least 25 businesses each year through effective signposting and advice	Development	On Track	In Q3 alone, the Economic Development Team has provided front-line advice to in excess of 100 local businesses seeking support as a result of the pandemic.	Fri-31-Mar-23

Aim: Our Environment - Protecting and promoting the character of our District

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
ENV 01 - Adopt a Local Plan and associated policies	Environment	On track	The Plan is at an advanced stage. Public consultation commenced on the Inspector's proposed Main Modifications to the Plan on 2 November 2020 and is due to run until 31 January 2021. Following this the Inspector will prepare her final report, the timescale for which is outside the Council's control, but is likely to take several months.	Fri-31-Mar-23
ENV 03 - Publish the adopted Planning Enforcement Protocol by 1 April 2020	Environment	Achieved behind target	We have an adopted Planning Enforcement Protocol which we are not publicising too widely due to enforcement staff capacity (see ENV 04).	Wed-1-Apr-20
ENV 04 - Complete review of Planning Enforcement Resources by 1 April 2020	Environment	Achieved behind	We have reviewed Planning Enforcement resources so this target is completed. Please	Fri-31-Mar-20

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
		target		
			note that the service is having difficulties with recruitment.	
ENV 05 - Deliver 2 proactive planning enforcement exercises per year	Environment	Alert	As noted at Q2 the service is not expecting to meet this target during 2021/21 due to capacity and recruitment issues The Planning Enforcement Team continues to work proactively with all relevant departmental colleagues to address enforcement issues as they arise.	Fri-31-Mar-23
ENV 06 - Reduce the District Council's carbon emissions by - 100 tonnes CO2 in 20/21 -	Corporate Resources	On track	There is little value in comparing 20/21 with previous years due to covid impact, particularly with the closure of the Leisure Centres. However, the 20/21 annual usage will be reported Q1 21/22. By way of reassurance the Council is on course to achieve the 100 tonnes reduction in 20/21. Whilst not planned the swift switch to agile working for the workforce due to Covid has significantly reduced travelling to work by employees contributing positively towards this target. Progress on climate change continues with a £1m submission to BEIS for Eckington Pool for air source and air handling and solar PV and decision to buy only certified renewable electricity forecast to save in the region of 650 tonnes of carbon emissions.	Fri-31-Mar-23
ENV 07 - Install 10 EV charging points across the District by 2023	Corporate Resources	On track	Following completion of site surveys at NEDDC operational facilities BP Chargemaster have established technical feasibility and returned	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			<p>quotations for the following:</p> <p>Coney Green - 3x 7kw Charge Points (6 sockets)</p> <p>Rotherside Depot - 2x 7kw Charge Points (4 sockets)</p> <p>Rotherside Court - 1x 7kw Charge Point (2 sockets)</p> <p>Mill Lane - 3x 7kw Charge Points (6 sockets)</p> <p>Pioneer House - 3x 7kw Charge Points (6 sockets)</p> <p>Work will continue to determine the operational and long term viability of each proposal.</p>	
ENV 08 - Develop a Climate Change Communications Strategy by April 2021	Corporate Resources	Covid affected	<p>The Council has a comms strategy in place for effective promotion and marketing for campaigns we do.</p> <p>Some of which are aligned to Climate Change and Carbon Reduction that we are working on. This includes Thanks a Tonne campaign, aiming to get each household to save 1T of carbon per year.</p> <p>Other initiatives involved promotion of the</p>	Fri-31-Mar-20

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			<p>Green Homes Grant Scheme where residents can reduce costs and make their homes more energy efficient with the Government led scheme.</p> <p>We also constantly work on promoting our digital and online channels (reducing footfall) as well as on going day to day work and initiatives with service areas such as the Clean Air Day campaign.</p> <p>An engagement and comms strategy specifically for climate change will be developed to complement the above.</p>	
ENV 09 - Develop and deliver 2 climate change community information events per year	Corporate Resources	Covid affected	The Home Improvement Co-ordinator will lead a session with Parish Councils at the DPLG on 26.03.21. Other sessions will be considered following the COVID-19 situation.	Fri-31-Mar-23
ENV 10 - Deliver 1 climate change training event for Parish Councils per year	Corporate Resources	On Track	The Home Improvement Co-ordinator will lead a session with Parish Councils at the DPLG on 26.03.21.	Fri-31-Mar-23
ENV 13 - Increase the number of fixed penalty notices issued for litter and dog fouling offences by 20% by 2023 (Baseline: 2019/20)	Environment	Covid affected	This initiative has been temporarily suspended due to the Covid-19 outbreak.	Fri-31-Mar-23
ENV 14 - Undertake 15 litter picks and Love Where You Live initiatives per year	Environment	Covid affected	This initiative has been temporarily suspended due to the Covid-19 outbreak.	Fri-31-Mar-23
ENV 16 - Measure %age of all reports of fly-tipping referred for investigation to be	Environment	On Track	Q3 100%% of all reports of fly-tipping referred for investigation were responded to within 3	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
responded to within 3 working days (set baseline in 19/20 for 20/21 onwards)			working days	
ENV 17 - Measure %age of cases of waste crime (Duty of Care and fly-tipping) where sufficient evidence to prosecute has been identified, are progressed to legal services, with a prosecution file, within 60 days (set baseline in 19/20 for 20/21 onwards)	Environment	On Track	Q3 - 100% of cases of waste crime (Duty of Care and fly-tipping) where sufficient evidence to prosecute have been identified and progressed to legal services, with a prosecution file, within 60 days	Fri-31-Mar-23

Aim: Our Residents - Enhancing our residents' quality of life

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
RES 01 - Whist maintaining high quality leisure facilities, reduce the annual subsidy of the leisure service year on year.	Corporate Resources	Covid Affected	The Leisure facilities continue to be closed due to a COVID-19 lockdown. This is obviously impacting greatly on attendance and business. Funds to support the service will be received through the Local government income compensation scheme. Works continue for the projects at both Sharley Park and Eckington Pool and a decision on the decarbonisation fund bid (ESP) is expected in the middle of February. Works are complete at DSC for LED lighting in all areas and cavity wall insulation is complete at DSC and ESP. ESP has a new external entry sign and a new pool cover was installed on 22nd December 2020. Position regarding the subsidy for 2020/21 will be reported in Q1 2021/22	Fri-31-Mar-23
RES 02 - Run 12 community	Corporate	Covid	Many of our planned activity for this quarter is not	Fri-31-

Council Plan Target	Directorate	Status		Q3 2020/21 Progress Update	Target Date
initiatives per year	Resources	affected		able to take place due to larger group meetings, along with some venues and partners still recovering from COVID.	Mar-23
RES 03 - Increase participation in leisure activities at leisure centres by 5000 visits per year	Corporate Resources	Covid affected		The Leisure Facilities remain closed due to the COVID lockdown. Leisure facilities closed <u>05/11/20 to 02/12/20</u> and from <u>02/01/21</u> . This means that all areas of activity have been greatly reduced and has impacted immensely on throughput. The facilities are at approximately 40% attendance against the previous year. Total attendance for Q3 (with restrictions in place and lockdowns) was 72,135 against set target (pre-COVID) of 183,775.	Fri-31-Mar-23
RES 04 - Deliver a health intervention for 258 new attendees per year	Corporate Resources	Covid affected		Exercise by Referral re-started September but due to high level of vulnerable people on scheme, most people had not returned to normal activities. Exercise options were further reduced by the introduction of Tier 3 restrictions (no indoor exercise classes allowed). No new referrals sent from Live Life Better Derbyshire between April - December, a temporary suspension due to vulnerability of client group re Covid 19. Target Q3 - 64 Actual Q3 - 19	Fri-31-Mar-23
RES 05 - Deliver the PALS service to 40 residents per year and report on the socio economic and health benefits	Corporate Resources	On track		No further PALS have been recruited in this quarter, total 32 to date.	Sun-31-Mar-19
RES 06 - Deliver the 10 week, 560 Lifestyle Programme to at least 12	Corporate Resources	Covid affected		Delivering to 4 primary school in this quarter, further figures around throughput and number of	Fri-31-Mar-23

Council Plan Target	Directorate	Status		Q3 2020/21 Progress Update	Target Date
schools across the District (10,000 students per year)				sessions is not currently available.	
RES 07 - Deliver additional lunch time or after school PE clubs in at least 6 schools per year.	Corporate Resources	Covid affected		Due to Covid restrictions some of our schools have not been able to accommodate us during this quarter however we have restarted activity in a total of three schools. Sessions and throughout data will be available shortly. We hope that we will be back in all schools during Q4.	Fri-31-Mar-23
RES 09 - Deliver the Corporate Communications Strategy Action Plan by 2023	Corporate Resources	On track		<p>On target, progressing actions as planned.</p> <p>Highlights include the NEWS 2020 issue with themes including the environment, business and coronavirus special editions (including Climate Change, wellbeing and leisure centres).</p> <p>Council website re-designed in 2020 with a new and effective search facility, compatible across all devices (accessibility and usability over 90% from SilkTide score)</p> <p>In 2020 over 90+ press releases were issued, more than 2016-2019 combined.</p> <p>More than 300+ posts going out every quarter, double the target and often more in some instances through the pandemic</p> <p>We have boosted and advertised posts on social media to further engagement and reach with our</p>	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			<p>followers</p> <p>Passed accessibility checks by Government digital team. Helping the authority create accessible documents and content for the website</p> <p>Utilising email marketing – purchased Gov Delivery software in 2020. Launched December 2020 and have 15,500 users signed up by mid-January 2021.</p>	
RES 10 - Commence direct electronic communications with at least 1000 residents by December 2020	Corporate Resources	Achieved	Target met and exceeded. Email communication had over 4500+ signed up to receive email updates via the Gov-Delivery service.	Thu-31-Dec-20
RES 11 - Increase social media posts to at least 180 per quarter	Corporate Resources	On track	Target met and exceeded.	Fri-31-Mar-23
RES 12 - Improve the overall performance and usability of the website by achieving a maximum score of 4 on 'BetterConnect website report' by Dec 2022.	Corporate Resources	On track	<p>Website scoring is now measured and reported on differently. 1-5 is no longer a relevant score; it is now marked 0-100 by Silktide on behalf of SOCITM; it is specifically measured and reported on accessibility criteria only.</p> <p>NEDDC currently scores 92 ('Excellent') - for comparison nationally, the top 10 Local Authority websites currently score 97 or above so NEDDC is doing very well.</p> <p>NEDDC have the Silktide website testing tool and scores for aspects of the websites are:</p> <ul style="list-style-type: none"> • Content 88 • Accessibility 92 	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			<ul style="list-style-type: none"> • Usability 93 • Marketing 88 	
RES 16 - Ensure home ownership models to equate to 25% of affordable homes requirement on new developments	Development	On track	On new developments currently under construction or recently completed, 56% of affordable homes are shared ownership or Affordable Home Ownership. This is an unusually high percentage and may reduce slightly as some homes are likely to be converted to Affordable Rent on one particular site.	Mon-30-Mar-20
RES 18 - Reduce rough sleeping to zero by 2023	Development	On track	<p>0 recorded rough sleeping in Q3</p> <p>In Quarter 3 we opened 67 cases (Full Homelessness Applications)</p> <p>41 prevention cases where people were threatened with homelessness</p> <p>26 relief cases where people were already homeless</p> <p>The National average for cases opened at prevention stage is 55%</p> <p>In Q3 the NEDDC average for cases opened at the prevention stage is 61%. This is compared to 38% of cases being opened at the relief stage.</p> <p>Covid -19 impact on performance</p> <p>In 2019/20 74% of all cases opened were at the prevention stage. Covid-19 and the subsequent lockdown led to more people losing their accommodation who were housed insecurely. The relaxing of lockdown restrictions from June 2020 resulted in more households being rehoused and</p>	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			<p>this improvement continued through Q3. It is important to have a higher percentage of prevention vs relief to limit emergency housing costs.</p> <p>In Q3 we recorded 58 positive outcomes where homelessness or the threat of homelessness was resolved 39 positive outcomes at prevention stage 19 positive outcomes at relief stage</p> <p>Despite the negative impact of COVID-19 on the type of cases we encountered, in Q3 we saw a positive completion percentage of cases opened vs cases closed of 87%.</p> <p>We have secured additional winter provision for people experiencing homelessness and in particular those that may be rough sleeping during the new national lockdown. The winter provision at Mount Cook adventure centre opened December 14th 2020. This provision will continue until at least the end of March 2021</p>	
RES 20 - Create at least 4 apprenticeship opportunities by 2023	Corporate Resources	On track	We are currently in discussions with service managers about planning for potential Apprenticeship vacancies. There are a significant number of Apprenticeships still ongoing and support for those employees and their managers is continuing.	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
RES 21 - Invest in voluntary and community organisations to assist over 20,000 vulnerable and disadvantaged households per year	Corporate Resources	On track	In accordance with the Derbyshire Compact, all groups existing and new groups to be commissioned for 21/22 services were contacted by 31.12.20, advising of the provisional allocation set by the Council. This funding will be confirmed at the 21/22 Council budget setting meeting.	Fri-31-Mar-23
RES 22 - Re-sign and launch the Armed Forces Covenant and deliver the action plan by 2023	Corporate Resources	On track	Discussions to hold a VE & VJ Day75+1 celebration to be held in 2021 have commenced although have been affected in terms of logistical detail due to the COVID-19 situation due to current ambiguities regarding the end of national lockdown. Significant support and information was sent to Parishes regarding the COVID-affected Remembrance Day regulations.	Fri-31-Mar-23
RES 23 - Develop an Older People's Strategy by September 2020 and deliver the Action Plan by 2023	Corporate Resources	On track	The digital survey (ICT usage and barriers) has completed with 478 responses received. The collated findings will be available early in the New Year and be used by the Partnership Strategy Team and DCC Public Health as information towards the commissioning of a project to address these needs, particularly for older and socially isolated residents.	Fri-31-Mar-23
RES 24 - Develop the British Sign Language Action Plan by April 2020 for implementation in full by December 2023	Corporate Resources	On track	Draft report and action plan discussed with the British Deaf Association in September and December. Finalised report and draft action plan now received from the British Deaf Association (BDA). Report to be taken to SAMT in February. Service areas such as Communications and Leisure have already put some improvements in	Fri-31-Mar-23

Council Plan Target	Directorate	Status		Q3 2020/21 Progress Update	Target Date
				place. Sign Video Relay system procured and being installed at the Contact Centre initially.	
RES 25 - Implement the use of a video remote interpreting solution by March 2020	Corporate Resources	Covid affected		Implementation of this system is underway, final amendments to the website are currently ongoing, dedicated telephony extension implemented and tested, iPads ordered, staff undergoing E-Learning of the system, anticipated go live during January 2021.	Tue-31-Mar-20
RES 26 - Support at least 20 projects per year through the Community Action Grants Fund	Corporate Resources	Covid affected		15 projects have been awarded a total on £7,339.50. Three further applications are currently under consideration. A new bidding round will be advertised early in Q4. A good recovery following the cancelled summer projects due to Covid.	Fri-31-Mar-23
RES 27 - Support at least 4 initiatives per year led by volunteers	Corporate Resources	Covid affected		Due to COVID-19 social isolation rules no volunteer-led events were held. Guidance and information was widely shared through VCS infrastructure agencies and directly to local groups and volunteers who were providing a community-level response to the situation. No initiatives to date during 2020/21.	Fri-31-Mar-23
RES 28 - Recruit 8 physical activities champions per year	Corporate Resources	Covid affected		To date 0 physical activity champions recruited mainly due to COVID.	Fri-31-Mar-23
RES 30 - Provide 10 waste, recycling and environmental advice to schools and community events per year	Corporate Resources	Covid affected		Throughout the September to December period no education events have been undertaken due to Covid19 restrictions and schools being on lock-down. However, continued education and awareness raising has been undertaken throughout this period with customers whose burgundy bin collections may have been delayed due to issues of	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			contamination. Given learning priorities at this time and social distancing requirements, no school events are anticipated in the near future. (No events to date).	
RES 31 - Support at least 6 school climate change projects per year	Corporate Resources	Covid affected	5 Eco-schools grants have been approved, which will be developed as soon as the weather and any COVID-19 restrictions allow.	Fri-31-Mar-23
RES 32 - Monitor performance against the corporate equality objectives and publish information annually	Corporate Resources	On Track	A review of progress against the corporate equality objectives has been undertaken for 2020 and published. It demonstrates the wide variety of work being undertaken to support and enhance the lives of customers and residents, and employees too. Examples being the first District Council to sign up to the British Sign Language (BSL) Charter, approval to support and commit to a countywide and District Council 'local offer for children in care and care leavers' and supporting 13 apprenticeships at the Council.	Fri-31-Mar-23

Aim: Our Services - Delivering high quality, cost effective services by engaging with residents, partners and Council staff

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
SER 01 - Deliver 22 service reviews by 2021	Corporate Resources	On track	The Service Review process was incorporated into the Service Plan process which is now substantially complete. Expected to be fully achieved by Q4.	Wed-31-Mar-21
SER 02 - Deliver 4 employee liaison meetings annually	Corporate Resources	On track	Scheduled and taking place	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
SER 03 - Deliver £2m savings through the Transformation Programme by 2023 <u>Note:</u> Programme 2 started in 2018/19.	Corporate Resources	On track	A review of the 5% - 10% financial improvements suggestions from each Service Plan will be reviewed during January 2021. An update on figures will be given at Q1 2021-22 following the financial year-end.	Fri-31-Mar-23
SER 04 - Deliver 100 hours leadership training per year	Corporate Resources	On track	The first cohort of the internal Leadership Programme is reaching its conclusion with the final module, presentations from managers and peer support groups meetings taking place in Quarter 4. Level 5 and Level 7 Leadership Apprenticeship courses are continuing for managers at operational and strategic level during Q4. Equalities refresher training is taking place and all managers are expected to attend in Jan/Feb.	Fri-31-Mar-23
SER 05 - Ensure that at least 50% of transactions are made through digital channels by Dec 2024	Corporate Resources	On track	Digital transactions in Q3 of 2020-21 is 49.51% (See measurement note below) Figures are steadily increasing, some increase may be due to additional Covid-19 forms (Grants etc). Removing Covid forms from calculations still means 49% transactions counted were digital. Automated Telephone Payments are not being used by all service areas that it is available to - work needs doing around this as could make a significant difference. Baseline (Q1 2018-19) is 29.98%. <u>Measurement note:</u> Digital transactions counted are <u>all</u> Self Service, automated telephone and online payments, kiosk payments etc. Non-Digital is calls, face to face, webchat, email, text etc. taken by Customer Services only (no other reliable statistics are available).	Tue-31-Dec-24

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
SER 06 - Provide self-service access to all service areas by 2023	Corporate Resources	On track	Most service areas have access (all who have a need) to Self Service but the level of use needs to increase further. Environmental Health and Streetscene are key users, Revenues are increasing their use via increasing online forms, and emerging users are Leisure, Communications, Planning and Economic Development. The need for COVID-19 related forms and online services continues with several grant funding forms being designed and implemented in January 2021. LEAN reviews help service areas identify where services can be moved online will begin in the Spring.	Fri-31-Mar-23
SER 11 - Increase the number of pre-court and court enforcement actions taken by Community Safety	Environment	On track	33 Pre court enforcements (CPW's, CPN's and FPN's) and 1 Court enforcement that keeps getting adjourned because of lockdown.	Fri-31-Mar-23
SER 12 - Ensure that monthly car parking patrols are undertaken outside schools within the District	Environment	Covid affected	This initiative has been temporarily suspended due to the Covid-19 outbreak.	Fri-31-Mar-23
SER 13 - Review enforcement services and develop and deliver a 2020-23 Environmental Health Improvement Programme	Environment	On Track	A review of enforcement services has been completed and Cabinet approved recommendations on 12th November. Implementation of the new structure commenced 1 January 2021. The Service will develop and deliver a 2021-23 Environmental Health improvement programme when staff are in post, including the new Service Development Manager.	Tue-31-Dec-19
SER 15 - Deliver 6 Ward walks per year	Corporate Resources	Covid affected	It is still not appropriate to commence this target. To review again in Q4.	Fri-31-Mar-23
SER 16 - Attend 4 Parish Council Meetings per year	Corporate Resources	Covid affected	The Monitoring Officer (MO) has attended a Parish Council meeting and the Governance Team are supporting Killamarsh Parish Council currently. There is	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			no further resource to allocate to parish support during the covid crisis - although MO and Governance support is ongoing by email to those who request it.	
SER 17 - Undertake a biennial customer satisfaction survey	Corporate Resources	On track	This target has been amended to biennial to reflect and complement the customer satisfaction work already undertaken by the Council. An approach will be agreed upon this financial year for implementation in 2021/22.	Fri-31-Mar-23
SER 18 - Review the Council's Petition Scheme by Annual Council 2020	Corporate Resources	Overdue	The Monitoring Officer has discussed this with the Leader and will be bringing forward a report in the new year to Standards Committee.	Tue-31-Mar-20
SER 19 - Achieve a combined recycling and composting rate of 50% by March 2023	Environment	On track	Performance is <u>estimated</u> on Q3 (2019\20) Waste Data Flow information due to the data not being available until ending Dec 2020. However, allowance is made to take account of Covid-19 reduced performance (5%) which anticipates 3,500tonnes of recyclable\compostable waste being diverted yielding a Q3 recycling rate of 38% between October to December 2020. Q2 (2020\21) <u>Actual</u> 5,734tonnes of recyclable\compostable waste was diverted, yielding a recycling rate of 50.4% between July and September. Comparative performance with Q2 (2019\20) is 6% lower and influenced by Covid19; for instance, green bin collections being suspended. The combined Q1 and Q2 performance is 49.3% which is 5% lower when compared to 2019\20 performance.	Fri-31-Mar-23
SER 20 - Place 2 recycling promotions in NEDi News annually	Environment	On track	An article is in production for placement in Winter edition of the The News informing of green bin collection suspension arrangements and promoting waste	Fri-31-Mar-23

Council Plan Target	Directorate	Status	Q3 2020/21 Progress Update	Target Date
			recycling (Burgundy Bin) to facilitate increased waste diversion from the residual waste (Black Bin) stream, reducing reliance of landfill and/or heat treatment.	
SER 21 - Undertake Local Environmental Quality Surveys to establish 96% relevant land surveyed meets grade B or higher cleanliness standards in line with Code of Practice for Litter and Refuse	Environment	On track	LEQS's established 3.78 % of streets and relevant land surveyed fell below grade B cleanliness standards resulting in 96.22 % meeting the target standard. Combined rounded annual performance is 4 % meeting the 96% target.	Fri-31-Mar-23
SER 22 - Undertaking cleansing of all District estate roads at least 4 times per year	Environment	On track	Urbanised housing estate street cleansing is scheduled on quarterly frequencies and performance is measured by way of operational cleansing program returns. Following the impact of Covid-19, service delivery has returned to near-normal arrangements.	Fri-31-Mar-23
SER 23 - Complete the review of Planning Committee processes by 1 May 2020. Complete the implementation of all agreed actions by 1 May 2021.	Environment	On track	A number of processes have recently been amended. Work continues to review the working of the Council's Planning Committee and further recommendations will be made in due course.	Sat-1-May-21
SER 24 - Have first customer feedback survey ready by 1st April 2021	Environment	Achieved	The survey has been produced and ready for use.	Wed-1-Apr-21
SER 25 - Publish the adopted Planning Enforcement Protocol by 1 April 2020.	Environment	Overdue	The protocol is still being considered by Members	Wed-1-Apr-20

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

10th February 2021

Risk Management

Report of the Director of Corporate Resources

This report is public

Purpose of the Report

- To update Members of the Audit and Corporate Governance Scrutiny Committee of the current position regarding Risk Management arrangements and the Strategic Risk Register as at January 2021.

1 Report Details

Background

1.1 Audit and Corporate Governance Scrutiny Committee have previously endorsed the Council's Risk Management Strategy which was then approved by Cabinet in March 2020. The Strategy includes but is not limited to the following;

- The nature of 'risk' both the 'threats' and the 'opportunities'
- The benefits of a robust risk management approach
- The Council's risk appetite
- Risk categorisation – *Operational, Governance, Strategic*
- Project and Partnership risk
- The Council's risk management approach and arrangements including a new 'Risk Management Group'
- Roles and responsibilities including *Senior Risk Officer* and *Senior Information Risk Officer* (SRO and SIRO)

1.2 The Strategy also details the work of a 'Risk Management Group'. This is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is the conduit to and from the whole organisation in terms of risk management.

1.3 The group 'regularly' and 'consistently' oversee, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself. It is responsible for risk management reporting to stakeholder groups across the Council, including this Scrutiny Committee and supports the production of the Annual Governance Statement. The group leads on the development and

review of all risk related policies, plans and strategies across the Council and oversees and champions the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture.

Update of the Risk Management Group held on 16th December 2020

1.4 Having previously developed and established new risk register templates for *Strategic, Operational, Partnership* and *Project* related risks, the group have overseen their completion by Heads of Service in relation to their own service areas. The templates cover; risk area, threat/opportunity, mitigation and risk ratings. At the meeting 'Streetscene' Head of Service presented their Operational Risk Register – discussion centred around the following;

- **SS1 - Council fails to achieve Revised European Waste Framework Directive (rEWfD) and/or emerging New UK Waste & Resource Strategy.**
The group were advised that Street Scene were currently achieving 47% / 48%, but were struggling to meet the target of 50%. Strict mandatory targets may be placed on local authorities.
- **STR SS2 - Lack of appropriately trained staff.**
Street Scene cover a wide range of activities and therefore require a wide skill set. Attempting to grow skill sets within current staff, but recruit externally if necessary.
- **STR SS3 - Ineffective financial management and service failure**
Regular meetings with accountant and finance section take place and pressures reported accordingly
- **STR SS4 - Breakdown of industrial relations leading to service failure**
Generally relations are good. Certain service areas under additional pressure due to Covid-19.
- **STR SS5 - Breakdown in partner relationship resulting exit from Riverside shared depot facility**
All of the south of the district currently operate out of Riverside Depot.
- **STR SS6 - Breakdown of service delivery through poor fleet management**
Since the recent departure of a member of staff, currently only the Head of Service was named on the Operator's Licence for both NEDDC and BDC. The team are currently developing other members of staff to become qualified to hold Operator's Licence to provide resilience.
- **STR SS7 - Unauthorised entry to Operational depot resulting in loss of vehicles, plant and vehicle fuel**
Following issues in the past with fuel theft and 'ram raiders' CCTV had been installed on site.

- **STR SS08 - Flooding of operational depot resulting in major disruption of front line services.**

Depot flooding remained an on-going issue, with the depot appearing to flood approximately every 10 years – although considering the apparent changing weather patterns, flooding across Derbyshire appears to be at increasing frequencies. The team have protocols in place as well as physical measures to lessen the impact of flooding, however the cost of more significant flood defences were currently cost prohibitive.

- **STR SS09 - Fuel strike/shortage**

Impact of Brexit and Covid-19 both present threats. Full bunkers would provide approximately 7 to 9 days fuel supply. In the case of the supply running low non-essential services would be restricted.

- **STR SS10 - Increased kerbside recycling collection costs**

Material market values affect cost of contract charges. When material prices drop, contract charges increase; similarly, as they increase, charges drop reflecting the risk sharing mechanism in the contract. During the lockdown period material volumes collected at the kerbside increased massively and averaging approximately 17% increase and expected to increase 27% (approx.) over Christmas. Recent performance issues with Ward Recycling service, is affected by material sorting facility capacity and output being down due to Covid and demand being higher due to increased waste in burgundy bins This recently affected Wards collection vehicle turnaround times due to output of their sorting line at Corbrigg not able to meet material inputs putting between 2 and 5 hours and tipping times resulting in missed collections.

- **STR SS11 - Viral Pandemic**

Ongoing challenges to keep service running at times due to Covid-19 and staff having to self-isolate / shield.

- **STR SS12 - Inclement weather delaying service delivery.**

Predominant concerns were flooding and snow. Refuse vehicles continue to run and collect as long as driver considers it safe to do so.

The Group discussed the third party risks at length with the Head of Service who highlighted 'Wards' (third party contractor) capacity issues experienced earlier in the year. Meeting between the Council and Wards were taking place centering around their resourcing requirements as set out in their Service Delivery Plan submitted at time of tender. Alternative supplier discussions are also underway to provide a contingency plan in case of the requirement to make an urgent change. The Risk Management Group requested that this particular Operational Risk be escalated to a Strategic Risk given the potential impact on the organisation – this is currently underway.

- 1.5 The Group reviewed the Strategic Risk Register (see Appendix 1). Each Risk was discussed. The following are items of note;

- **STR1 - Parliamentary uncertainty following the General Election, Government Legislation / impact of referendum vote to leave the EU / adverse external economic climate has an accelerating impact on Council funding, or upon the local economy, to which Council is unable to adopt an appropriate change of Strategic direction.**

Consideration being given as to whether this risk should be refined and the EU transition separated out. It was noted however that it was difficult to identify the risk until details of the deal were known. The Director of Growth and Economic Development currently attends LRF meetings.

- **STR5 - Increasing difficulty in recruiting to key posts or in replacing key staff who leave. Staff morale is adversely affected arising from the pace of change, tightening financial circumstances or external circumstances.**

The Group considered whether officers were still finding it difficult to recruit appropriately qualified/trained staff. Environmental Health HOS advised that a better indication would be known in January 2021 when the next post was due to be advertised. It was noted that recruitment remained an issue in regeneration posts. HOS for Planning advised that a recent recruitment drive for an Enforcement Officer had been unsuccessful. It was noted that this appeared to be an on-going issue within all professions. This area would be focussed on at the next meeting.

- **STR9 - Staff morale / Sickness Levels adversely affected as a result of the pace of change, tightening financial circumstances or external circumstances.**

The Group discussed the continued work around remote working due to Covid-19. A new Agile Working Policy was in development.

- **STR10 - Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.**

Safeguarding had been embedded throughout the organisation. NEDDC created and now lead on the Districts Safeguarding Leads Sub-Group (a Countywide group) the Councils Safeguarding Lead, Lee Hickin – Director of Corporate Resources and Head of Paid Service, chairs this group – this has been gratefully received by both the Derby and Derbyshire Safeguarding Childrens Partnership and the Adults Safeguarding Board.

- **STR11 - Failure of NEDDC's Local Plan to be found sound at independent examination.**

This Risk would remain until the Local Plan had been adopted.

- 1.6 The Group heard from the Head of Internal Audit who advised that recent audit work had not identified any major control risks due to Covid-19. The Audit Plan for 2021/22 would be formulated in Jan/Feb 21 and officers were requested to consider potential areas for audit next year. The Audit Plan would be discussed

with Director of Corporate Resources and Head of Paid Service, S151 Officer and considered at the Risk Management Group meeting in March 21 before being presented to Audit and Corporate Governance Scrutiny Committee in April 2021.

- 1.7 Director of Corporate Resources and Head of Paid Service who is also the Council SRO (Senior Risk Officer) advised that he was developing a training pack for staff, managers and elected Members around the topic of Risk Management.
- 1.8 Emergency Planning and Business Continuity Planning were discussed by the Group. Conversation centred around the profile of cybersecurity being raised, along with raising awareness and training amongst our workforce and elected Members. Experts within the industry suggest that the reality is for most organisations 'when' we have an attack rather than 'if'.

The Director of Corporate Resources and Head of Paid Service questioned whether the Strategic Risk Register should provide additional focus on cyber security? This was agreed by the Group – ICT Head of Service suggested transferring the relevant ICT risks from the ICT Operational Risk Register (when finalised) on to the Strategic Risk Register. It was also agreed that a table top 'cybersecurity exercise' and 'disaster recovery exercise' be set up to test the Councils resilience in relation to this particular threat.

- 1.9 The group requested that any policy/plan in development at present or planned for the near future should be either brought to or emailed to the Group for comment/consideration in relation to any risk elements.

2 Conclusions and Reasons for Recommendation

- 2.1. The Council have in place a robust Risk Management Strategy and action plan which enables the organisation to manage the many and varied risks facing the Council. The approach to managing those risks is applied within decision making processes and is continuous with a structured review process overseen by the Risk Management Group.
- 2.2 The Risk Management Group is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is now becoming the conduit to and from the whole organisation in terms of risk management. The Risk Management Group is now able to provide risk management reporting to stakeholder groups across the Council and will support the production of the Annual Governance Statement.
- 2.3 The Risk Management Group have made significant progress in ensuring that risk is effectively managed within the organisation. By leading on the development and review of all risk related policies, plans and strategies across the Council, the Risk Management Group will provide consistency of approach and alignment of all service areas in relation to risk management. By overseeing and championing the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management

culture, the Risk Management Group will be pivotal in the organisations future success.

3 Consultation and Equality Impact

- 3.1. There are no consultation or equalities issues arising from this report which necessitate a formal consultation process. The new Strategy has however included consultation with; SAMT; Audit and Corporate Scrutiny Committee and Cabinet previously.

4 Alternative Options and Reasons for Rejection

- 4.1. Under relevant good practice and to facilitate the development of robust managerial arrangements the Council is required to prepare a Strategic Risk Register as part of its risk management framework. This report is intended for Members and Officers to consider both the Strategic Risk Register, together with the Council's wider framework for managing risk and partnerships. Given the importance of these arrangements for the overall governance of the Council it is necessary to subject them to regular review. The alternative of not providing this is therefore rejected.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 There are no additional financial implications arising out of this report. Whilst, where appropriate, additional mitigation measures have been identified and implemented during the course of preparing the Strategic and Operational Risk Registers, the cost of implementing this mitigation will be met from within previously agreed budgets.
- 5.1.2 Risk Management Issues are covered throughout the body of the main report.

5.2 Legal Implications including Data Protection

- 5.2.1 There are no legal or data protection issues arising directly out of this report.

5.3 Human Resources Implications

- 5.3.1 There are no human resource issues arising directly out of this report.

6 Recommendations

- 6.1. That the Audit and Corporate Scrutiny Committee notes the report and Strategic Risk Register as at November 2020 as set out in **Appendix 2**.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000</i> <i>Capital - £150,000</i> <input type="checkbox"/></p> <p><i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/></p> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	None directly
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8. Document Information

Appendix No	Title
1	Strategic Risk Register as at November 2020
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
Service Area Operational Risk Registers	
Report Author	Contact Number
Lee Hickin – Director of Corporate Resources	7218

STRATEGIC RISK REGISTER – updated January 2021

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<p>STR1 Parliamentary uncertainty following the General Election, Government Legislation / impact of referendum vote to leave the EU / adverse external economic climate has an accelerating impact on Council funding, or upon the local economy, to which Council is unable to adopt an appropriate change of Strategic direction. The decision to leave the EU creates significant uncertainties whilst there is a significant programme of legislative change which impacts directly upon local government.</p>		<ul style="list-style-type: none"> • Unable to deliver a package of services that both addresses changing national priorities whilst meeting changing local needs and aspirations. • Increases costs or reduces resources available to the Council directly, or to its key partners. • Reduced influence over delivery of local services. • Unable to effectively support local communities. • Increased demands on Council services at a time when Council resource base is reducing. 			<ul style="list-style-type: none"> • Mitigation. • The Council is outward looking and actively works to secure details of proposed change and the approaches that might be adopted to mitigate against associated risks, including working to identify new income streams. • The Council has effective political and managerial arrangements in place to manage change. • Appropriate levels of financial reserves / investment funding are maintained to fund strategic shifts in service delivery. • Effective engagement with staff to ensure they embrace necessary change. 				
STR1	Sept 19	Inherent Risk Score (Likelihood x Impact)	4x4	16	Residual Risk Score (Likelihood x Impact)	3x4	12	Risk Owner / Lead Officer	SAMT / Political Leadership

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
STR2 Failure to deliver a balanced budget in line with the MTFP, at a time when the Council's reserves are at an acceptable rather than a robust level, and localism has created significant uncertainties re future funding levels.		<ul style="list-style-type: none"> • Impact upon ability to deliver current level of services. • Unable to resource acceptable levels of service. • Significant adverse reputational Impact. • The Covid 19 pandemic is putting a significant and unprecedented risk on budget setting 			<ul style="list-style-type: none"> • Mitigation • The Council has effective financial management in place to ensure budget arrangements are robust. • The Council has appropriate managerial arrangements and culture in place to manage any necessary change. • The Council has 'adequate' financial reserves in place to cushion against any loss of income for a period of at least one financial year. • The Council has been closely monitoring the impact of Covid 19 and adjusting the budgets accordingly. The financial impact of the pandemic is recorded as a key risk in budget setting for the MTFP refresh 				
STR2	16/11/ 20	Inherent Risk Score (Likelihood x Impact)	4x4	16	Residual Risk Score (Likelihood x Impact)	3x4	12	Risk Owner / Lead Officer	Political Leadership / S151 Officer/ SAMT

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
<p>STR3 The Council is affected by a operational service failure which has a major impact upon the local community, this impact being reflected in the Council's sustainability and reputation. Failure could arise from services – inc Data Protection – failing to adhere to best practice. Resulting in a potential impact upon the Council's ability to secure its corporate objectives. Given the efficiency measures that have been introduced to date this is considered to be an increasing issue for the Council.</p>		<ul style="list-style-type: none"> • A significant service failure associated with a major impact on the local community. • Deterioration in services to the public, potentially a major impact upon a local resident or a group of local residents. • Significant staff and financial resources required to resolve position, impacting on other services. • A major service has its operating capacity significantly impact and is required to introduce major reform in its approach to service delivery. • Severe reputational damage 			<ul style="list-style-type: none"> • Mitigation • The Council has appropriate managerial arrangements in place supported by staff recruitment and training to ensure these risks are effectively managed. • The Council has a Performance Management Framework in place to help ensure that services are delivered in line with good practice and industry standards. On going monitoring and regular reporting will help ensure that any emerging issues re service performance are effectively identified and resolved at the earliest possible opportunity. 				
STR3	Sept 19	Inherent Risk Score (Likelihood x Impact)	3x5	15	Residual Risk Score (Likelihood x Impact)	2x5	10	Risk Owner / Lead Officer	SAMT
<p>STR4 Emergency Planning and Business Continuity arrangements fail to meet required standards when tested by flu pandemic, natural disaster (flood), etc.</p>		<ul style="list-style-type: none"> • Inability of Council to provide services as a consequence of a severe catastrophic external event (e.g. flooding, major terrorist incident, flu pandemic, fire, cyber crime). • Failure of IT infrastructure, leading to inability to effectively operate services and to safeguard income streams. 			<ul style="list-style-type: none"> • Mitigation • The Council works in partnership with a range of partners on its Emergency Planning arrangements to ensure that we operate in line with best practice. There is an annual 'desktop' scenario to test officers understanding of the 				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
Cyber crime with a loss of data / systems, results in the inability to provide core services and reputational damage.		<ul style="list-style-type: none"> Business Continuity Plans prove ineffective in practice. 			<p>arrangements and validate that they are fit for purpose in a realistic 'trial' scenario.</p> <ul style="list-style-type: none"> All services have Business Continuity plans in place which identify key risks and mitigation. Corporate IT systems have been tested against Industry standards for Business Continuity. The Council works in partnership with a range of other agencies that should be able to provide support in the event of the Council's own procedures failing to be effective. The Council has in place industry standard measures to minimise the risk of cyber crime. 				
STR4	Sept 19	Inherent Risk Score (Likelihood x Impact)	5x5	25	Residual Risk Score (Likelihood x Impact)	5x3	15	Risk Owner / Lead Officer	SAMT
STR5 Increasing difficulty in recruiting to key posts or in replacing key staff who leave. Staff morale is adversely affected arising from the pace of change, tightening financial circumstances or external circumstances.		<ul style="list-style-type: none"> Deterioration in services to the public. Increasing inefficiencies in service provision. Weakening of Internal Control arrangements. Increased pressure on other members of staff. 			<ul style="list-style-type: none"> Mitigation The Council has effective communication and working with staff as validated by securing 'silver' accreditation at IIP. There is sufficient funding to bring in agency staff where required to maintain service performance. At this stage the problematic areas are those where there are national 'shortages'. In the majority of areas 				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					<p>it has proved possible to recruit appropriate replacement staff.</p> <ul style="list-style-type: none"> • Appropriate training budgets are in place to ensure that staff receive necessary training to maintain service quality / continuity. • The Council is looking to introduce appropriate apprenticeship / training schemes in order to develop suitable staff. 				
STR5	Sept 19	Inherent Risk Score (Likelihood x Impact)	3x4	12	Residual Risk Score (Likelihood x Impact)	2x4	8	Risk Owner / Lead Officer	SAMT
<p>STR6 Delivery of the Council's Agenda is dependent upon effective delivery of both a number of major initiatives / projects and implementing a range of new government reforms whilst achieving financial targets and maintaining service quality, which may overstretch our reduced organisational capacity.</p>		<ul style="list-style-type: none"> • New initiatives are not delivered in a cost-effective manner. • Failure to maintain / improve services in line with local aspirations. • Failure to generate the savings required to balance the budget. • Financial savings measures weaken Governance / Internal Control arrangements. • Service deterioration / failure arising from capacity issues. 			<ul style="list-style-type: none"> • The Council has effective prioritisation and project management arrangements in place to ensure resources are directed at key objectives. • The Council has made efforts to ensure effective use of employees by utilising shared services to protect service resilience, by maintaining appropriate training arrangements and by investing in transformational service delivery projects. • The Council has a robust performance management framework that is intended to highlight emerging issues. 				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
STR6	Sept 19	Inherent Risk Score (Likelihood x Impact)	3x4	12	Residual Risk Score (Likelihood x Impact)	2x4	8	Risk Owner / Lead Officer	SAMT
STR7 Need to effectively engage with local communities and a range of local partners (inc Shared / Joint services) to deliver cost effective joined up services.		<ul style="list-style-type: none"> • Failure to provide effective community leadership. • Loss of trust in the Council • Inability to deliver good quality cost effective services targeted at local needs. • Poor outcomes for local residents, due to failure to engage other agencies. 			<ul style="list-style-type: none"> • Mitigation • The Council has in place a range of mechanisms designed to secure feedback from local residents including the Performance Framework, a range of consultation events and the role of Elected Members as local champions. • The Council has an active Partnerships Team and senior Members / Officers actively engage with other organisations serving the area. • The Council's management structures are aligned to our key partnership arrangements. 				
STR7	Sept 19	Inherent Risk Score (Likelihood x Impact)	3x4	12	Residual Risk Score (Likelihood x Impact)	2x4	8	Risk Owner / Lead Officer	SAMT / Political Leadership
STR8 Governance Arrangements including Performance, Finance and Risk Management need to be maintained in order to continue to operate effectively in a rapidly changing environment.		<ul style="list-style-type: none"> • Adverse Impact upon Service Quality. • Failure to deliver high quality services which address national and local priorities. • Significant adverse reputational impact. 			<ul style="list-style-type: none"> • Mitigation • The Council has appropriate managerial arrangements in place supported by staff recruitment and training to ensure these risks are effectively managed. • The Council has active Standards and Audit Committees which provide independent review of the 				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					Governance arrangements in the Council. <ul style="list-style-type: none"> The Annual Governance Report sets out an evidence based structured assessment of the operation of the Council's governance arrangements. 				
STR8	Sept 19	Inherent Risk Score (Likelihood x Impact)	3x4	12	Residual Risk Score (Likelihood x Impact)	2x4	8	Risk Owner / Lead Officer	S151 Officer / Monitoring Officer / SAMT
STR9 Staff morale / Sickness Levels adversely affected as a result of the pace of change, tightening financial circumstances or external circumstances.		<ul style="list-style-type: none"> Deterioration in services to the public and loss of productivity. Loss of key staff / increased sickness levels. Increased pressure on other members of staff. Loss of 'goodwill.' 			<ul style="list-style-type: none"> The Council operates in line with the independent IIP standards and HR 'good practice' to help ensure current staff are well managed and motivated. The staff has a range of communication mechanisms in place to ensure staff engagement with the Council's agenda. The Council has reduced its emphasis of securing savings through vacancy management and seeks to bring in 'agency staff' etc as required. While the Council cannot control external circumstances it has continued to work with staff to mitigate the impact of these on individual employees. 				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
STR9	Sept 19	Inherent Risk Score (Likelihood x Impact)	3x4	12	Residual Risk Score (Likelihood x Impact)	3x3	9	Risk Owner / Lead Officer	SAMT
STR10 Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.		<ul style="list-style-type: none"> • Profile of safeguarding is poor • Staff and members do not know what safeguarding is and their role within it • Staff and members do not know how to spot the signs • Staff and members do not know how to report it and to who? • Lack of public confidence in Council policies plans and staff • Reputational damage • Potential significant harm to individuals resulting from abuse and neglect of Children and/or Vulnerable Adults possibly leading to personal harm, injury and death 			<ul style="list-style-type: none"> • The Council has in place up to date policies for safeguarding both Children and Vulnerable Adults. These policies are aligned to DCC policies which in turn are in line with legislation, regulation and statutory duties placed on Local Authorities. • The Council has in place and maintain systems of working practice to safeguard children and vulnerable adults at Council activities and those who receive Council services. • Staff recognised as appropriate to do, are DBS checked • All staff receive mandatory safeguarding training • Safeguarding is widely promoted and embedded throughout the organisation with all staff being issued with a wallet sized 'safeguarding quick reference guide' which details what to look out for and what to do • The Council has an internal safeguarding group which meets quarterly which has representation from all service areas of the Council. • The Council host and Chair the Countywide Derbyshire Safeguarding Leads Sub Group of 				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					<p>the Derbyshire Safeguarding Childrens' Board and Derbyshire Safeguarding Adults Board</p> <ul style="list-style-type: none"> The Council are represented on both the Derbyshire Safeguarding Children's Board (DSCB) and the Derbyshire Safeguarding Adults Board (DSAB) 				
STR10	16/11/ 20	Inherent Risk Score (Likelihood x Impact)	5x4	20	Residual Risk Score (Likelihood x Impact)	4x3	12	Risk Owner / Lead Officer	SAMT / Political Leadership
STR11 Failure of NEDDC's Local Plan to be found sound at independent examination.		<ul style="list-style-type: none"> Potential Government intervention Undermining the local plan Reputational damage Loss of control of planning and development 			<ul style="list-style-type: none"> The Council has successfully avoided Government intervention in the plan-making process. The Plan has now been through independent examination by the independent Inspector. The Council has taken all reasonable steps in the preparation of the Plan to ensure that it is based on sound evidence and meets procedural and legal requirements. This has included taking external legal advice, securing an advisory visit with the Planning Inspectorate and engaging consultants to critically review the Publication Draft Plan. The Plan is currently out for consultation on the main modifications as requested by the 				

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					Inspector. The consultation is expected to be completed by the end of December 2020.				
STR11	Sept 19	Inherent Risk Score (Likelihood x Impact)	4x4	16	Residual Risk Score (Likelihood x Impact)	2x4	8	Risk Owner / Lead Officer	SAMT / Political Leadership
STR12 Impact of HS2 and the electrification of the MML on environment, heritage, communities and businesses.		<ul style="list-style-type: none"> Without considerable environmental mitigation measures will have a negative impact on the visual amenity of the district, disruption to businesses, home owners and communities. It also has the potential to cause disruption on the roads and stall progress on areas of development due to uncertainty. 			<ul style="list-style-type: none"> Senior management actively engaged with HS2 staff to discuss proactive business mitigation measures. Political leadership working with relevant community groups and agencies lobbying for enhanced mitigation measures. Contributing to the East Midlands HS2 growth strategy and mitigation study Awaiting the outcome of the Government Review and the Integrated Rail Plan 				
STR12	16/11/ 20	Inherent Risk Score (Likelihood x Impact)	4x4	16	Residual Risk Score (Likelihood x Impact)	4x4	16	Risk Owner / Lead Officer	SAMT / Political Leadership
STR13 Failure to address the impact of COVID-19 upon		<ul style="list-style-type: none"> Inability to deliver services or service failure Loss of income to the Council 			<ul style="list-style-type: none"> The Council plays an active role in the Local Resilience Forum (LRF) and network of sub groups taking part in very frequent meetings and working to effectively and 				

Area Of Risk (Reference / Date)	Threats / Opportunities	Mitigation / Controls In Place / Actions Undertaken	Potential Further Action / Action Planned / When By Date
<p>the organisation, local economy and community</p>	<ul style="list-style-type: none"> • Inability to provide safe working environment resulting in COVID contamination and infection • Adverse impact on employee health • Inability to change the Councils 'ways of working' to meet the current challenges • Increased Cybersecurity and ICT related risk due to remote working increase • Inability to deliver strategic plans and ambitions • Inability to support local businesses and employers • Inability to support the community and in particular vulnerable people 	<p>collectively tackle the impact of COVID within the County. This forum includes many agencies across the public sector spectrum including emergency services, NHS, Public Health and others (see strategic risk 6 also)</p> <ul style="list-style-type: none"> • The Council has in place effective business continuity and emergency action plans which enabled the effective and efficient deployment and diversification of resources to ensure service resumption, business and community support in the initial response phase of the COVID-19 pandemic • The Council have in place robust recovery plans which include the following; • Maintaining Financial Control - Development of financial resilience reserves and accessing govt. funding aimed at local authority support, service budget reviews, controlling expenditure, regular fees and charges reviews, furloughing staff as necessary • Workplace Safety – Return to work protocols and risk assessments, regular inspection, social distancing plans, protection and hygiene measures, PPE, staff testing, communication plan, staff related 	

Area Of Risk (Reference / Date)	Threats / Opportunities	Mitigation / Controls In Place / Actions Undertaken	Potential Further Action / Action Planned / When By Date
		<p>policy reviews, training and briefings, recognition of vulnerable employees</p> <ul style="list-style-type: none"> • New Ways of Working – Virtual and remote working capability, digital workforce training, digital inclusion plans, remote and homeworking task group, homeworking policy review, website and online services capability review, managing teams remotely guidance • ICT and Cybersecurity – Evaluation of remote applications and tools, training and guidance, cybersecurity investment planning • Front Facing Services – Workplace safety as above, public interaction protocols, equipment such as 'sneeze, screens in place and face masks etc, floor markings and signage, social distancing measures, one way systems in facilities and public areas, NHS test and trace registration and materials in place • Strategy and Plans Review – Risk management, Transformation Programme, Digital, Climate Change, People, Growth, Tourism and Leisure are all strategies currently being reviewed 	

Area Of Risk (Reference / Date)		Threats / Opportunities			Mitigation / Controls In Place / Actions Undertaken			Potential Further Action / Action Planned / When By Date	
					<ul style="list-style-type: none"> External Recovery Plans – Aimed at the local economy, business support and survival, includes channelling and distribution of business grants, council tax and business rates support, links to other bodies including; LRF Recovery Sub Group, D2N2 Recovery. There is also a key focus on Communities and the Council's engagement and support with them including Parish Councils, voluntary sector and partners at all levels in the restoration and recovery challenge 				
STR13	Nov 20	Inherent Risk Score (Likelihood x Impact)	5x5	25	Residual Risk Score (Likelihood x Impact)	5x3	15	Risk Owner / Lead Officer	SAMT / Political Leadership

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

10 February 2021

Medium Term Financial Plan – Budget Monitoring Report

Quarter 3 October – December 2020

Report of the Head of Finance and Resources

This report is public

Purpose of the Report

- The purpose of this report is to present to Members of the Audit and Corporate Governance Scrutiny Committee a summary of the Budget Monitoring for the third quarter of 2020/21 which will be presented to Cabinet at its meeting on 4 March 2021.

1 Report Details

- 1.1 To update Members of the Audit and Corporate Governance Scrutiny Committee concerning the current position in respect of quarter one October – December 2020.
- 1.2 The report will be taken to the Council's Cabinet on 4 March 2021 and is accordingly brought to the Audit and Corporate Governance Scrutiny Committee for its consideration prior to this.

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that the Audit and Corporate Governance Scrutiny Committee are kept informed of the latest position concerning Budget Monitoring.

3 Consultation and Equality Impact

- 3.1 These are detailed in the attached report as **Appendix 1**.

4 Alternative Options and Reasons for Rejection

- 4.1 These are detailed in the attached report.

5 Implications

5.1 Finance and Risk Implications

These are detailed in the attached report.

5.2 **Legal Implications including Data Protection**

These are detailed in the attached report.

5.3 **Human Resources Implications**

These are detailed in the attached report.

6 **Recommendations**

6.1 That the Audit and Corporate Governance Scrutiny Committee note the report concerning the Council’s Budget Monitoring for Quarter 3 2020/21 and make any comments that they believe to be appropriate concerning these matters.

7 **Decision Information**

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: BDC: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies</p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has relevant Portfolio Member been informed?</p>	Yes
<p>District Wards Affected</p>	None directly.
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 **Document Information**

Appendix No	Title
1	Cabinet Report 4 March 2020 Budget Monitoring – Quarter 3 2020/21
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
<p>Report Author</p>	
Jayne Dethick – Head of Finance and Resources	Contact Number 01246 217658

North East Derbyshire District Council**Cabinet****4 March 2021****Medium Term Financial Plan – Budget Monitoring Oct – Dec 2020****Report of Councillor P Parkin, Portfolio Holder for Finance**

This report is for publication

Purpose of the Report

To update Cabinet on the financial position of the Council following the third quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account and the Capital Programme.

1 Report Details**General Fund**

- 1.1 The Covid19 pandemic is inevitably having a detrimental impact on the Council's 2020/21 budget. The main concern is income lost from fees and charges, predominantly within Leisure Services but also within other services such as MOT testing and commercial waste:

Service	Lost income to 31 Dec 2020 (£000)
Leisure	1,268
Taxi MOT's	84
Commercial Waste	24

- 1.2 To date, the Council has received £1.44m in grants from the government to aid the continued delivery of council services. This is being held in the Resilience Reserve and will be utilised to fund the additional expenditure incurred as well as lost income detailed above.
- 1.3 The Government's income compensation scheme is compensating the Council for 75% of the income lost from fees and charges. Claims are made retrospectively and are based on actual losses compared to pre pandemic budgets. We are required to demonstrate the measures we have put in place to

reduce expenditure during the pandemic period and claims must be net of these savings. Claims to the end of November have been submitted totalling £0.797m.

- 1.4 The Government has also announced additional support to protect the year end position on the Collection Fund. Where there is a shortfall in income collected, compared to expected levels, this leads to a deficit on the collection fund. Preceptors are usually required to meet their share of any deficit in the following year. The Government is therefore proposing two schemes to assist:
- Immediate pressures on the collection fund as a result of non-collection of council tax and business rates will be spread over three years.
 - Reductions to the level that can be billed for council tax and business rates as a result of increased levels of council tax support or business rates appeals (when compared to the original position at the start of the year) will be compensated by 75%.
- 1.6 The pandemic also has the potential to impact negatively on our daily cash flow position as monthly receipts from council tax, business rates and fees and charges are lower than we normally receive.
- 1.7 Council tax income collection is currently higher than originally expected. The current estimate at 95.8% is 2.2% lower than the pre pandemic rate of 98%.
- 1.8 However, the current estimate of the collection rate for business rates is 88%, considerably lower than the pre pandemic rate of 98%.
- 1.9 Fees and charges remain almost non-existent for leisure services as centres remain closed due to national restrictions. However, income from planning fees up to quarter 3 is in excess of the budget and the number of suspensions received for the trade waste service has been lower than originally expected. Income from industrial units has also remained at pre pandemic levels with businesses who received business support grants continuing, in the main, to pay their rent.
- 1.10 Taking account of all income and expenditure, cash flow has remained relatively static throughout the year and is currently at a healthy level. Advance receipt of government grants and deferred payment of government business rates payments has aided the position considerably. The balances held are forecast to be sufficient to protect the Council's cash flow position throughout this year.
- 1.11 Appendix 1 shows the General Fund Summary. At the end of quarter three, net cost of services expenditure is £0.345m lower than budget. This is largely as a result of income from planning fees which have remained at pre pandemic levels throughout this year and are also higher than forecast.
- 1.12 All anticipated vacancy savings were removed from the revised budget but they have now begun to accrue again and currently total £0.173m. There are minor variances within the premises (£0.036m), transport (£0.086m) and supplies and services budgets (£0.171m) but there is nothing of note or concern at this point.

Housing Revenue Account (HRA)

- 1.16 Appendix 3 shows the HRA position at quarter three. To date the HRA has remained relatively stable throughout the pandemic and net income at the end of December is £0.034m. This is mainly because large expenditure items are in the main fixed, and rent collection levels to date are only slightly lower than forecast.

Capital Programme

- 1.17 Appendix 4 shows the capital position at quarter three. Expenditure is currently £8.7m lower than forecast largely as a result of the pandemic limiting HRA capital works in the first half of the year.
- 1.18 The Council has sufficient capital resources in place to finance the actual expenditure and commitments of the capital programme at the end of the third quarter.

Treasury Management

- 1.19 The treasury management function covers the borrowing and investment of Council funds. All transactions are conducted in accordance with the Council's approved strategy and the CIPFA Code of Practice. Good treasury management plays an important role in the sound financial management of the Council's resources.
- 1.20 The Council approved the 2020/21 Treasury Management Strategy at its meeting on 1 February 2021. Appendix 5 identifies the Treasury Management activity undertaken up to the third quarter of 2021/22.

2 Conclusions and Reasons for Recommendations

- 2.1 The report summarises the financial position of the Council following the third quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity taking account of the Council's response to the impact of the Covid-19 pandemic.

3 Consultation and Equality Impact

- 3.1 There are no consultation and equality impact implications from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 This report is concerned with monitoring the position against the Council's previously approved budget. Accordingly the report does not set out any options where a decision is required by Members.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 Measures have been put in place to minimise the impact of lost income in 2020/21 and ensure that the cash flow position remains protected as a result of the pandemic.
- 5.1.2 The impact on the annual budget is continually reviewed during this period of uncertainty to ensure it remains robust and that reserves remain adequate should they need to be utilised.
- 5.1.3 The Financial Resilience reserve was created as part of the Medium Term Financial Plan refresh for 2020, reflecting the CIPFA Financial Management Code recommendations to effectively manage reserves. The government grant has been moved to this reserve and will be utilised for the purposes of Covid-19.

5.2 Legal Implications including Data Protection

- 5.2.1 There are no legal issues arising directly from this report.

5.3 Human Resources Implications

- 5.3.1 All human resource implications arising as a result of this report will be addressed through current policies and procedures.

6 Recommendations

- 6.1 That Cabinet notes the budget monitoring position outlined in this report and detailed in Appendices 1-5.

7 Decision Information

<p>Is the decision a Key Decision?</p> <p>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000 <input type="checkbox"/></i></p> <p><i>Capital - £150,000 <input type="checkbox"/></i></p> <p><i>NEDDC: Revenue - £100,000 <input type="checkbox"/></i></p> <p><i>Capital - £250,000 <input type="checkbox"/></i></p> <p><input checked="" type="checkbox"/> Please indicate which threshold applies</p>	No
<p>Is the decision subject to Call-In?(Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or</p>	All

8 Document Information

Appendix No	Title
1	General Fund Summary
2	Housing Revenue Account
3	Capital Programme
4	Treasury Management Activity
Background Papers	
Report Author	Contact Number
Jayne Dethick – Head of Finance and Resources	01246 217078

GENERAL FUND SUMMARY Revised 2020/2 Appendix 1

	Revised Budget 2020/21 £	Revised Budget Q3	Actual Q3	Variance Q3
Environment & Enforcement	4,634,770	2,811,131	2,354,155	-456,976
Corporate Resources	5,536,414	4,506,989	4,590,800	83,811
Growth and Economic Development	1,359,415	405,067	433,084	28,017
Bad Debt Provision	40,000	30,000	30,000	0
Recharges to Capital and HRA	(527,500)	0	0	0
Savings Target	0	0	0	0
Net Cost of Services	11,043,099	7,753,187	7,408,039	-345,148
Investment Properties	(469,270)	351,982	397,125	45,143
Interest	(162,766)	(81,383)	(48,845)	32,538
Debt Repayment Minimum Revenue Provision	56,000	56,000	56,000	0
Parish Precepts	3,295,048	3,295,048	3,295,048	0
Parish Council Tax Support Grant	70,382	70,382	70,382	0
Transfer from NNDR Reserve	0	0	0	0
Transfer To Earmarked Reserves	1,418,566	1,063,925	1,063,925	0
Transfer From Earmarked Reserves	(1,904,399)	(1,428,299)	(1,428,299)	0
Total Spending Requirement	13,346,660	11,080,841	10,813,374	-267,467
Business Rates	(3,200,000)	(2,400,000)	(2,400,000)	0
New Homes Bonus	(823,860)	(617,895)	(617,895)	0
Collection Fund (Surplus)/Deficit - Council Tax	(98,661)	0	0	0
Collection Fund (Surplus)/Deficit - NNDR	0	0	0	0
NEDDC Council Tax Requirement	(5,929,091)	(5,929,091)	(5,929,091)	0
Parish Council Council Tax Requirement	(3,295,048)	(3,295,048)	(3,295,048)	0
Council Tax Requirement	(13,346,660)	(12,242,034)	(12,242,034)	0

Budget Monitoring @ 31 December 2020

	Actuals £	Budget £	Variance £
<u>Environment & Enforcement</u>			
Director Environment & Enforcement			
5700	41,005	41,175	(170)
5706	(3,546)	(2,664)	(882)
1218	17,137	13,105	4,032
1283	16,447	15,753	694
Head of Service Environmental Health			
3400	114,569	53,931	60,638
3401	138,968	113,357	25,611
3402	58,430	70,052	(11,622)
3403	(869)	4	(873)
3404	(21,080)	(8,998)	(12,082)
3405	80,816	80,026	790
3407	24,039	36,893	(12,854)
3408	15,342	15,365	(23)
3409	183,800	178,298	5,502
3410	50,492	52,515	(2,023)
3419	2,015	1,126	889
3420	0	0	0
3422	(2,064)	0	(2,064)
3423	89,826	89,826	0
3426	(89,755)	(89,755)	0
3716	(722,417)	(722,417)	0
3726	18,548	20,000	(1,452)
Head of Service Street Scene			
3174	243,049	233,943	9,106
3227	264,962	214,865	50,097
3231	0	0	0
3244	(268,699)	(270,036)	1,337
3282	76,322	74,308	2,014
3285	3,493	2,627	866
3511	(21,921)	(23,959)	2,038
3513	(3,134)	(5,968)	2,834
3514	(51,801)	(47,405)	(4,396)
3516	(11,966)	(11,630)	(336)
3918	(31,196)	(32,145)	949
3921	406,405	436,744	(30,339)
3943	280,088	347,519	(67,432)
3944	333,511	396,190	(62,679)
3945	1,146,357	1,173,483	(27,126)
3946	(114,103)	(111,898)	(2,205)
4436			0
Head of Service Planning			
4111	(707,514)	(415,556)	(291,958)
4113	65,201	65,201	(0)
4116	228,434	241,506	(13,072)
4119	0	0	0
4311	13,920	16,063	(2,143)
4511	39,570	41,021	(1,451)
4513	407,966	485,159	(77,193)
4515	43,507	43,507	0
Total for Environment & Enforcement Directorate		2,354,155	2,811,131 - 456,976
<u>Corporate Resources</u>			
Director Corporate Resources			
1141	300	225	75
1142	29,475	29,014	461
4500	41,769	42,848	(1,079)
5720	63,578	63,753	(175)
Head of Service Partnerships and Transformation			
1331	117,277	116,748	529
1332	1,772	0	1,772
1333	18,281	18,281	0
1334	4,000	3,001	999
1335	0	0	0

4352	LEADER	13,414	13,414	0
4443	Elderly Peoples Clubs	589	1,502	(913)
4561	Leisure Centre Management	97,078	101,247	(4,169)
4600	Hos Partnerships & Transformation	26,714	26,714	0
4720	Sportivate	(22,032)	(22,032)	(0)
4722	Physical Inactivity Fund	(30,563)	(30,563)	0
4723	Generation Games	301	4	297
4724	Walking into Communities	(34,147)	(34,147)	0
4726	Walking for Health	(20,269)	(20,269)	(0)
4727	Five 60	(20,575)	(20,575)	0
4731	Promotion Of Recreation And Leisure	22,277	22,437	(160)
4732	Schools Promotion	10,766	10,766	0
4736	Derbyshire Sports Forum	10,840	10,840	0
4742	Arts Development	2,524	1,899	625
5215	Telephones	17,664	21,918	(4,254)
5216	Mobile Phones and Ipads	13,521	14,346	(825)
5221	Customer Services	240,660	265,018	(24,358)
5223	Franking Machine	29,498	35,778	(6,280)
5701	Joint ICT Service	70,193	70,193	(0)
5734	NEDDC ICT Service	393,503	316,172	77,331
5735	Cyber Security	(3,410)	(4,500)	1,090
5736	Business Development	42,845	38,319	4,526
5737	Corporate Printing Costs	15,389	11,843	3,546
5785	Contributions	123,018	130,852	(7,835)
5825	Concessionary Bus Passes	(10,049)	(7,200)	(2,849)
8441	Eckington Swimming Pool	293,209	293,209	0
8445	Eckington Pool Cafe	26,236	26,236	(0)
8451	Dronfield Sports Centre	334,371	334,371	0
8455	Dronfield Café	5,264	5,264	(0)
8461	Sharley Park Sports Centre	426,850	426,850	0
8465	Sharley Park Sports Centre Outdoor	109	109	(0)
Head of Service Corporate Governance				
1121	Member's Services	315,985	321,423	(5,438)
1123	Chair's Expenses	4,377	5,043	(666)
1231	Corporate Training	21,530	20,630	900
1255	Strategy and Performance	76,347	79,801	(3,454)
1256	Corporate Consultation	12,827	9,872	2,955
1259	Corporate Groups	0	751	(751)
1311	Human Resources	137,232	138,466	(1,234)
1312	Payroll	46,138	41,668	4,470
1313	Work Well Team	0	0	0
1315	Design & Print	86,812	90,481	(3,669)
1321	Communications & Marketing	45,677	45,406	271
1323	NEDDC News	26,173	28,000	(1,827)
1329	Corporate Web Site	846	1,253	(407)
3121	Health & Safety Advisor	50,573	54,796	(4,224)
5273	Brass Band Concert	500	377	123
5313	Register Of Electors	125,938	127,863	(1,925)
5321	HoS Corporate Governance	29,874	30,266	(392)
5353	Legal Section	127,235	127,534	(299)
5354	Land Charges	(6,087)	(4,984)	(1,103)
5392	Scrutiny	38,485	38,540	(55)
5711	Democratic Services	164,690	165,372	(682)
Head of Service Finance and Resources				
3176	Pool Car	78	377	(299)
3512	CBC Crematorium	(129,767)	(129,767)	0
5113	Unison Duties	12439.2	12238	201
5611	External Audit	50,640	50,640	0
5615	Bank Charges	73,515	55,882	17,633
5621	Contribution to/from HRA	(139,220)	(139,220)	0
5705	HoS Finance & Resources	0	0	0
5713	Audit	73,777	80,286	(6,509)
5714	Financial Support Services	1,109	1,602	(493)
5715	Procurement	37,133	34,683	2,450
5721	Financial Services	248,041	244,370	3,671
5723	Housing Act Advances	0	0	0
5724	Insurance	269,432	219,656	49,776
5725	Apprenticeship Levy	30,279	33,753	(3,474)
5727	Cost Of Ex-Employees	702,093	702,093	0
5741	Housing Benefit Service	(516,417)	(516,417)	0
5747	Debtors	37,683	37,696	(13)
5751	`NNDR Collection	17,416	15,052	2,364
5759	Council Tax Administration	150,312	152,752	(2,440)
5781	Village Hall Grants	14,867	14,870	(3)

Total for Corporate Resources Directorate	4,590,800	4,506,989	83,811
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Growth & Economic Development

Director Growth & Economic Development

1143	Director of Growth & Economic Development	76,258	47,643	28,615
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Head of Service Property & Estates

3135	Drainage	22,384	28,877	(6,493)
3172	Engineers	61,708	60,067	1,641
3241	Car Parks	35,779	31,426	4,353
3247	Street Names/Lights	2,766	3,174	(408)
3249	Footpath Orders	(1,026)	(900)	(126)
3265	Dams And Fishing Ponds	1,521	12,937	(11,416)
3281	Clay Cross Depot	3,495	(803)	4,298
3283	Northwood	0	0	0
3811	Closed Circuit Television	(620)	0	(620)
4412	Midway Business Centre	(46,778)	(47,288)	510
4425	Coney Green Business Centre	(119,348)	(118,537)	(811)
4523	Estates Administration	205,528	215,360	(9,832)
5205	Mill Lane	176,305	183,001	(6,696)
5206	Mill Lane Land	(5,156)	(3,863)	(1,293)
5209	Facilities Management	47,235	38,434	8,801
5210	Pioneer House	(38,875)	(38,682)	(193)

Head of Service Housing & Economic Development

3165	Housing Options Team	149,943	146,551	3,392
3740	Strategic Housing	46,981	41,995	4,986
3741	Housing Ambition Project	0	0	0
3743	Manufacturing Zone Bid	15,960	11,973	3,987
3747	Homeless Temp Accomodation	(8,077)	12,505	(20,582)
3748	Homelessness Grant	(134,178)	(134,178)	(0)
3749	Empty Properties	4,301	1,951	2,350
3750	Housing Growth	15,296	11,125	4,171
3751	Care Call System	0	0	0
3752	Homeless Bond Scheme	3,420	1,246	2,174
3754	Rough Sleepers	(27,704)	(23,086)	(4,618)
3755	PRS Access Fund	28,128	28,128	0
3759	Emergency Welfare Assistance Grant	(25,000)	(25,000)	0
4211	Tourism Promotions	16,502	16,502	0
4238	Working Communities Strategy	52,413	53,208	(795)
4240	Project X	0	0	0
4351	Alliance	0	0	0
4512	Growth Agenda	5,869	10,076	(4,207)
4516	Clay Cross OPE	0	0	0
4517	Economic Development	140,367	117,545	22,822
4519	The Avenue, Wingerworth	4,750	0	4,750
4520	Killamarsh/Eckington OPE	53,381	53,381	0
4524	New Towns Fund	(368,666)	(368,666)	(0)
4526	Sheffield City Region	0	3,001	(3,001)
4527	Dronfield Civic Centre	1,960	1,960	0
5750	HoS Economic Development & Housing	36,263	34,004	2,259

Total for Growth & Economic Development Directorate	433,084	405,067	28,017
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Investment Properties

4411	Stonebroom Industrial Estate	(49,936)	(44,778)	(5,158)
4413	Clay Cross Industrial Estate	(67,179)	(63,456)	(3,723)
4415	Norwood Industrial Estate	(192,887)	(169,069)	(23,818)
4417	Eckington Business Park	(13,261)	(4,652)	(8,609)
4418	Rothside Court Eckington Business Unit	(14,538)	(17,786)	3,248
4423	Pavillion Workshops Holmewood	(71,474)	(67,357)	(4,117)
4432	Miscellaneous Properties	12,149	15,116	(2,967)

Total for Investment Properties	(397,125)	(351,982)	(45,143)
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HOUSING REVENUE ACCOUNT: SUMMARY 2020/21 - Quarter 3

APPENDIX 2

	Current Budget 2020/21 £	Profiled Qtr 3 Budget £	Actuals with Accruals £	Variance £
INCOME				
Dwelling Rents	(30,743,726)	(23,060,867)	(23,046,873)	13,994
Non-Dwelling Rents	(420,817)	(315,670)	(332,498)	(16,828)
Charges for Services and Facilities	(137,700)	(103,287)	(95,955)	7,332
Contributions Towards Expenditure	(50,000)	(37,500)	(37,500)	0
INCOME TOTAL	(31,352,243)	(23,517,324)	(23,512,826)	4,498
EXPENDITURE				
Repairs & Maintenance	5,182,329	3,861,016	3,853,482	(7,534)
Supervision and Management	6,256,160	4,692,767	4,661,904	(30,863)
Rents, Rates & Taxes	110,000	82,511	82,511	0
Capital Charges - Depreciation	7,764,937	5,823,713	5,823,713	0
Provision for Bad Debts	250,000	187,500	187,500	0
Debt Management Expenses	11,500	8,625	8,625	0
EXPENDITURE TOTAL	19,574,926	14,656,132	14,617,734	(38,397)
NET COST OF SERVICES				
	(11,777,317)	(8,861,192)	(8,895,092)	(33,900)
Corporate & Democratic Core	185,450	139,087	139,087	0
NET COST OF HRA SERVICES				
	(11,591,867)	(8,722,105)	(8,756,005)	(33,900)
Interest Payable	5,081,477	3,811,616	3,811,616	0
Interest Receivable	(61,206)	(45,911)	(45,911)	0
Revenue Contribution to Capital	3,554,064	2,665,548	2,665,548	0
Contribution to Development Reserve	3,883,211	2,912,408	2,912,408	0
Contribution to/(from) Debt Repayment	(1,968,305)	(1,476,229)	(1,476,229)	0
Transfer to Insurance/Litigation Reserve	1,102,626	826,970	826,970	0
(Surplus)/Deficit on HRA Services	0	(27,704)	(61,603)	(33,900)

Project/Scheme	Current Programme 2020/21 £000	Profiled Budget Quarter 3 £000	Actual and Commitments Quarter 3 £000	Variance at Quarter 3 £000
Housing Investment				
HRA Capital Works	9,164	6,873	3,513	(3,360)
EWI Scheme	520	390	13	(377)
Pine View Danesmoor	1,071	803	26	(777)
Acquisitions and Disposals (RHL)	500	375	89	(286)
North Wingfield New Build	2,081	1,561	0	(1,561)
Green Homes EWI - Mickley	2,725	2,044	0	(2,044)
Garage Demolitions	23	17	2	(15)
Concrete Balconies	115	86	1	(85)
Parking Solutions	288	216	0	(216)
				0
Private Sector Spending	630	307	307	0
Total Housing Investment	17,117	12,672	3,951	(8,721)
Other Capital Projects				
Asset Refurbishment - General	667	200	200	0
Roller Shutter Door Replacements	42	1	1	0
Eckington Pool Roof Replacement	77	53	53	0
Clay Cross Football Pitch	10	1	1	0
Replacement Vehicles	1,126	735	735	0
Contaminated Land	42	0	0	0
ICT Schemes	214	33	33	0
Northwood Group Grant	510	510	510	0
Total Other Capital Projects	2,688	1,533	1,533	0
Total Capital Expenditure	19,805	14,205	5,484	(8,721)
Housing Investment Funding				
Major Repairs Allowance	(11,319)	(8,489)	(3,513)	4,976
HRA Capital Investment Reserve	(1,957)	(1,468)	(43)	1,425
Usable Capital Receipts	(1,165)	(874)	(88)	786
External Grants	(570)	(427)	0	427
Prudential Borrowing	(1,476)	(1,107)	0	1,107
	(16,487)	(12,365)	(3,644)	8,721
Private Sector Spending				
Disabled Facilities Grant	(610)	(292)	(292)	0
Usable Capital Receipts	(20)	(15)	(15)	0
Total Housing Investment Funding	(17,117)	(12,672)	(3,951)	8,721
Other Capital Projects Funding				
Prudential Borrowing	(3,155)	(788)	(788)	0
RCCO - GF	(42)	(1)	(1)	0
Grants	(52)	(1)	(1)	0
Useable Capital Receipts	(1,391)	(743)	(743)	0
Other Capital Project Funding	(4,640)	(1,533)	(1,533)	0
Total Capital Financing	(21,757)	(14,205)	(5,484)	8,721

Treasury Management Activity April – December 2020/21**PWLB Borrowing**

The Council's total outstanding PWLB debt amounted to £149.541m at 1st April 2020. During the three quarters of 2020/21 £0.152m has been repaid to the PWLB so the balance at 31st December 2020 is £149.389m. During the current financial year no new loans have been taken out with the PWLB. The profile of the outstanding debt is analysed as follows: -

PWLB Borrowing	Maturity Profile 31 March 2020 £'000	Maturity Profile 30 December 2020 £'000
Term		
12 Months	304	152
1 - 2 years	2,205	2,205
2 - 5 years	10,332	10,332
5 - 10 years	23,377	23,377
10 - 15 years	32,233	32,233
Over 15 years	81,090	81,090
Total PWLB Debt	149,541	149,389

PWLB Interest

The interest cost to the Council of the PWLB debt for 2020/21 is shown in the table below. The cost is split between the HRA and General Fund based on the level of debt outstanding within the CFR.

Date	Amount Paid to PWLB £'000
Accrued Interest re 2019/20	(46)
22 nd September 2020	108
23 rd September 2020	33
28 th September 2020	2,135
29 th September 2020	363
Accrued Interest re 2020/21	1,363
Total Paid	3,956

Temporary Borrowing

Cash flow monitoring and management serves to identify the need for short term borrowing to cover delays in the receipt of income during the course of the year. During the current year to date short term borrowing from the Council's own bank hasn't incurred any interest charges. At the 31st December 2020 the Council had no temporary borrowing in place.

Temporary Investments

The tables below detail the short term investments made during the first three quarters of 2020/21: -

Bank Name	Duration of Loan	B/Fwd 01/04/20 £000's	Amount Invested 2020/21 £000's	Amount Returned 2020/21 £000's	Balance Invested 31/12/20 £000's	Interest Received 31/12/20 £000's
Santander	Call	3,000	2,003	(5,003)	0	(3)
Handelsbanken	Call	5,000	3	(5,003)	0	(3)
Barclays	Call	0	5,000	(5,000)	0	(0)
NatWest	Call	0	5,001	(5,001)	0	(1)
Federated Fund 3	Call	3,000	3	(3)	3,000	(3)
Federated GBP 3	Call	2,000	5	(5)	2,000	(5)
Aberdeen Standard	Call	5,000	6	(6)	5,000	(6)
CCLA Public Sector Deposit Fund	1 Day Call	5,000	7	(7)	5,000	(7)
Aviva	Call	0	5,003	(3)	5,000	(3)
Invesco	Call	0	5,002	(2)	5,000	(2)
JP Morgan	Call	0	8,000	(3,000)	5,000	(0)
Goldman Sachs	Call	0	10,000	(5,000)	5,000	(0)
SSGA	Call	0	4,500	(2,500)	2,000	(0)
Debt Management Account Deposit Facility	Various	0	22,000	(19,000)	3,000	(0)
Gosport Borough Council	12 Months	1,000	5	(1,005)	0	(5)
Slough Borough Council	1 Year	2,000	9	(2,009)	0	(9)
London Borough of Croydon Council	1 Year	0	3,001	(1)	3,000	(1)
Total		26,000	69,548	(52,548)	43,000	(48)

Overnight Investments

The balance of the daily surplus funds can be placed as overnight investments with the Councils bank which is Lloyds. The maximum amount invested with Lloyds in the first quarter of the financial year was £4.964m. There has been no breach of the £5m limit set in the Treasury Management Strategy. For clarity, this limit relates to the amount invested and doesn't include interest accruing as a result.

Compliance with Treasury Limits

During the financial year the Council continued to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	Actual 2020/21 £'000	Set Limits 2020/21 £'000
Authorised Limit (total Council external borrowing limit)	191,699	199,485
Operational Boundary	186,699	194,485

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

10 February 2021

<h3><u>Corporate Debt – 31 December 2020</u></h3>

Report of the Head of Finance and Resources

This report is public

Purpose of the Report

- The purpose of this report is to present to Members of the Audit and Corporate Governance Scrutiny Committee a summary of the corporate debt position at 31 December 2020.

1 Report Details

- 1.1 To update Members of the Audit and Corporate Governance Scrutiny Committee on the position regarding corporate debt.
- 1.2 Appendix 1 of this report details the debt position with regard to sundry debtors, overpaid housing benefit and rents.
- 1.3 During the early months of the pandemic, in line with Government guidance, the Council did not take any recovery action. The Council has over the past few months engaged in “soft” recovery through re-engaging with our customers and opening up a dialogue about payment, offering support where needed. The impact of this has been carefully monitored and has largely been positive. The point has now been reached where those who want to pay but are having difficulty are engaging with us and we now need to take the step to engage with those who haven’t so will be commencing recovery action through the issuing of reminders during February.

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that the Audit and Corporate Governance Scrutiny Committee are informed of the latest position concerning the Council’s debt.

3 Consultation and Equality Impact

- 3.1 There are no consultation and equality impact implications from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 This report is for information only.

5 Implications

5.1 Finance and Risk Implications

Appendix 1 details the current position regarding corporate debt. The impact of the pandemic on our customers' needs to be taken into account this year and is likely to impact on the Council's ability to collect this debt. This may have a detrimental impact on the Council's financial position and is being closely monitored.

5.2 Legal Implications including Data Protection

These are none arising directly from this report.

5.3 Human Resources Implications

These are none arising directly from this report.

6 Recommendations

- 6.1 That the Audit and Corporate Governance Scrutiny Committee note the report concerning the Council's Corporate Debt as at 31 December 2020.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC:</i> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <i>NEDDC:</i> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has relevant Portfolio Member been informed?	Yes
District Wards Affected	None directly.
Links to Corporate Plan priorities or Policy Framework	All

8 **Document Information**

Appendix No	Title
1	Corporate Debt
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Jayne Dethick – Head of Finance and Resources	01246 217078

APPENDIX 1: TABLE 1

Aged Debt Reporting – Sundry Debtors

Debt Outstanding as at	Current Debt	90 – 365 Days	1 to 2 years	2 – 3 years	3 – 4 years	4 – 5 years	5+ years	Total	Write Offs
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Average Debt 2015/16	972	201	76	27	23	33	25	1357	14
Average Debt 2016/17	1551	104	68	49	16	21	32	1839	58
Average Debt 2017/18	781	71	43	21	19	9	26	970	11
Average Debt 2018/19	852	64	112	19	9	10	24	1090	41
30 June 2019	806	42	11	28	10	10	21	928	
30 Sept 2019	1122	54	20	26	11	5	24	1262	
31 Dec 2019	443	33	24	22	15	6	25	567	
31 March 2020	50	28	32	13	26	5	25	728	
Average Debt 2019/20	605	39	22	22	16	7	24	871	3
31 August 2020	846	164	26	17	26	11	26	1,116	
31 October 2020	2,341	172	27	19	24	12	26	2,621	
31 December 2020	1,043	140	33	20	22	14	26	1,298	
Average Debt 2020/21	1,410	158	29	19	24	12	26	1,678	1

Aged Debt Reporting – Overpaid Housing Benefits

Debt Outstanding as at	Current Debt	90 to 365 days	1 to 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Over 5 years	Total	Write offs
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Average Debt 2015/16	182	336	263	172	160	133	209	1,445	76
Average Debt 2016/17	173	332	346	203	123	128	241	1,546	144
Average Debt 2017/18	141	318	322	256	157	105	283	1,582	89
Average Debt 2018/19	104	263	291	253	201	138	340	1,589	38
30 June 2019	80	185	278	245	225	154	395	1,562	
30 September 2019	52	147	278	244	221	158	412	1,512	
31 December 2019	80	107	263	258	198	182	434	1,522	
31 March 2020	87	110	217	240	204	197	457	1,510	
Average Debt 2019/20	75	137	259	247	212	173	425	1,527	68
31 August 2020	39	135	146	239	209	205	531	1,504	
31 October 2020	67	116	138	224	223	194	555	1,517	
31 December 2020	58	113	115	233	226	178	586	1,509	
Average Debt 2020/21	55	121	133	232	219	192	558	1,510	0

HRA total Indebtedness

Debt Outstanding as at	Total	Write Offs in Year
	£000	£000
Average Debt 2015/16	2,203	266
Average Debt 2016/17	2,023	178
Average Debt 2017/18	2,028	203
Average Debt 2018/19	1,807	162
30 June 2019	1,810	
30 September 2019	2,047	
31 December 2019	1,712	
31 March 2020	1,462	
Average Debt 2019/20	1,928	208
31 August 2020	1,897	
31 October 2020	2,083	
31 December 2020	2,138	
Average Debt 2020/21	2,039	114

SUMMARY OF PROVISION FOR DOUBTFUL DEBTS 2020/21

	General Fund Sundry Debtors	Over Paid Housing Benefit	HRA Rents	Total
	£000's	£000's	£000's	£000's
Balance B/Fwd	(133)	(1,311)	(863)	(2,307)
Write offs in current financial year	1	0	114	115
Actual increase in provision	0	0	0	0
Provision C/Fwd	(132)	(1,311)	(749)	(2,192)
Current Debt position	1,298	1,509	2,138	4,945
Percentage Coverage	10.17%	86.88%	35.03%	44.33%

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

10 February 2021

Accounting Policies 2020/21

Report of the Head of Finance and Resources

Purpose of Report

To request approval by the Audit and Corporate Governance Scrutiny Committee of the accounting policies that it is proposed to adopt for the current financial year in the preparation of the Statement of Accounts 2020/21.

1 Report Details

- 1.1 The Accounting Policies adopted by the Council determine the accounting treatment that is applied to transactions during the financial year and in the preparation of the Statement of Accounts at the year end. They determine the specific principles, bases, conventions, rules and practices that will be applied by the Council in preparing and presenting its financial statements. The accounting policies themselves are published within the Statement of Accounts in accordance with the Code of Practice on Local Government Accounting and incorporate the requirements of International Financial Reporting Standards (IFRS).
- 1.2 The approval of the accounting policies to be applied by the Council demonstrates that due consideration is being given to which policies to adopt and apply and that those charged with corporate governance are fully informed prior to the commencement of the Statement of Accounts preparation of the policies that are being adopted.
- 1.3 This report therefore presents the accounting policies that the Council will apply in the preparation of the Statement of Accounts 2020/21.

Accounting Policies

- 1.4 Officers have assessed the accounting policies that are deemed necessary to explain clearly and underpin the accounting treatment of transactions within the Council's Statement of Accounts for 2020/21. In undertaking this assessment a review of all accounting policies previously agreed has been undertaken to check their relevance, clarity, legislative compliance and that they are in accordance with the latest version of the code of practice and IFRS requirements.
- 1.5 With regard to the policies proposed in respect of 2020/21 these are largely unchanged from previous years with only minor changes to aid understanding. As the Statement of Accounts for 2020/21 are prepared it may be necessary to amend a policy in order to adopt a more appropriate accounting policy. If this occurs, the

change and the reason for the change will be reported back to the Audit Committee at its next available meeting. Full details of all the proposed accounting policies for the current financial year are provided at **Appendix 1**.

2 Conclusions and Reasons for Recommendation

- 2.1 This report sets out the Accounting Policies which it is proposed to adopt in respect of the 2020/21 Statement of Accounts for consideration by the Audit and Corporate Governance Scrutiny Committee. Given that the policies adopted have a significant influence upon the Accounting Statements it is important that these are given appropriate consideration at the outset of the preparation of the Statement of Accounts. This helps ensure that they are applied consistently in the preparation of the Accounts. The Policies which are recommended for adoption are in line with those that were used in the previous financial year (2019/20).

3 Consultation and Equality Impact

- 3.1 This report to Audit and Corporate Governance Scrutiny Committee is essentially the consultation process concerning the proposed Accounting Policies for this financial year (2020/21). It is largely a technical document but it is important that those charged with governance have the opportunity to review and shape the document.
- 3.2 There are no equalities issues arising directly from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 The Council is required to have appropriate Accounting Policies within its Statement of Accounts. Officers have developed what they consider to be an appropriate set of policies based upon those adopted in previous financial years and taking account of changes as required by current legislation. The preparation and consideration of this reports is part of a process intended to ensure that alternative options are given appropriate consideration.

5 Implications

5.1 Financial and Risk Implications

- There are no direct financial implications arising from this report. The accounting policies will however be used to determine the accounting treatment of the financial transactions of the Council for 2020/21 and will therefore influence the presentation and understanding of the financial position of the Council as at 31 March 2021.
- None of the policies outlined in **Appendix 1** are considered to be in conflict with legislative or IFRS requirements therefore the risk of adopting a policy that contravenes good practice is considered minimal. The greater risk is the failure to ensure that the policy and the actual accounting treatment are consistent. To minimise this risk the final accounts timetable for 2020/21 has officer review time built in to cross check the policies to the actual treatment of items within the accounts.

5.2 Legal Implications including Data Protection

- The agreement of appropriate Accounting Policies is part of the process of ensuring that the Council satisfies its legal obligation to prepare a Statement of Accounts. The accounting policies adopted by the Council must comply with current legislation, the Code of Practice on Local Government Accounting and IFRS requirements. Officers have given careful consideration to the policies detailed at **Appendix 1** to ensure that they meet all these requirements.
- There are no data protection issues arising directly from this report.

6 Recommendation(s)

- 6.1 That the Audit & Corporate Governance Committee approves the Accounting Policies detailed at Appendix 1 to this report.
- 6.2 Members are requested to note that any proposed amendments or changes to these policies will be reported back to this Committee, together with an explanation for the reasons a change is considered to be appropriate and detailing any financial implications of the amendments.

7 Decision Information

<p>Is the decision a Key Decision?</p> <p>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000</i> <input type="checkbox"/></p> <p><i>Capital - £150,000</i> <input type="checkbox"/></p> <p><i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/></p> <p><i>Capital - £250,000</i> <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In?(Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 **Document Information**

Appendix No	Title
1	Accounting Policies
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Jayne Dethick Head of Finance and Resources	(01246) 217078

APPENDIX 1

ACCOUNTING POLICIES 2020/21

1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year-end of 31st March 2021. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 which require them to be prepared in accordance with proper accounting practices. These practices primarily consist of the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Council does not have any transactions that are reclassifiable to the Surplus or Deficit on the Provision of Services. As such we have not grouped the items in Other Comprehensive Income and Expenditure into amounts that may be reclassifiable and amounts that are not.

The Council has followed the requirements of International Accounting Standard (IAS) 1 in preparing the Statement of Accounts. Its objectives are to ensure that for all material items the Council:

- Adopts accounting policies most appropriate to its particular circumstances for the purpose of giving a true and fair view;
- Reviews the accounting policies regularly to ensure that they remain appropriate, and changes them when a new policy becomes more appropriate;
- Ensures that sufficient information is disclosed in the financial statements to enable users to understand the accounting policies adopted and how they have been implemented.

The general principles adopted in compiling the accounts are those set out by CIPFA in the Code of Practice on Local Authority Accounting in the United Kingdom, which is recognised by statute as representing proper accounting practice. In addition the Local Authority Accounting Panel Standards Committee periodically issue bulletins on accounting practice. These accounting policies conform with those principles, which are applicable to Local Authorities.

2 Accounting Concepts

The concepts used in selecting and applying the most appropriate policies and estimation techniques are as follows:

- The qualitative characteristics of financial information – relevance, reliability, comparability, and understanding;
- Materiality (all major transactions and events are included);
- The accounting concepts of accruals, going concern and primacy of legislative requirements.

3 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from fees, charges and rents due from customers are recognised when the Council transfers the risk and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for in the year to which it relates and are based on an effective interest rate for the relevant financial instrument rather than the cash flow fixed or determined by the contract;
- Where income and expenditure has been recognised but cash has not been received or paid a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

An exception to this principle relates to electricity and other similar periodic payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

Income and expenditure are credited and debited to the relevant service revenue account, unless they properly represent capital receipts or capital expenditure.

Grant claims are submitted on an actual basis wherever possible, however if the information to do this is not available then a best estimate basis is adopted.

4 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly

liquid investments that mature within three months and are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

5 Charge to revenue for Non Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year.

- depreciation – attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off.
- amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation costs are therefore replaced by the contribution in the General Fund of a Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Council's policy for the calculation of the statutory provision for the repayment of debt is determined each year by the Council. The Council has decided that for 2020/21 the outstanding general fund debt prior to 1 April 2007 will be repaid at a rate of £56,000 per year until the debt is extinguished. All other prudential borrowing for the General Fund is repaid based on the life of the asset.

6 Collection Fund

The transactions of the Collection Fund are wholly prescribed by legislation. Billing authorities have no discretion to determine which receipts and payments are accounted for within the fund and which outside.

NNDR - Impairment of Appeals

Each year the Council commissions an independent assessment of the outstanding appeals lodged with the Valuation Office. The assessment has reviewed every individual appeal and estimate of the likelihood of the appeal succeeding based on the category of appeal and previous appeal determinations.

The rateable value and the period covered by the appeal have been used to establish a prudent provision to meet the estimated costs of successful appeals.

7 Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain

future events not wholly within the control of the Council. Contingent assets are not recognised in the accounting statements; they are disclosed by way of notes where it is probable that there will be an inflow of economic benefit or service potential.

8 Contingent Liabilities

A contingent liability arises when an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent Liabilities are not recognised in the accounting statements; but are disclosed in a note to the accounts.

9 Doubtful Debts

Provisions for doubtful debts are made to ensure that the Council can finance any sums due to the Council which are subsequently deemed to be irrecoverable after all recovery measures have been exhausted. This sum is reduced annually by sums written off and increased by any contributions from the revenue account. The provision is netted off against debtors in the Balance Sheet and not included in the provisions total.

The provision for doubtful debts in respect of overdue council tax, housing benefit overpayments, rents and NNDR is calculated by category on a percentage basis based upon previous experience of the recovery of debts of that type and current ability to collect. The provision for other sundry debts is calculated by reference to the age of the debt involved, and the Council's previous experience of recovering such debt.

10 Employee Benefits

Benefits Payable during Employment

Short term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end but which can be carried forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, as this is the period in which the employee takes the benefit. The accrual is charged to the relevant service area of the Comprehensive Income and Expenditure Statement, but then is reversed out through the Movement in Reserves Statement so that the annual leave is charged to revenue in the financial year in which the annual leave occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date, or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the Pension Fund or pensioner in year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with accrued debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year end.

Post Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme administered on behalf of the Council by Derbyshire County Council. The scheme provides defined benefits to members (lump sums and pensions) earned as employees working for the Council.

The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefit scheme:

- The liabilities of the Derbyshire County Council Pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.
- Liabilities are discounted to their value at current prices using a discount rate.
- The assets of the Derbyshire County Council Pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price;
 - unquoted securities – professional estimate;
 - unitised securities – average of the bid and offer rates;
 - property – market value.

The change in the net pension's liability is analysed into the following components:

- Current Service Cost - the increase in liabilities as result of years of service earned this year. This is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past Service Cost - the increase in liabilities arising as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years. These costs are debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement, as part of Non Distributed Costs.
- Interest Costs - the expected increase in the present value of liabilities during the year as they move one year closer to being paid. The cost is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Remeasurements – comprising:

- The Return on Plan Assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
- Actuarial Gains and Losses – change in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the County Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pension Reserve therefore measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows, rather than as benefits are earned by employees.

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

11 Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial impact.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

12 Exceptional Items

Exceptional items are included in the cost of the service to which they relate or on the face of the Comprehensive Income and Expenditure Statement if that degree of prominence is necessary in order to give a fair presentation of the accounts. An adequate description of each exceptional item is given within the notes to the accounts.

13 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result in a change of accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made it is applied retrospectively by adjusting the opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in the prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the period.

14 Financial Instruments

The Council is required to recognise, measure, present and disclose information about any financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Typical financial assets include bank deposits, trade receivables and other receivables, loans receivable and advances. Typical financial liabilities include trade payables and other payables, borrowings and financial guarantees. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics.

There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

When loans are made at less than market rates (a soft loan) a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the organisation, with the difference serving to increase the amortised cost of the loan in the balance sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured as FVPL are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices - the market price.
- other instruments with fixed and determinable payments - discounted cash flow analysis.
- equity shares with no quoted market prices - multiple valuation techniques (which include market approach, income approach and cost approach).

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 inputs - inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs - unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Where fair value cannot be measure reliably, the instrument is carried at cost (less any impairment losses).

15 Government Grants and Contributions

Whether paid on account , by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that: -

- The Council will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

16 Heritage Assets

Heritage assets are a distinct class of asset which are reported separately from property, plant and equipment and intangible assets.

Recognition

Heritage assets are classed as “a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge or culture” or “an intangible asset with cultural, environmental or historical significance”. A general de-minimis limit of £10,000 is applied to all fixed assets.

Measurement

Only heritage assets that have a cost or value available are required to be entered into the Balance Sheet. Where information on the cost or value is not available and the cost of obtaining the information outweighs the benefits to the user of the statements, the code does not require that the asset is recognised in the Balance Sheet, although appropriate disclosure is needed where heritage assets are not recognised in the Balance Sheet.

Unlike other assets, a full valuation every five years is not required. Valuations can be done whenever the Council requires. The valuations may be made by any method that is appropriate and relevant, this may include insurance valuations.

However, the code does require that authorities review the carrying amounts of heritage assets with sufficient regularity to ensure they remain current. Because of this the Council has determined that a five year review will be carried out.

Impairment

Impairment reviews are only required in limited circumstances. However, the Council has determined that a five year review will be carried out. An immediate review will need to be carried out where an asset has suffered physical deterioration or breakage of a heritage asset; or where new doubts arise as to the authenticity of a heritage asset.

Where impairment is identified as part of this review and it is deemed material, or as a result of a valuation exercise, this is accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on some heritage assets, ones with a definite life, by the systematic allocation of their depreciable amounts over their useful lives.

- Depreciation is calculated on a straight-line allocation over the useful life of the asset.

For any heritage assets with indefinite lives no depreciation is required.

Revaluation gains are also depreciated, where applicable, with an amount equal to the difference between the current value depreciation charged on assets and the depreciation that would have been chargeable based on their historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals

When it becomes probable that an asset is to be sold it is reclassified as an Asset Held for Sale. The asset is revalued before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to the fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classed as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount

before they were classified as assets held for sale. They are adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale.

Assets that are abandoned or scrapped are not classified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal are credited to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received from disposal proceeds in excess of £10,000 are categorised as capital receipts. The balance of receipts is credited to the Capital Receipts Reserve and can only be used either to finance new capital investment or set aside to reduce the Council's underlying need to borrow. Receipts are appropriated to the Reserve from the Movement on Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

17 Intangible Fixed Assets

Expenditure on non-monetary assets that do not have a physical substance but are identifiable and controlled by the Council as a result of past events (for example computer software) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Intangible Assets are initially measured at cost. Amounts are only re-valued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice no intangible asset, held by the Council, meets this criterion and they are therefore carried at amortised cost.

The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement.

Each intangible asset is tested for impairment each year to see if there is an indication that the asset might be impaired; any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising from the disposal of an intangible fixed asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains or losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for sale proceeds above £10,000) the Capital Receipts Reserve.

18 Interests in Companies and Other Entities

The Council has a material interest in Rykneld Homes Limited, a company limited by guarantee, which is an Arms Length Management Organisation (ALMO).

The ALMO is a wholly owned subsidiary, which was formed on 1 April 2007 and as a result the Council are required to prepare Group Accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded as investments, i.e. at cost, less any provision for losses.

The Council also has a joint venture in Northwood Developments Limited. This is being accounted for as an available-for-sale financial asset. Group accounts are not being prepared based on materiality.

19 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

20 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of service or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are re-valued according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement on Reserves Statement and posted to the Capital Adjustment Account and (for sale proceeds above £10,000) the Capital Receipts Reserve.

21 Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other ventures' that involve the use of assets and resources of the ventures' rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities it incurs and debits and credits the Comprehensive Income

and Expenditure Statement with the share of expenditure it incurs and the share of income it earns from the operation.

Jointly controlled assets are items of property, plant and equipment that are jointly controlled by the Council and other ventures', with the assets being used to obtain benefits for the ventures'. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities and expenses it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

The Council has the following jointly controlled operations:

Internal Audit Services - with Bolsover District Council and Chesterfield Borough Council

ICT Services – with Bolsover District Council and Derbyshire Dales District Council

Environmental Health Services – with Bolsover District Council

The Council does have jointly controlled assets with Chesterfield Borough Council and Bolsover District Council regarding the operation of a crematorium. On the basis of materiality, the Council does not include any figures for the joint crematorium within the Statement of Accounts.

22 Leases

The Council accounts for leases as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee (the Council). All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey the right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases are recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease inception. The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment and applied to write down the lease liability;
- A finance charge (debited to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the assets estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

The Council also has operating leases where the risk and rewards relating to the leased property remains with the lessor. Rentals payable are charged to the relevant service revenue account on a straight line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal, matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received); and
- Finance income credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt.

The Council currently has no finance leases for property where this policy applies.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained on the Balance Sheet. Rental Income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments e.g. there is a premium paid at the start of the lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount

of the asset and charged as an expense over the lease term on the same basis as rental income.

23 Overheads and Support Services

The costs of overheads and support services are charged to directorates in the Comprehensive Income and Expenditure Statement in accordance with the Council's arrangements for accountability and financial performance.

24 Property, Plant and Equipment

Property, Plant and Equipment are non-current assets that have physical substance are held for use in the provision of services, for rental to others, or for administrative purposes and are expected to be used during more than one financial year.

Recognition

Expenditure on the acquisition, creation or enhancement of tangible fixed assets is capitalised on an accruals basis, provided that it yields benefits to the Council and the services that it provides is for more than one financial year. Expenditure that secures but does not extend the previously assessed standards of performance of the asset (e.g. repairs and maintenance) is charged to revenue as it is incurred. A general de-minimis limit of £10,000 is applied to non-current assets.

Measurement

Assets are initially measured at cost, comprising the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its current value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). If an asset is acquired via an exchange the cost of acquisition is the carrying amount of the asset exchanged by the Council.

Donated assets are measured at fair value. The difference between fair value and the consideration paid is credited to the Taxation and Non Specific Grant income line of the Comprehensive Income and Expenditure Statement, unless the donated asset has been made conditionally. Until all conditions are met the gain is held in the Donated Assets Account. Gains that are credited to the Comprehensive Income and Expenditure Statement are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost;
- Dwellings – current value, determined using the basis of existing use for social housing;

- Surplus assets – fair value, estimated at the highest and best use from a market participant's perspective;
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use.

Where there is no market based evidence for the current value of an asset because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are re-valued where there have been material changes in the value, but as a minimum every five years. Valuations are undertaken by a professionally qualified valuer. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance, up to the value of the accumulated gains;
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

At the end of each reporting period an assessment is made of whether there is any indication that an asset may be impaired. If there is an indication of impairment, and it is deemed material. The recoverable amount of the asset is estimated to determine the impairment loss.

Where impairment losses are identified they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance, up to the value of accumulated gains;
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases: -

- Land – Not depreciated
- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Infrastructure Assets - Straight-line allocation over life of asset
- Vehicles, plant furniture and equipment – straight-line allocation over the useful life of the asset.
- Community assets – are not depreciated.
- Council Dwellings – Straight Line allocation over the life of the property (also, subject to componentisation)

Items of property, plant and equipment are not depreciated until they become available for use (i.e. when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management). Depreciation ceases at the earlier of the date that items of property, plant and equipment are classified as held for sale and the date they are derecognised.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable, based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Where an item of Property, Plant and Equipment exceed £1m in value and has major components whose costs are significant in relation to the total cost of the item, the components are depreciated separately. The Council deems “significant” to be 25% or more of the total cost of the asset. The Council also applies the following de minimis levels with regard to component accounting.

Components are not separately identified where:

- The useful life of the asset is less than 10 years
- The depreciation charge based on the life of the component would differ from that for the total asset by less than £10,000.
- The component life must be materially different to the main asset to be treated as a component.

For grouped assets such as Council Dwellings a practical level of componentisation has been applied which links to the work programmes carried out within capital programme. An appropriate life has been assigned to each of these components.

Disposals

When it becomes probable that an asset is to be sold it is reclassified as an Asset Held for Sale. The asset is re-valued before reclassification at its existing use value then carried at

the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to the fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

To be classified as an asset held for sale an asset must meet the following criteria:

- The asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets;
- The sale must be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated;
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current value;
- The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

If assets no longer meet the criteria to be classed as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as assets held for sale. They are adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale.

Assets that are abandoned or scrapped are not classified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal are credited to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for disposals, in excess of £10,000 are treated as capital receipts. A proportion of Housing receipts is payable to central government. The balance of receipts is credited to the Capital Receipts Reserve and can only be used for new capital investment or set aside to reduce the Council's underlying need to borrow. Receipts are appropriated to the Reserve from the General Fund balance in the Movement in Reserves Statement.

The gain or loss on the sale of assets is not a charge against council tax. Amounts are appropriated to the Capital Adjustment Account in the Movement in Reserves Statement

25 Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged to the appropriate service revenue account in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the

obligation, and are measured as a best estimate at the balance sheet date of the expenditure required to settle the obligation taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of the financial year – where it becomes more likely than not that a transfer of economic benefit will not be required (or lower settlement anticipated) the provision is reversed and credited back to the relevant service revenue account.

26 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to count against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council.

27 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year which may be capitalised under statutory provisions but does not result in the creation of a non current asset has been charged as expenditure to the relevant service revenue account in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund balance to the Capital Adjustment Account then reverses out the amounts charged so there is no impact on the level of council tax.

28 Trust Funds

Details of the nature and amount of trust funds where the Council acts as the sole trustee are disclosed as a note to the Balance Sheet.

29 Value Added Tax (VAT)

The Council is normally able to recover all VAT. Where this is the case VAT is not included in the income and expenditure statements. Where the Council is unable to recover VAT it is charged to the appropriate service.

30 Segmental Analysis

The Council operates with three directorates. All services of the Council fall into one of these directorates. The main service areas within each directorate are as follows:

Corporate Resources – Partnership Team; Legal; Governance and Elections and Scrutiny; Procurement; Financial Services; Revenues and Benefits; Audit (client); ICT (client); Customer Services; Improvement Team; Leisure; Human Resources; Health and Safety; Payroll.

Economic Development & Growth - Economic Development; Housing Strategy; Planning; Environmental Health; Community Safety; Property and Estates; Emergency Planning.

Economic Development & Growth - Economic Development; Housing Strategy; Property and Estates; Emergency Planning.

Environment & Enforcement - Planning; Environmental Health; Community Safety; Emergency Planning; Streetscene.

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

10 February 2021

Committee Work Programme 2020/2021

Report of the Joint Head of Corporate Governance and Monitoring Officer

This report is public

Purpose of the Report

- To enable the Audit and Corporate Governance Scrutiny Committee to review the Work Programme for the remainder of the municipal year 2020/2021.

1 Report Details

- 1.1 The Audit and Corporate Governance Scrutiny Committee considers a range of financial and governance issues on a regular basis. Given the number of matters that are examined by the Committee it is appropriate that an Annual Work Programme continues to be in place.
- 1.2 The Work Programme is set out in the attached **Appendix 1**. It should be recognised that the work plan is a live document to which matters may be added or removed as appropriate and approved by the Committee.
- 1.3 The Work Programme enables Members to give structured consideration as to whether the proposed agenda items are appropriate and serve to meet the objectives of the Committee. That question needs to be considered in the light of the Council's Constitution, Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance on the role of an Audit Committee and established good practice.

2 Conclusions and Reasons for Recommendation

- 2.1 To enable the Committee to consider the Work Programme for the remainder of the 2020/2021 municipal year.

3 Consultation and Equality Impact

- 3.1 There are no consultation and equality impact matters arising directly from the content of this report.

4 Alternative Options and Reasons for Rejection

- 4.1 There are no other options proposed.

5 Implications

5.1 Finance and Risk Implications

Risk - the development of a Work Programme for the Audit and Corporate Governance Scrutiny Committee will provide an appropriate structure to assist and support the Committee's work. This will help to ensure that the Committee continues to operate effectively and that the Council's governance/scrutiny and accountability arrangements remain robust. The Programme is designed to allow the Audit and Corporate Governance Scrutiny Committee to continue its flexible approach to its work and consider the range of matters which are within its remit.

There are no financial issues arising from the report.

5.2 Legal Implications including Data Protection

There are no legal issues or Data Protection matters arising directly from this report.

5.3 Human Resources Implications

There are no Human Resource issues arising from the report.

6 Recommendations

- 6.1 That the Committee notes and approves the Audit and Corporate Governance Scrutiny Work Programme for the remainder of the 2020/2021 municipal year as set out in the attached **Appendix 1**.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC:</i> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <i>NEDDC:</i> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	None Directly
Links to Corporate Plan priorities or Policy Framework	

8 **Document Information**

Appendix No	Title
1	Audit and Corporate Governance Scrutiny Committee Work Programme 2020/21
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
Report Author	Contact Number
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**AUDIT AND CORPORATE GOVERNANCE SCRUTINY COMMITTEE: PROPOSED
WORK PROGRAMME**

<u>DATE OF MEETING</u>	<u>ITEM</u>
02 December 2020	<ul style="list-style-type: none"> • Summary of Internal Audit Reports 2020/21 • Monitoring the Implementation of Internal Audit Recommendations • Performance Management Q2 2020/21 • Strategic Risk and Coronavirus Recovery Plans Arrangements • Corporate Debt • Benchmarking Financial Pressures (Covid) • Investment Strategy • Work Programme
20 January 2021	<ul style="list-style-type: none"> • Medium Term Financial Plan 2021/22 - 2024/25 • Treasury Management Strategies 2021/22 – 2024/25
10 February 2021	<ul style="list-style-type: none"> • Summary of Progress on the Annual Internal Audit Plan 2019/20 • Monitoring the Implementation of Internal Audit Recommendations • Fighting Fraud and Corruption Locally • Report of the External Auditor – Progress report and Technical Update • Performance Management Q3 2020/21 • Quarter 3 Financial Monitoring 2020/21 • Corporate Debt • Proposed Accounting Policies 2020/21 • Work Programme
30 April 2021	<ul style="list-style-type: none"> • Annual Review of Effectiveness of Internal Audit • Report of the External Auditor – Audit Plan 2021/22 • Report of the External Auditor – Progress report and Technical Update • Internal Audit Plan 2021/22 • Performance Management – Quarter 4 • Strategic Risk Update • Performance Management Quarter 4 - 2020 • Annual Governance Statement • Work Programme