

# Public Document Pack



**North East  
Derbyshire  
District Council**

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Date: Tuesday, 19 July 2022

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, 27 July 2022 at 3.00 pm in the Council Chamber**, District Council Offices, Mill Lane, Wingerworth, Chesterfield S42 6NG.

Yours sincerely

A handwritten signature in cursive script that reads "Sarah Steuberg".

**Assistant Director of Governance and Monitoring Officer**

Conservative Group	Labour Group	Liberal Democrat Group
Cllr W Armitage Cllr S Clough Cllr B Lewis Cllr K Tait Cllr M E Thacker MBE JP	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 Audit and Corporate Governance Scrutiny Committee held on 29 June 2022.

**4 Report of the Assistant Director of Planning**

- a. **Section 106 Update** (Pages 8 - 12)
- 5 **Report of the Information, Engagement and Performance Manager**
- a. **Council Plan Targets Performance Report April to June 2022** (Pages 13 - 33)
- 6 **Report of the Managing Director**
- a. **Risk Management Strategy** (Pages 34 - 74)
- 7 **Report of the Director of Finance and Resources (Section 151 Officer)**
- a. **Corporate Debt** (Pages 75 - 81)
- b. **Financial Monitoring** (Pages 82 - 100)
- 8 **Report of the Assistant Director of Governance and Monitoring Officer**
- a. **Committee Work Programme 2022-23** (Pages 101 - 105)
- 9 **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>

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

The next meeting of the Audit and Corporate Governance Scrutiny Committee is scheduled to take place on 28 September 2022.

# We speak your language



North East  
Derbyshire  
District Council

Polish

*Mówimy Twoim językiem*

Romanian

*Vorbim limba dumneavoastră*

Urdu

ہم آپ کی زبان بولتے ہیں

Chinese

我们会说你的语言



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## **AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE**

### **MINUTES OF MEETING HELD ON WEDNESDAY, 29 JUNE 2022**

#### **Present:**

Councillor Martin E Thacker MBE JP (Chair) (in the Chair)

Councillor William Armitage  
Councillor Pat Kerry  
Councillor Ross Shipman

Councillor Nigel Barker  
Councillor Gerry Morley

#### **Also Present:**

L Hickin	Managing Director - Head of Paid Service
J Dethick	Director of Finance and Resources & (Section 151 Officer)
J Williams	Head of Internal Audit Consortium
T Scott	Governance and Scrutiny Officer

#### **AUD Apologies for Absence**

1/22-  
23

Apologies for absence were received from Councillors S Clough and K Tait.

#### **AUD Declarations of Interest**

2/22-  
23

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

No Declarations of Interest were received for the meeting.

#### **AUD Minutes of Last Meeting**

3/22-  
23

**RESOLVED** – That the Minutes of the Audit and Corporate Governance Scrutiny Committee held on 11 May 2022 be approved as a correct record and signed by the Chair.

#### **AUD Car Parking Strategy**

4/22-  
23

The Director of Finance and Resources/Section 151 Officer presented a report updating the Committee on the current position regarding residential car parking on Council owned estates. The report had come as a result of the Committee requesting on 11 May 2022 that a car parking report be produced for the next meeting which specifically included the full list of sites (prioritised according to the approved rankings) and a timeline of when works were scheduled for.

The Director of Finance and Resources/Section 151 Officer explained that a working group of Members and officers had been established to prioritise areas for future car park consideration, and this would be done on an annual basis if resources allowed.

Members discussed the list of areas being created annually, and it was felt that the list should be created with the next 2-3 years in mind instead.

The Chair believed that the criteria to rank the parking locations that would benefit from improvement (1.5 of the report) was too simplistic.

The Committee agreed that the report did not include the list of car parking sites or timeline they had asked for on 11 May 2022, and requested that this be included in the next Car Parking update to the Committee.

RESOLVED – That the update be noted.

**AUD** **Audit Strategy Memorandum**

**5/22-  
23**

The Director of Finance and Resources/Section 151 Officer presented a report on behalf of Mazars which set out the Mazars Audit Strategy Memorandum for the year ending 31<sup>st</sup> March 2022. The report explained that the Audit was on track to be completed by November 2022.

RESOLVED – That the update be noted.

**AUD** **Internal Audit Annual Report**

**6/22-  
23**

The Head of the Internal Audit Consortium presented a report which allowed Members to consider the Internal Audit Consortium Annual Report 2021/22.

Members were informed that the table in Appendix 1 set out the 18 areas that had Internal Audit reports issued in 2021/22.

The Chair was concerned that in Appendix 2 (Comparison of Planned Work Completed) the two important issues of Council Tax and Business Grants had been marked as deferred. The Head of the Internal Audit Consortium explained that the Audit of Council Tax would be picked up in July 2022, and Internal Audit had complete confidence in the Revenues team until then. The Business Grants Audit would be deferred because Internal Audit did not want to duplicate the many new Government checks in place.

The Chair was also concerned about Business Continuity being deferred in the Appendix 2 table. The Head of the Internal Audit Consortium explained that Internal Audit felt the Audit of the Business Continuity plan had been covered by Audits of other areas. The Managing Director added that the Business Continuity Audit was also deferred due to staff changes at Derbyshire County Council that provided a Business Continuity and Emergency Planning service to the Council.

RESOLVED – That the update be noted.

**AUD** **Internal Audit Progress Report**

**7/22-  
23**

The Head of the Internal Audit Consortium presented a report which allowed Members to consider a progress report in respect of the 2021/22 Internal Audit

Plan.

RESOLVED – That the update be noted.

**AUD 8/22-23** **CIPFA Publication - Internal Audit Untapped Potential**

The Head of the Internal Audit Consortium presented a report to make Members aware of a recent CIPFA publication titled 'Internal Audit: Untapped Potential'.

The Committee discussed the importance of cyber security, and asked if a Cyber Security Strategy would be put in place by the Council. The Director of Finance and Resources/Section 151 Officer stated that the ICT Service Delivery Manager would be asked if a Strategy was forthcoming.

RESOLVED – That the update be noted.

**AUD 9/22-23** **Risk Management**

The Managing Director presented a report updating Members on the current position regarding Risk Management arrangements and the Strategic Risk Register as at June 2022.

Members were concerned that the Register suggested the Council was having issues in terms of employee Recruitment and Retention. The Managing Director stated that this was a risk, and one being experienced across the country in all sectors with regards to recruitment – but the Council was very proactive for recruitment, and also experiencing high retention rates.

The Managing Director referenced work currently in the pipeline which would help address these issues including a 'Talent Pipeline' Strategy, which would set out approaches towards apprenticeships, interns, volunteers, graduates, school leavers and continued employee growth.

The Managing Director informed Members that based on their comments, a report on the steps being taken for employee retention would be presented to the Committee later in the year.

RESOLVED – That the update be noted.

**AUD 10/22-23** **Medium Term Financial Plan Outturn**

The Director of Finance and Resources/Section 151 Officer presented a report to inform Members of the contents of the Financial Outturn 2021/22 report to be presented to Cabinet on 7 July 2022.

Members discussed the possibility of paying debts to the Public Works Loan Board back early, but the Director of Finance and Resources/Section 151 Officer advised that doing so would incur a financial penalty from the Government.

Members asked how many houses had been sold in the last year. The Director of Finance and Resources/Section 151 Officer explained that 83 were sold in

2021/22 and the average houses sold per annum were 70 to 80.

Members discussed the pros and cons of using reserves to balance budgets. The Director of Finance and Resources/Section 151 Officer advised that using reserves should not be a long-term solution, but it was acceptable to use reserves to fund one-off and/or short term budget falls or to meet funding gaps when budget setting.

Members mentioned the case of a resident who had not paid any Council Tax. The Director of Finance and Resources/Section 151 Officer explained that Finance were aware of the case and the delay was a result of backlogs at the valuation office. In such cases the resident would be issued with a Council Tax account and an indicative Council Tax Base to allow them to commence making payments while the banding was resolved.

RESOLVED – That the update be noted.

**AUD** **Committee Work Programme**

**11/2**

**2-23**

The Committee agreed to add one item to the draft 2022/23 Work Programme, which was (as discussed in the 'Car Parking Strategy' item) an update on the Car Parking Strategy scheduled for the meeting on 28 September 2022. This update would also include the list of car parking sites and timeline requested by the Committee on 11 May 2022.

RESOLVED – That

1. The Work Programme be noted.
2. One item be added to the 2022/23 Work Programme, which was an update on the Car Parking Strategy scheduled for the meeting on 28 September 2022. This update would also include the list of car parking sites and timeline requested by the Committee on 11 May 2022.

**AUD** **Forward Plan of Executive Decisions**

**12/2**

**2-23**

RESOLVED – That the Forward Plan of Executive Decisions be noted.

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

**13/2**

**2-23**

There were no urgent items to be discussed at the meeting.

**AUD** **Date of Next Meeting**

**14/2**

**2-23**

The next meeting of the Audit and Corporate Governance Scrutiny Committee will be 27 July 2022 at 3.00 pm.

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

27 July 2022

#### S106 Processes

#### Report of the Assistant Director of Planning

Classification: This report is public.

Report By: Richard Purcell

Contact Officer: Richard Purcell

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#### **PURPOSE / SUMMARY**

To review the process of collecting and spending money collected through S106 Agreements attached to planning applications.

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#### **RECOMMENDATIONS**

1. That the Committee note the report
  2. That the procedural improvements already initiated and outlined in 3.4 and 3.5 be supported.
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#### **IMPLICATIONS**

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**Finance and Risk:** Yes  No

**Details:**

The report focusses on S106 monitoring and collection for community infrastructure. It introduces no financial risks but sets out how the matter is managed to reduce risks.

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):** Yes  No

**Details:**

There are no data protection issues or legal implications being raised in this report

On Behalf of the Solicitor to the Council

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**Staffing:** Yes  No

**Details:**

No staffing implications raised in this report

On behalf of the Head of Paid Service

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## DECISION INFORMATION

Decision Information	
<b>Is the decision a Key Decision?</b> A Key Decision is a 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: <b>Revenue - £100,000</b> <input type="checkbox"/> <b>Capital - £250,000</b> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> <b>Leader / Deputy Leader</b> <input checked="" type="checkbox"/> <b>Cabinet</b> <input type="checkbox"/> <b>SMT</b> <input checked="" type="checkbox"/> <b>Relevant Service Manager</b> <input type="checkbox"/> <b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/>	

Links to Council Plan priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.
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Enhancing our resident's quality of life. Providing value for money for our residents, businesses and visitors
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## REPORT DETAILS

### 1 Background to Report

- 1.1 At its meeting in March the Audit Committee considered the matter of monitoring section 106 money including the processes surrounding collection from developers and spending on community infrastructure.
- 1.2 Members requested that a report be brought back to its July Committee that explored options on how the Council could tighten up its procedures to

minimise potential non-payment of S106 agreements and potentially secure more funds. The Planning Manager, who reported verbally to the meeting, agreed to discuss with colleagues at Derbyshire County Council and other local authorities to see what could be done differently at the Council.

- 1.3 Members asked that the report outline the law currently surrounding S106, what the Council currently does, an explanation of how payments were collected, how other council's currently operated and an overview of best practice.

## **2. Background to S106**

- 2.1 Section 106 of the Town and Country Planning Act 1990 is an agreement between a developer and a local planning authority about measures that the developer must take to reduce the impact of its development on the community. A section 106 agreement is designed to make a development possible that would otherwise not be possible, by obtaining concessions and contributions from the developer.

- 2.2 A section 106 agreement must be necessary, relevant and reasonable. This means that it must be –

- necessary to make the development acceptable in planning terms,
- directly related to the development in question, and
- fair in terms of scale and type when compared with the development.

Beyond these rules, viability plays a role in determining the scope and scale of a 106 agreement.

- 2.3 The current Levelling Up and Regeneration Bill includes proposals to replace most S106 agreements with an Infrastructure Levy system. There is not a great deal of detail about this yet. It will require secondary legislation and is not an imminent prospect to fetter consideration of the matters addressed in this report.

- 2.4 In NE Derbyshire the main areas where we require S106 funding is for the delivery of –

- off-site public open space (POS) when it is not possible or is preferable to have some or all POS off-site instead of on-site;
- a contribution towards the delivery of new or extended educational facilities commensurate with the needs of children expected to be living in a new housing development;
- a contribution towards the delivery of new or extended medical facilities commensurate with the needs of those expected to be living in a new housing development;
- on-site affordable housing or contributions to off-site affordable housing to a percentage of the proposed housing.

Other areas could include off-site flood mitigation work, highway work, contributions to libraries or other aspects of community infrastructure that would make an otherwise unacceptable development acceptable while fulfilling the criteria in 2.2 above.

### **3 Operations within NEDDC**

- 3.1 When consultation responses or other information has been received and it is identified that a development could only be acceptable if it delivered certain requirements through a S106 agreement, the heads of terms for the agreement are then worked up and discussed. Usually this will include the sums of money needed for particular pieces of off-site community infrastructure and/or the number and type of affordable housing units to be delivered on site.
- 3.2 Often the viability of the project plays a large influence in whether all the S106 requests can be delivered. This can play out in a number of ways depending on the specifics of the development, its impacts, local priorities and finance.
- 3.3 The timing for the delivery of the obligations are also negotiated for inclusion in the final agreement. This is a balance between development cash flow and infrastructure need. Although we have a silent objective to trigger payments as early as possible, it is an objective process that must reflect the practicalities of these two influences of cash flow and need. Payments are usually triggered by completion or occupation of a particular number of homes or other clearly recognisable milestone.
- 3.4 Having reviewed how monitoring and collection is done the following (in 3.4 and 3.5) includes tightening up measures recently introduced. Sites are visited by planning officers while on their other planning application site visits. They will observe when development has started and, if sites have progressed, closer inspection made if possible, to check visually for completions or occupancy. This is then reported back to the Senior Planning Support Officer who, if necessary, will check with the notifications received for wheelie bins from Street Scene, and assuming sufficient confidence exists that triggers have been hit, will instruct the corporate debtors' team to issue an invoice for payment to the developer. Until recently the planning team issued a request for payment to the developer, but this responsibility has now been transferred to the corporate debtors' team allowing use of its well-established collection and recovery processes. The Senior Planning Support Officer will update the central monitoring spreadsheet with the information they collect and instructions they give. This spreadsheet is available to view by members and officers on request and is periodically presented to Planning Committee.
- 3.5 Invoices are raised through the corporate sundry debtors system. This recovery route for S106 payments introduces more robust processes. Payment is due within 2 working days of invoice dispatch. If payment is not received then a reminder is issued after 2 days, followed by a 2<sup>nd</sup> reminder 10 days after the invoice is issued. If payment isn't received 2 days after the second reminder is issued then the matter is referred to the Legal team to take court action. When it is referred to Legal, a letter before action is sent prior to issuing proceedings.

- 3.6 The Planning Manager has raised the matter of S106 monitoring and collection with his Peers across Derbyshire. The consensus was that what we do here at NEDDC is comparable with practices across Derbyshire and the discussions identified no meaningful improvements that could be made to processes at NEDDC.
- 3.7 Specific community infrastructure projects identified in the agreement have five years from collection of the money to be delivered and funding spent. Failure to do this raises the risk of returning the money to the developer. Therefore, when first identified at the time of the planning application, projects should be well thought through with a delivery programme flexible enough to work with the agreement.
- 3.8 The importance of properly managing and monitoring S106 process is recognised among Cabinet and Officers as being very important in securing the delivery of necessary community infrastructure. It has been a subject of discussion for over a year and will continue to be monitored.

#### **4 Reasons for Recommendation**

- 4.1 The report is to assist the Committee in understanding the processes followed for monitoring and collecting S106 money.
- 4.2 Improvements to the monitoring and collection process have been reported in 3.4 and 3.5 above and are for endorsement.

#### **5 Alternative Options and Reasons for Rejection**

- 5.1 Recommending the creation of a dedicated S106 Monitoring Officer has been considered but deemed to be unnecessary currently. This will need to be reviewed if an increase in frequency, monitoring and comprehensive reporting of S106 information is deemed necessary.

### **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
None	None
<b>Background Papers</b> (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 you must provide copies of the background papers)	
None	

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

27 July 2022

### Council Plan Targets Performance Update April to June 2022

(Q1 – 2022/23)

### Report of the Information, Engagement & Performance Manager

Classification: This report is public

Report By: Kath Drury, Information, Engagement and Performance Manager

Contact Officer: As Above

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#### **PURPOSE / SUMMARY**

To report the Quarter 1 outturns for the Council Plan 2019-2023 targets.

Out of the 77 targets:

- 49 (63%) are on track
  - 27 (35%) achieved previously
  - 1 (1%) are recommended for withdrawal and replace
- 

#### **RECOMMENDATIONS**

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

#### **IMPLICATIONS**

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**Finance and Risk:**      Yes       No

**Details:**

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):**      Yes       No

**Details**

On Behalf of the Solicitor to the Council

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**Staffing:**      Yes       No

**Details:**

**DECISION INFORMATION**

<b>Decision Information</b>	
<p><b>Is the decision a Key Decision?</b>                  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><b>NEDDC:</b>                  Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/>  <input checked="" type="checkbox"/> Please indicate which threshold applies</p>	No
<p><b>Is the decision subject to Call-In?</b>                  (Only Key Decisions are subject to Call-In)</p>	No
<b>District Wards Significantly Affected</b>	None
<p><b>Consultation:</b>                  Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/>                  SMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/>                  Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	Cabinet Members/SMT informed on route via the quarterly performance meeting  Details: Ward Members

<b>Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.</b>
All

**REPORT DETAILS**

**1 Background**

1.1 The attached appendix contains the performance outturn as of 30<sup>th</sup> June 2022.

**2. Details of Proposal or Information**

2.1 A summary by council plan aim is provided below:

## 2.2 **Our Economy - Creating a business friendly District that develops skills and jobs**

- 15 targets in total
- 10 targets are on track
- 5 targets have been achieved previously (ECO 04 ECO 09 ECO 16 ECO 20 ECO 21)

## 2.3 **Our Environment - Protecting and promoting the character of our District**

- 15 targets in total
- 6 Targets are on track
- 1 target requested to withdraw and replace
  - 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 to be replaced with **“To deliver one high profile print and social media campaign per quarter on an Environmental Enforcement topic with the aim of influencing behavioural change.”*** (see note in appendix)
- 8 targets have been achieved previously (ENV 01 ENV 03 ENV 04 ENV 06 ENV 07 ENV 12 ENV 02 ENV 19)

## 2.4 **Our Residents – Enhancing our residents’ quality of life**

- 26 targets in total
- 22 targets are on track
- 4 targets have been achieved previously (RES 08,10,11 25)

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

- 21 targets in total
- 11 targets are on track
- 10 targets achieved previously (SER 01 SER 07 SER 08 SER 09 SER 10 SER 16 SER 18 SER 23 SER 24 SER 26)

2.6 Details have been provided in the appendix for those at exception and achieved together with a full council target listing.

## **3 Reasons for Recommendation**

3.1 This is an information report to keep Members informed of progress against the council plan targets noting achievements and any areas of concern.

## **4 Alternative Options and Reasons for Rejection**

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

## DOCUMENT INFORMATION

Appendix No	Title
1	Council Plan Targets Update – April to June 2022
<b>Background Papers</b> (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 you must provide copies of the background papers)	
All details on the PERFORM system	

**North East Derbyshire District Council  
Council Plan Targets Update – April to June 2022**

**Status Key**

<b>Target Status</b>	Usage
On Track	The target is progressing well against the intended outcomes and intended date.
Request to withdraw and replace	The target has been recommended for withdrawal and discussed at a quarterly performance meeting. Council Plan targets require Cabinet approval to withdraw. New target advised

**Council plan target reported by exception**

**Request to withdraw and replace**

<p>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)</p>	<p>Operations Cllr Cupit</p>	<p><b>Request to withdraw and replace</b></p>	<p>Further to discussions at Q4 2021/22 reporting, Cabinet would prefer an externally focussed target to reflect the enforcement work that the Environmental Health service does to raise awareness of, educate on and tackle enviro crime. After discussions between Environmental Health and Communications the following target is to be recommended to Cabinet:</p> <p><b><i>“To deliver one high profile print and social media campaign per quarter on an Environmental Enforcement topic with the aim of influencing behavioural change.”</i></b></p> <p>Communications will be able to provide Environmental Health with informative metrics on feedback and public exposure.</p>
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## Full Council Plan Target Listing

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

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q1 2022/23 Progress Update
ECO 02 - Process all major planning applications 10% greater than the National Target per annum.	Operations Cllr Cupit	On track  During quarter 1 (2022/2023) 8 major applications were determined with 4 determined within the statutory period. Target 70%. Actual 50%  During the current (nationally measured) monitoring period for April 2021/March 2023, to date 43 major applications have been determined with 32 determined within the statutory period. This represents 74% exceeding the 60% (national) target.
ECO 03 - Process all non-major planning applications 10% greater than the National Target per annum.	Operations Cllr Cupit	On track  During quarter 1 (2022/2023) 197 non-major applications were determined with 166 determined within the statutory period. This represents 84.2% and above the 70% nationally set target.  During the current (nationally measured) monitoring April 2021/March 2023, to date 993 non major applications have been determined with 798 determined within the statutory period. This represents 80.4% exceeding the 70% (national) target.
ECO 07 - Deliver 3 engagement events annually to support business	Growth and Assets Cllr Kenyon	On Track  Event being organised to support business to consider recruiting to minority groups of people, for example those with learning disabilities, ex-offenders etc. To take place in July 2022
ECO 13 - Hold 4 events annually to foster effective links with further and higher education establishments	Growth and Assets Cllr Kenyon	On Track  Work continues with University of Derby and Chesterfield College on the Clay Cross Enterprise and Skills Hub. Separate work re graduates is taking place with University of Derby

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q1 2022/23 Progress Update
ECO 15 - Deliver a bi-annual jobs fair to support jobs and skills	Growth and Assets <i>Cllr Kenyon</i>	On Track

The Eckington Jobs Fair took place in the Civic Centre on Thursday 12th May in partnership with Jobcentre Plus, the event was very successful with a great atmosphere, special thanks to Eckington Parish Council for the free use of their room and facilities.

The event was attended by 18 (employers and training providers) who had multiple vacancies in a variety of sectors offering full & part time work. Woodall Services attended as they had numerous vacancies, they had never attended a Jobs Fair before and were extremely impressed with the operation and would like inviting to future events, not only did they meet potentially suitable candidates to employ but they had the opportunity to network, especially with the assistance that is available from Rural Derbyshire and DCC for transport solutions available to staff and applicants with transport issues, they also requested information about how they could become a Disability Confident employer, something they hadn't been aware of prior to the event.

Training Providers were on hand to offer training opportunities Security/CCTV, FLT, HGV, Construction, Railway working, hospitality and more and Sector Based Work Academies with guaranteed interviews. There was also a Jobs board displaying details of local vacancies. Feedback from employers and provision was very positive.

Jobcentre work coaches referred customer to the event, but a large volume did not attend, and investigation as to why they did not attend will be taking place. Fortunately posters, leaflets, press releases, local radio interview by Jobcentre Plus, schools notifying parents, Members, partner

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q1 2022/23 Progress Update
		<p>organisations and colleagues spreading the work and social media promoting on various platforms saved the day, resulting in a good flow of people coming through the doors.</p> <p>A photographer attended the event to take photos and speak to employers, training provision and residents about the event and will be writing an article for the next edition of The News, which will also promote future Jobs Fairs in North East Derbyshire.</p> <p>The next Jobs Fairs will be take place in Holmewood Cricket Pavilion on Wednesday 13th July 10am - 12 noon and Dronfield Leisure Centre on Thursday 29th September 10am - 12 noon</p> <p>A meeting has been held with Jobcentre Plus staff to discuss and pencil in dates for four more events in the community in 2023. (Pilsley, Calow, Clay Cross, North Wingfield being considered)</p>
<p>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</p>	<p>Growth and Assets <i>Cllr Cupit</i></p>	<p><b>On track</b></p> <p>The Towns deal is progressing with SPLC, Low Carbon Energy Network strategy and the Rail Station Feasibility study either submitted or due to be before the end of July. The Low Carbon challenge fund is on track and the business case is anticipated to be completed July. The remaining projects are progressing through the development of a Strategic Regeneration Framework which is an 8 week programme. We have a dedicated project manager in post to drive this forward.</p> <p>Eckington Masterplan and Levelling Up Fund (LUF) bid is progressing with the bid submission due soon. The original timetable has been delayed due to issues with the portal</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q1 2022/23 Progress Update	
			opening but this should be resolved soon. When the portal opens we will have 2 weeks to upload the bid submission. Killamarsh masterplan is paused until the bid is completed.
ECO 29 - Reduce the number of complaints in relation to town centre cleanliness	Operations <i>Cllr Cupit</i>	On track	Zero complaints were received in this period (January to March) which is within the baseline (1 per month\ 4 per quarter) target established in 2020\21 period.
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)	Growth and Assets <i>Cllr Renwick</i>	On track	Q1 Spend up to 07/07/22 = £0 Committed up to 07/07/22 = £69,950.50 (11.48%) cumulative 11.48% Annual Budget £500k plus £109k from 21-22 rolled projects (Mill Lane Guttering and external cabin removal £70k, Killamarsh LC car park £25k, Industrial unit personnel door window replacement stage 2 £14k)
ECO 32 - Increase revenue from business centre meeting bookings by 10% each year to maximise the use of these district facilities (Baseline: 2019/20)	Growth and Assets <i>Cllr Renwick</i>	On Track	Q1 booking figures are £3,663 so based on a full year that would be £14,653 which would be down from the previous year of £16,848. However performance can improve during the year
ECO 33 - Support at least 25 businesses each year through effective signposting and advice	Growth and Assets <i>Cllr Kenyon</i>	On Track	Since appointment in February 2021 the dedicated business advisor at the D2N2 Growth Hub has engaged with almost 500 NE Derbyshire companies. The contract formally ended end of June 2022, but options to continue this service are being explored

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

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
ENV 05 - Deliver 2 proactive planning enforcement exercises per year	Operations <i>Cllr Cupit</i>	On Track	<p>The Planning Enforcement team reported last quarter that it was is working on two proactive enforcement cases. One being districtwide exercise of enforcement and removal of unauthorised signs and banners. The second stems from an investigation on an unrelated site involving unauthorised storage of seemingly scrap vehicles and metal; these exercises are still ongoing.</p> <p>However, the team has since started accurately recording the number of cases that are 'proactive'; being cases that officers have identified through monitoring and/or being out and about in the District. In Q1 there were 13 cases which is approximately 15% of all the cases received this quarter. The team is therefore far exceeding the target which indicates it might not be an appropriate measure of the work carried out by the team. Therefore the performance target is under review and the team is likely to come forward with a different measure to better reflect the work carried out</p>
ENV 09 - Develop and deliver 2 climate change community information events per year	Finance and Resources <i>Cllr Kenyon</i>	On Track	Climate Change Community Information content was part of the NEDDC Meet the Council events held in Shirland (27.04.22) and Barlow (16.05.22).
ENV 10 - Deliver 1 climate change training event for Parish Councils per year	Finance and Resources <i>Cllr Kenyon</i>	On Track	The annual training session will be scheduled for the March 2023 DPLG meeting (last session held 18.03.22).
ENV 13 - Increase the number of fixed penalty notices issued for litter and dog fouling offences by 20% by 2023 (Baseline: 2019/20)	Operations <i>Cllr Cupit</i>	On Track	Q1 target 9 FPNs for this quarter was exceeded with 11 issued, with face to face patrols fully resumed. 28% of the annual target already achieved in the first quarter.

			Annual target 22/23 = 39 Annual target 24/25 = 42
ENV 14 - Undertake 15 litter picks and Love Where You Live initiatives per year	Operations Cllr Cupit	On Track	Q1 Four patrols were carried out, whereas 3 were planned. 27% of the annual target already achieved in the first quarter Annual target 22/23 = 15
ENV 16 - Measure %age of all reports of fly-tipping referred for investigation to be responded to within 3 working days (set baseline in 19/20 for 20/21 onwards)	Operations Cllr Cupit	On Track	Q1 34 out of 35 were responded to within 3 working days, exceeding the target. The one that didn't meet the target has been responded to
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)	Operations Cllr Cupit	Request to withdraw and replace	Further to discussions at Q4 2021/22 reporting, Cabinet would prefer an externally focussed target to reflect the enforcement work that the Environmental Health service does to raise awareness of, educate on and tackle enviro crime. After discussions between Environmental Health and Communications the following target is to be recommended to Cabinet:  <b><i>“To deliver one high profile print and social media campaign per quarter on an Environmental Enforcement topic with the aim of influencing behavioural change.”</i></b>  Communications will be able to provide Environmental Health with informative metrics on feedback and public exposure.

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

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
RES 01 - Whist maintaining high quality leisure facilities, reduce the annual subsidy of the leisure service year on year.	Growth and Assets Cllr Powell	On Track	Qtr. 1 - Participation has been good though Q1 with 171,906 visits recorded. This is slightly under the set target of 186,250 quarterly visits but is expected due to seasonality. Eckington is fully operational following refurbishment works and Killamarsh is expected to hand over on 25th August. Works for decarbonisation to start at Dronfield from September 2022 but not expected to impact on business. Sharley works expected to start from November 2022 but TBC. Awaiting year-end financial figures for all sites for 2021/22 from accountancy but financial performance was excellent following COVID recovery
RES 02 - Run 12 community initiatives per year	Growth and Assets Cllr Powell	On Track	Q1 Update 0 community projects have been delivered during this quarter (please note 8 planned community activities during next quarter)
RES 03 - Increase participation in leisure activities at leisure centres by 5000 visits per year	Growth and Assets Cllr Powell	On Track	Participation has been good though Q1 with 171,906 visits recorded. This is slightly under the set target of 186,250 quarterly visits but is expected due to seasonality.
RES 04 - Deliver a health intervention for 258 new attendees per year	Growth and Assets Cllr Powell	On Track	Referral numbers continue to pick up and therefore number of completers. Excellent start by the team as Q1 is traditionally quite slow for completers. HLI team in transition due to staff retiring and leaving the authority. Target Q4 - 64 Actual Q4 - 58 Annual target - 258 Annual actual - 58

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
RES 05 - Deliver the PALS service to 40 residents per year and report on the socio economic and health benefits	Growth and Assets Cllr Powell	On Track	Q1 - PALS service has been COVID affected however the officer is still supporting 3 active clients via the scheme, however the scheme is now taking a whole system approach and has been successful in pulling together a partnership group that will look at improving the Health and Wellbeing of local residents. Quarter 1 success's have included: Partnership meeting with 30 local partners across the network, CX21 Community group relaunch, Secured £15,000 Moving on with Covid Grant to support Health and Wellbeing.
RES 06 - Deliver the 10 week, 560 Lifestyle Programme to at least 12 schools across the District (10,000 students per year)	Growth and Assets Cllr Powell	On Track	Q1 - No updates to provide as of yet as delivery across the 10 week scheme will not be available until Q2. However delivery has taken place in 5 schools across this quarter as above reporting figures will be available July once Q1 is completed.
RES 07 - Deliver additional lunch time or after school PE clubs in at least 6 schools per year.	Growth and Assets Cllr Powell	On Track	Q1 - We are currently delivering to 6 schools  The throughput of pupils attending these sessions is 2,148
RES 09 - Deliver the Corporate Communications Strategy Action Plan by 2023	Finance and Resources Cllr Powell	On track	On target, progressing actions as planned. Utilising customer feedback from Citizens Panel survey conducted Nov 21 to inform content of the news, its look and how we engage with our residents. Service performance and actions being evaluated in line with feedback received to ensure we are using best practice methods, using our own content and limiting amount of promotional material and encouraging two way conversation and engagement.  Advertising in the NEWS progressing, meeting with two companies (March 22) to discuss income to supplement

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q1 2022/23 Progress Update
		<p>the cost of the NEWS.</p> <p>Target on track, advertising now being explored via in house options and promotion due to no one applying for the tender externally, other items such as increasing social media content and gov delivery.</p>
<p>RES 12 - Improve the overall performance and usability of the website by achieving a minimum score of 90% using the Silktide* tool by Dec 2022.</p>	<p>Finance and resources <i>Cllr Powell</i></p>	<p>86 Great - Content Quality of content in this website</p> <p>93 Excellent - Accessibility Compliance with accessibility standards</p> <p>87 Excellent - User Experience Rate this website's user experience (UX)</p> <p>86 Great - Marketing Effectiveness of website marketing</p> <p>On track</p> <p>SilkTide is the new performance management tool for the corporate website enabling us to improve its SEO, spelling, broken links and accessibility. Currently performing at 93% accessible with the team making tweaks and adjustments as necessary and as pages and content are added.</p> <p>Started implementing more html pages reducing the pdf's on there as they aren't accessible, making content more searchable and user friendly. Good example would be searching for the NEWS on the website which is now interactive.</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
RES 16 - Ensure home ownership models to equate to 25% of affordable homes requirement on new developments	Finance and Resources <i>Cllr Renwick</i>	On track	To date, affordable home ownership models account for 32% of affordable tenures on new build sites. The Council continues to work with developers to encourage and promote affordable home ownership products as part of new developments.
RES 18 - Reduce rough sleeping to zero by 2023	Finance and Resources <i>Cllr Renwick</i>	On track	<p>In Q1 we recorded zero rough sleepers on the monthly rough sleeper spot count. In May we recorded one rough sleeper and this was verified by the street outreach services. The housing options team is now working with the individual.</p> <p>In Quarter we opened 57 cases (Full Homelessness Applications)  36 prevention cases where people were threatened with homelessness  21 relief cases where people were already homeless  The National average for cases opened at prevention stage is 55%  In Q1 the NEDDC average for cases opened at the prevention stage is 63%. This is compared to 37% of cases being opened at the relief stage. The prevention ratio is still low compared to pre pandemic levels and ideally this should be in the region of 70%. People presenting who are already homeless is still higher than we would like. This means a greater demand for emergency accommodation.  In Q1 we recorded 47 positive outcomes where homelessness or the threat of homelessness was resolved  26 positive outcomes at prevention stage  21 positive outcomes at relief stage  The prevention and relief cases do not tell the whole</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q1 2022/23 Progress Update
		story. In Q1 we also opened 105 advice cases. Advice cases are usually opened to register initial enquiries before a full homelessness application is made. These cases will either change to prevention or relief cases, or, they may only serve to capture more basic low level advice where there is no need to trigger a homelessness application.
RES 20 - Create at least 4 apprenticeship opportunities by 2023	Operations <i>Cllr Foster</i>	On track Apprentices in Communications, Procurement and Strategic Housing are being implemented
RES 21 - Invest in voluntary and community organisations to assist over 20,000 vulnerable and disadvantaged households per year	Finance and Resources <i>Cllr Powell</i>	On track Confirmed figures for 20/21 are 20,206 households assisted. Initial figures for 21/22 for VCS grants are 13,032 households supported although the CAG household monitoring is still to be added (due to the high number of projects taking place in June 22 for the Queen's Platinum Jubilee celebrations not all reporting has yet been received from supported groups).
RES 22 - Re-sign and launch the Armed Forces Covenant and deliver the action plan by 2023	Finance and Resources <i>Cllr Powell</i>	On track NEDDC Promotion and support of Armed Forces Week in June 2022 and attendance at the Chesterfield-based Armed Forces Community Hub, supporting NEDDC's attending AFC residents with employment, fuel poverty, energy efficiency and general advice. Currently 105 residents registered on the NEDDC AFC support database.
RES 23 - Develop an Older People's Strategy by September 2020 and deliver the Action Plan by 2023	Finance and Resources <i>Cllr Powell</i>	On track Digital Connect project ongoing. Monitoring refresh in progress to collate updated outcomes achieved for future reports.
RES 24 - Develop the British Sign Language Action Plan by April 2020 for implementation in full by December 2023	Finance and Resources <i>Cllr Dale</i>	On track BSL event with a leisure focus arranged for 08/07/22. Arrangements made during Q1. Most of the action plan has been achieved now.

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
RES 26 - Support at least 20 projects per year through the Community Action Grants Fund	Finance and Resources <i>Cllr Powell</i>	On track	By the end of Q1 22/23 10 awards totalling £4,584.45 have been approved. Reconciled figures for 21/22 are that 26 projects awarded £10,598.19. A £500 invoice for one project not able to be delivered due to legal delays has been issued to the group so that the funding can be reallocated elsewhere. Regular promotion of successful projects through NEDDC social media is ongoing.
RES 27 - Support at least 4 initiatives per year led by volunteers	Finance and Resources <i>Cllr Kenyon</i>	On track	The Public Health funded Community Development Worker role ended in 21/22 and will not be replaced. Future support will be subject to capacity and priorities within the Team. Publicity support was given to North Derbyshire Refugee Support Group to promote the sessions open to the Homes for Ukraine Scheme Guests and Sponsors.
RES 28 - Recruit 8 physical activities champions per year	Growth and Assets <i>Cllr Alan Powell</i>	On Track	Q1 - We have not recruited any champions in this first quarter of the year, however this is not a concern and we will achieve the target across the coming quarters.
RES 30 - Provide 10 waste, recycling and environmental advice to schools and community events per year	Operations <i>Cllr Cupit</i>	On Track	Recycling promoter post currently vacant. Investigating proposal to launch a schools naming completion in September/October 2023.
RES 31 - Support at least 6 school climate change projects per year	Finance and Resources <i>Cllr Kenyon</i>	On Track	Following the return from COVID many schools advised that their current priority was focusing on re-establishing educational progress. Outline plans are that the scheme is promoted in September 2022. During 21/22 all eligible local schools were contacted and advised of the scheme, with only 4 applications received (3 successful).
RES 32 - Monitor performance against the corporate equality objectives and publish information annually	Finance and Resources <i>Cllr Dale</i>	On Track	Revised Access for All statement approved at SMT and to be rolled out to Service Managers. Equalities and Knowing your Communities training provided to Members. Arrangements made for BSL event on

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
			08/07/22 at Dronfield Leisure Centre. Transgender guidance for Leisure Services reviewed and re-issued. A number of hate incidents reports have been supported by the team this quarter together with a number of Equality Impact Assessments (EIAs).

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

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
SER 02 - Deliver 4 employee liaison meetings annually	Operations <i>Cllr Foster</i>	On track	These are continuing, the last meeting was held on 27 June 2022
SER 04 - Deliver 100 hours leadership training per year	Operations <i>Cllr Foster</i>	On track	This is on track with a range of leadership training and development activities taking place each quarter
SER 05 - Ensure that at least 50% of transactions are made through digital channels by Dec 2024	Finance and Resources  <i>Cllr Kenyon</i>	On track	<p>Q1 and annual totals, which include some figures collected annually, not quarterly are TBC (awaiting ATP and web payments figures which are unavailable since AIM upgrade).</p> <p>Baseline (Q1 2018-19 is 29.98%).</p> <p>The number of contact directly to the contact centre has increased.</p> <p>The number of emails received continues to increase, as</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder	Q1 2022/23 Progress Update
		<p>does all 'non digital channels', however email communication could be better channelled through online forms to avoid impact on the contact centre who then have to manually send on emails to service areas.</p> <p>Webchat was re-introduced at the end of December though the figures remain low in comparison with other contact methods.</p> <p>Work around promoting digital services needs to continue. Consideration needs to be given to the cost and quality of each transaction type. We could remove the need for email with online 'contact us' forms which could them be more easily monitored and reported on to establish what customers are emailing us about.</p> <p>Digital transactions counted are all Self Service, automated telephone and online payments, kiosk payments etc. Non-Digital is calls, face to face, webchat, email, text etc taken by contact centre only (no other reliable stats have been provided).</p> <p>This target has been reached and could be marked as complete, however as more services submit their data, the figures will fluctuate, therefore it would be prudent to keep working on this target and reporting on the progress</p>
SER 06 - Provide self-service access to all service areas by 2023	Finance and Resources <i>Cllr Kenyon</i>	<p>On track</p> <p>All service areas who would previously have had online forms (downloadable from website or web forms) are using Self Service for customer facing services/applications. Environmental Health and Streetscene, Revenues, HR,</p>

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
			Leisure, Communications, Planning, Economic Development, ICT and Governance, Elections all use Self Service.
SER 11 - Increase the number of pre-court and court enforcement actions taken by Community Safety	Finance and Resources <i>Cllr Renwick</i>	On track	<p>Quarter 1 0 x CPW's 0 x CPN</p> <p>0 x CBO still pending</p> <p>We are dealing with a lot of very low level neighbourhood disputes this Quarter that do not require enforcement of this nature, as well as under 16's whom we cannot enforce through CPW/CPN</p> <p>ABC's are 9 live as of 05/07/2022 - these are in collaboration with the YET Team</p>
SER 12 - Ensure that monthly car parking patrols are undertaken outside schools within the District	Cllr Cupit Operations	On track	Anticipated to start patrols in September when schools are back after the summer holidays.
SER 15 - Deliver 6 Ward walks per year	Operations Cllr Foster	On track	To discuss with Members to restart ward walks early in the new municipal year.
SER 19 - Achieve a combined recycling and composting rate of 50% by March 2023	Operations <i>Cllr Cupit</i>	On track	Waste Data Flow information is estimated on like performance at ending June 2021, in particular as WDF information will not be available until ending Sept 2022. It is estimated 6,022.36 tonnes of recyclable\ compostable wastes will be diverted, yielding a combined estimated recycling rate of 52.60% between April and June 2022.
SER 20 - Place 2 recycling promotions in NEDi News annually	Operations <i>Cllr Cupit</i>	On track	Q1 (22/23) November edition to include "What we can recycle" and the Christmas dates. March Edition to include Unsung heros focus on our mechanics, Easter

Council Plan Target (Target date 31/03/23 unless stated otherwise)	Directorate/ Portfolio Holder		Q1 2022/23 Progress Update
			comms recycling messages relating to Easter eggs. To include an activity section for children relating to recycling services. Article on flytipping to be linked with Env. Health.
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	Operations <i>Cllr Cupit</i>	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 96% target.
SER 22 - Undertaking cleansing of all District estate roads at least 4 times per year	Operations <i>Cllr Cupit</i>	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, other than resource losses due to sickness absence

**North East Derbyshire District Council**

**Audit and Corporate Governance Committee**

**27 July 2022**

**Risk Management Strategy 2022**

**Report of Lee Hickin – Managing Director and SRO**

**Classification:** This report is public

**Report By:** Lee Hickin – Managing Director

**Contact Officer:** Lee Hickin – Managing Director

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**PURPOSE / SUMMARY**

To update Audit and Corporate Governance Committee on the review of the current Risk Management Strategy and to seek endorsement of the Council's new/reviewed Risk Management Strategy and Action Plan.

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**RECOMMENDATIONS**

1. That Audit and Corporate Governance Committee endorse the new/reviewed Risk Management Strategy and Action Plan.

**IMPLICATIONS**

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**Finance and Risk:** Yes  No

**Details:**

There are no specific financial implications arising out of this report.

Risk Management Issues are covered throughout the body of the main report.

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):** Yes  No

**Details:**

This strategy will help to satisfy the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Framework on Corporate Governance which requires the Council to make public assurance statements to stakeholders on,

amongst other areas, the authority's risk management strategy, process and framework.

On Behalf of the Solicitor to the Council

**Staffing:** Yes  No

**Details:**

There are no significant direct additional HR implications arising from the proposals.

On behalf of the Head of Paid Service

## DECISION INFORMATION

Decision Information	
<b>Is the decision a Key Decision?</b> 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:  <b>NEDDC:</b> <b>Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/></b> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	All
<b>Consultation:</b> <b>Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet <input type="checkbox"/></b> <b>SMT <input checked="" type="checkbox"/> Relevant Service Manager <input type="checkbox"/></b> <b>Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input checked="" type="checkbox"/></b>	Yes

**Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.**

**Council Plan Aim: Our Services – Objective 1:** Transforming how our Council works

## REPORT DETAILS

### 1 Background

- 1.1 The risks facing the Council are many and varied and the approach to managing those risks should be applied within decision making processes. Risks will change over time so need continual monitoring, the approach to risk management should also be continuous with a structured review process. A comprehensive review of the Council's risk management framework took place in 2020 following which the Risk Management Strategy 2020 was approved and adopted to ensure that the continued effective and systematic management of risk was achieved.
- 1.2 The Strategy set out the mechanisms and processes for both the maintenance and development of Risk Management within the Council's operational framework. The Strategy detailed the need for the Council to be risk aware rather than risk averse as the decision whether to accept risk should be taken in light of the potential benefits of a proposed course of action.
- 1.3 The Strategy also detailed the need to establish a 'Risk Management Group'. This has been in place for the past two years, it 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.
- 1.4 The group meets 'regularly' and 'consistently' to oversee, at least quarterly, 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 the Audit and Corporate Governance 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.

### 2. Details of Proposal or Information

- 2.1 In-line with best practice, the strategy has now been reviewed. Much of the framework and processes remain reassuringly unchanged, however the key amendments and changes are summarised below;
  - The opening section – whilst this does not intend to detail every change in the environment that we operate in, it is important to set the scene and demonstrate the changing risk environment to the reader, a reassurance that we as an organisation recognise the changing world which in-turn reinforces the requirement to review every two years – an action identified in the action plan

- Risk Appetite – this section goes into more detail, clearly articulating the ‘measures’ when we consider the organisations risk appetite – this section will be read in conjunction with Appendix 1 which provides context and descriptions against which we measure ourselves
- Action Plan - this is updated to reflect the continual improvement requirements identified – this is not to be confused with our risk registers which contain specific actions within them to deal with the specific risk areas

### **3 Reasons for Recommendation**

3.1 The Council is committed to maintaining, developing and actively monitoring the operation of a formal and systemic approach to Risk Management. The key objectives of this Strategy meet that commitment, these are detailed below;

- To operate in line with best practice and update our approach to reflect evolving best practice
- To protect service delivery arrangements, the reputation and the financial position of the Council by managing risk effectively
- To maintain and strengthen robust managerial and governance arrangements within the Council
- To promote risk awareness, risk intelligence and risk management throughout the Council
- To ensure programme, project and partnership risk is effectively managed
- To ensure there are clear roles, responsibility and accountability for risk management within the Council
- To ensure the effective identification of risks relating to service delivery, a new project, new initiative, external origins or circumstance to ensure fully informed decisions are made and measures to mitigate or exploit are in place
- To ensure that the Council has a fully informed level of awareness of its overall risk exposure

### **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 have in place a robust risk management framework - the alternative of not providing this is therefore rejected.

## **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
1	Draft Risk Management Strategy 2022

<b>Background Papers</b> (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 you must provide copies of the background papers)	



North East  
Derbyshire  
District Council

# Risk Management Strategy 2022

*Managing the threats,  
maximising the  
opportunities*



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# The Ever-changing Risk Environment

Since the adoption of the Council's previous Risk Management Strategy in 2020, the world around us has changed significantly with many new and emerging risks now being coupled with pre-existing risks and considerations. The Coronavirus outbreak in particular has disrupted the Council and wider communities with the organisation facing many pressures and challenges along with the many threats and opportunities in terms of returning to normal.

During this changing landscape, whilst some of the challenges have been about ensuring the basics are in place to continue to operate or resume service delivery - the basic 'practicalities' of organisational operation - this changing world has not necessarily meant a return to old ways of doing business. This changing situation has created an opportunity for the Council to re-engage with its teams and re-imagine itself as part of the recovery process.

To some degree the coronavirus pandemic has fast tracked changes to the Council's usual working practices - changes that have come about in a matter of weeks that may otherwise have taken years to have happened. The Council along with many other organisations moved rapidly to a virtual and remote working environment with a reassuring demonstration of adaptability, versatility and flexibility. The Council recognised that these changes brought about by adversity, could become part of the 'new normal' for the Councils operating framework - to that end, in March 2021, the Council adopted its Agile Working Policy.

Since the adoption of the policy, the Council is now able to cast a much wider net in terms of recruitment. With a potential 'hybrid' approach to the way the organisation operates with fewer 'fixed' office days being necessary, potential travel distances to work become perhaps more tolerable if the need to be physically present is far less demanding. Whilst the Agile Working policy does improve the organisations recruitment potential, it has been adopted at a time when there appears to be a growing shortage of available applicants in several key services both locally and further afield.

Whilst the integration of technology has made a more agile approach to work possible presenting many opportunities in terms of how the Council operates, this approach does not come without risk. The increase in remote working, whilst presenting great benefit, is also creating new threat exposures, for example; the expanding number of remote devices creates an increased vulnerability to the Councils network, the Council need to be aware and vigilant against cyber-attacks and understand the results of poor digital security.

A critical element of both the Council's response to the crisis and the recovery process following the initial immediacy of reacting to the Covid-19 pandemic, has been and will continue to be, the ability to maintain financial control. The pandemic has inevitably had and will perhaps continue to have, an impact on the Council's financial position both in terms of cash flow and the overall budget.

Even before the pandemic, over the past 12 years or so, the way in which local authorities are funded has changed. These changes were designed to provide incentives for local growth with a shift from central Government funding to a system of locally generated funding including council tax, business rates retention and charges for services amongst others.

More recently, Government were expected to undertake and release findings from its 'Fair Funding Review', which was due in 2019 but has been successively delayed each year. This review will determine how local government funding will be split amongst local authorities. This is a review of relative needs and resources used to determine funding baselines, with the existing methodology considered to be out of date, not having been updated since the introduction of the 50% business rates retention system in 2013/14.

Although yet unknown fully, it is likely that the sheer scale of the funding measures put in place to meet the challenges of the pandemic by the Government, will impact significantly upon this review, its findings and any arrangements emanating from it. Along with any potential or perceived threat in relation to such a review, in contrast recently announced initiatives around the Governments Levelling-Up agenda have meant a number of funds have opened to help the Government's ambition in this regard, these include the Levelling-Up Fund - Round 2, UK Shared Prosperity Fund and the Department for Culture Media and Sport (DCMS) Create Growth Programme which will be launching soon, amongst others.

The wider Levelling-Up agenda is centred upon a key ambition of Government to devolve powers closer to the areas they affect. In order to allow for such powers and finance to be devolved from central Government to a local level, it is recognised that local authorities must

exist that are large enough to receive, administer and deliver them. Proposals within the Governments 'Levelling-Up' White Paper seek to shift Government focus and resources to Britain's 'left behind communities'.

Both County Deals and wider Devolution Deal opportunities exist. A County Deal for Derbyshire could incorporate directly devolved investment in infrastructure, skills, transport and housing for example. Such investment would be of vital importance in enabling the local and regional economy to recover from the pandemic for the benefit of local people. County Deals however are only available to upper tier authorities with no power of veto by District and Borough Councils.

Many councils across the country are currently exploring the potential offered by the Levelling-Up White Paper to secure a deal for their areas. A wider devolution deal for the East Midlands could result in more significant additional investment in infrastructure, skills, transport and housing in Derbyshire and the region. Late last year, Derbyshire County Council along with Derby City Council submitted a formal expression of interest requesting that Derbyshire be considered as a potential County Deal pilot area.

Since then, the Government have formally announced that Derbyshire and Derby City are one of 9 areas invited to agree new county deals, extending devolution across England. Invitations to apply for a County Deal have also been extended to Nottinghamshire and Leicestershire however, which provide the opportunity to pursue a wider Combined Authority deal at a regional level.

There remains the need to understand how Districts and Boroughs can be involved and engaged in both the further formation of a deal (notwithstanding the fact that the deal will be done with the upper tier

authorities) and how Districts and Boroughs might feature in the governance of such a devolution deal if the submission is successful.

Along with the Levelling-Up White Paper and devolution, there have been many Government policies emerge in recent times that impact upon the business of the Council. Policies with a focus upon; health, social housing and homelessness, electoral reform and climate change, amongst many others. Of particular note and after a number of iterations, the highly anticipated Environment Bill 2021-22, has received Royal Assent and as such, the 'Environment Act 2021' is now law.

The Act introduces a new framework for setting long-term binding targets for environmental improvement and obliges policy-makers to have due regard to environmental principles when making policy decisions. The Act includes implications for waste recycling and kerbside collections, litter and waste crime enforcement, land drainage, air quality and nature and biodiversity including mandating a net gain in biodiversity through the planning process.

Also worthy of noting are changes to policy in relation to asylum. Linked largely to global events is the increase in the numbers of people seeking asylum in the UK. Asylum in its current form generally has its origins anchored to, first and foremost, the Government duty under the 1951 Refugee Convention and the more recent and closely associated policies including; the UK Refugee Resettlement Policy 2021.

The impact upon this duty and associated policies that the response to the Covid-19 pandemic and other factors has had upon these, has meant in essence, an asylum system forced to be slowed down whilst the volume and scale of asylum being sought, ever increasing. The Home Office, have implemented temporary amendments

to the asylum dispersal programme in an attempt to tackle the fact that Service Users were neither moving through, nor exiting asylum accommodation quickly enough throughout the pandemic creating a 'backlog' - it is recognised however that more needs to be done.

The recent increases in the numbers of asylum seekers nationally, pressure on local housing markets and changes in Government policy have increased pressure to put in place more equitable dispersal arrangements both nationally and within the East Midlands. Previously, becoming an Asylum Dispersal Area has been discretionary and a choice Local Authorities and areas could make to become, now however given the system being under enormous pressure, Asylum Dispersal Area status will no longer be voluntary.

Also linked largely to global events including the ongoing war in Ukraine, rising fuel, energy costs and other inflationary increases, there is a huge financial impact upon the Council and businesses in the district. A disruption to supply chains and lack of raw materials increases the potential to delay or increase the cost of capital projects and puts pressure upon day-to-day operations.

This combination also impacts upon wider communities, household budgets and the financial security of our residents as these pressures weave their way through society at large increasing the cost of everyday items including food and the cost of living generally. These impacts upon the wider community, in-turn have a significant potential to impact further upon Council services through rent arrears from housing and business tenants, increased demand for welfare support and homelessness services amongst many other things.

Against this challenging backdrop, the Council are striving to deliver the commitments made in its Council Plan adopted on 9th September 2019. Great

progress has been made over the past 3 years, successes that the organisation can be proud of, effort that will undoubtedly leave a lasting legacy. The challenge, along with the changing world highlighted previously, remains the capacity to deliver such an ambitious plan including the many

and varied related projects - some of which are of a scale seen only once in a generation.

The risk management approach remains the same however - manage the threats, maximise the opportunities.



**Lee Hickin**  
*Senior Risk Officer*



**Cllr Parkin**  
*Chair of the Risk Management Group*



# Risk Management

## - an introduction

When we think of 'Risk' most of us are conditioned to think of this in a negative sense - the risk of a negative outcome. Increasingly however, there is a realisation that risk is a double sided concept, with both positive and negative outcomes. To manage risk effectively we need to perhaps think of risk as 'uncertainties that affect us' - not all of which are bad. In other words; an uncertainty that, if it occurs, will have a negative effect might be seen as a *Threat*, whereas an uncertainty that, if it occurs, will have a positive effect might be known as an *Opportunity*. Both of these are 'uncertainties that affect us'.

Risk is integral to everything we do, every action we take, every decision we make - part of our everyday. Whether we realise it or not we are managing risk constantly - it is our attempt to prevent something going wrong and causing us harm or helping something to go well and producing benefits. When driving we will wear a seatbelt, when it comes to our money we will keep it in a bank and when the clouds are grey we might choose to take an umbrella with us on our way to work... these are all risk management decisions and actions designed to either reduce the potential consequence or support the realisation of the benefits associated with our actions.

None of these 'risk management' decisions and actions however, will either remove the threat or guarantee the benefits completely... for example; wearing a seatbelt will not remove the risk of accident or injury, it may however allow us to manage the risk to a level that allows

us to make the decision to drive a car. If our aim is to remove the threats associated with driving the car completely, then we simply don't drive the car - this would of course also result in the loss of the possible benefits resulting from driving the car. Taking risks therefore is an inevitable part of our daily lives - without risk taking we simply could not advance, progress and achieve.

Risks will however be interpreted differently by each individual because we all have a different perception of the threat or opportunity depending on our propensity to take risk or avoid it. Using the car as an example, wearing a seatbelt and driving at a certain speed will be enough for some of us to manage the threat presented whilst enjoying the benefits, for others they may choose to manage this threat further by avoiding a motorway or driving at busy times, this approach will of course impact upon the benefits or opportunities too. This is known as our **Risk Appetite**, the level of risk that an individual is prepared to take in order to pursue their goals.

When considering the business of the Council, the same principles apply. Risk taking is something we simply can't avoid... therefore, the success and operability of our organisation depends on how well we manage our risks. We need to know what they are, understand them, identify ways to mitigate or exploit them and control them in line with our organisational risk appetite. Where risks are effectively managed, the chances of achieving our objectives will be optimised. Conversely, poor risk management will reduce the likelihood of success.

# Scope and Objectives

**This Strategy sets out the mechanisms and processes for both the maintenance and development of Risk Management within the Council's operational framework. Whilst the main focus of the arrangements set out within this Strategy will be in respect of the Council's own activities, it also recognises that key elements of the Council's service delivery may well be delivered by way of Partnership working. Accordingly the Council's own risk management approach needs to ensure that the risks arising from partnering with others are appropriately addressed as part of this Strategy.**

Our organisation needs to be risk aware rather than risk averse as the decision whether to accept risk should be taken in light of the potential benefits of a proposed course of action. The extent to which the Council is risk averse, will undoubtedly impact on its potential to progress available opportunities to secure benefits for local residents.

Risk management, both in the identification of risks and the action taken to address the risks, needs to be flexible and have the ability to respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities will change and evolve over time. Risk Management focus and arrangements need to adjust in order to ensure that current threats and opportunities are effectively addressed and not stifled by inappropriate risk management arrangements.

The Council is committed to maintaining, developing and actively monitoring the operation of a formal and systemic approach to Risk Management.

The key objectives of this Strategy are as follows:

- To operate in line with best practice and update our approach to reflect evolving best practice.
- To protect service delivery arrangements, the reputation and the financial position of the Council by managing risk effectively.
- To maintain and strengthen robust managerial and governance arrangements within the Council.
- To promote risk awareness, risk intelligence and risk management throughout the Council.
- To ensure programme, project and partnership risk is effectively managed.
- To ensure there are clear roles, responsibility and accountability for risk management within the Council.
- To ensure the effective identification of risks relating to service delivery, a new project, new initiative, external origins or circumstance to ensure fully informed decisions are made and measures to mitigate or exploit are in place.
- To ensure that the Council has a fully informed level of awareness of its overall risk exposure.

# Benefits of Risk Management

The challenges faced by local government in recent years have been significant often resulting in a great deal of uncertainty - 'uncertainty that affects us' or in other words 'risk'. Our ability to manage these risks or those 'uncertainties that affect us', both the threats and the opportunities, will have a direct bearing on the Council's ability to succeed.

Risk management is a tool and should not be seen as something we 'must do' but rather something we 'need to do' to achieve the Council's objectives. It is an essential tool in helping to bring a greater level of understanding of those risks; it enables the Council to be more prepared, more resilient to change, more able to minimise threats and more able to seize opportunities.

Below are a number of widely accepted benefits resulting from the effective management of risk:



# Risk Categorisation



Risk management is a complex subject due in part to the multi-dimensional nature of the risks that we face, the illustration on the previous page highlights some of these along with a high level categorisation of risk types.

Some risk areas will have varying risk types, for example; Financial risks may be identified within all broad risk type categories; Strategic - perhaps due to legislative change; Operational - service area budgets; and Governance - the way we deal with our Treasury Management for instance. The endless nature of risk management makes it impossible to list every single risk and future risk specifically within this document, the following areas do however provide an approach that will support the identification and appropriate management of risks in the context of our organisation.

## Strategic Risks

Strategic Risks are those which have the potential to have a significant impact upon the Council as a whole. Such risks might include; the impact of global events such as war; national events such as cost of living; changes in government policy; legal and regulatory change; Brexit; environmental and social factors and high operational risk factors such as investment, safeguarding and emergency planning. Due to the nature and scale of the possible threat and potential opportunity arising from this level of risk, strategic risks should be owned by the Senior Management Team.

In order for the Council to have a clear overall position in relation to its strategic risks and to be able to track and review them regularly, strategic risks will be contained within the Councils **Strategic Risk Register**. This register identifies the strategic risks facing the Council so that elected Members and senior management can make informed decisions and prioritise actions, with these high level risks in mind.

## Operational Risks

Operational Risks are those that relate to a given service area which have the potential to have a significant impact on the delivery of that service. These might include; human resources; health and safety; procurement; asset management and systems failure. These risks are more closely associated with the 'day to day' operation of the service areas within the Council, service based risks that may prevent individual service aims and objectives being met.

Risks within this category are identified, assessed and dealt with within the operational service area. These risks are contained within an **Operational Risk Register** that is unique to the given service area, although the process by which they are managed remains the same as those of a strategic nature.

## Governance Risks

Governance related risks are those that relate to 'how we do things' as an organisation, including; how we manage our risks. These might also include; the Council's Constitution; data protection; policy and strategy; leadership and accountability; contracting arrangements and performance management. As with high level operational risks, governance related risks might also be managed as strategic risks, depending upon the nature and scale of the risk. Ordinarily however, these risks are associated with the broader organisational 'day to day' framework of running our organisation. Risks associated with the Council's governance will feature in both the Operational Risk Registers of those service areas who 'own' the governance related risk along with the Strategic Risk Register where appropriate.

## Project Risks

Project risks are those risks that are

integral to or arise during the lifecycle of a project. These may relate to; roles and responsibilities; timescales; resources; objectives; communication and monitoring for example. These risks will usually start and end with the project and need to be treated separately to those linked with the everyday operation of the Council.

With projects, it is vitally important that risks are identified and assessed early in the planning process. When undertaking a project, the Council will create a **Project Plan** in order to effectively manage the project, the plan might include; scope management; planning and delivery; budget; monitoring and control; administration; communication and risk management.

The project related risks are managed through a **Project Risk Register** which is developed specifically for the project at hand and maintained throughout the life of that project.

## Partnership Risks

Reduced public service funding is leading to more services and community projects being delivered through different forms of partnership involving the public, private and third sector. Partnership working can take many forms including;

integrated services; joint ventures; shared procurement; and co-ordination of activities. The use of risk management to mitigate threats whilst also exploring opportunities is key to ensuring that collaborative working arrangements contribute positively to service delivery. Partnership related risks might include; lack of relevant skill levels; differing legislative environments of the partners; differing governance arrangements and differing agendas.

Effective partnership working is not an easy process and often requires a significant investment of time and energy to build trust between the partners and to develop the working relationships required to ensure successful delivery of the project or service. Key considerations prior to entering into or reviewing a partnership need to include whether or not; the partnership helps secure the Council's objectives; it provides value for money; there are any alternatives; the governance arrangements are robust; and whether or not the Council have a legal duty or right to enter into the partnership at all.

The risks related to the partnership will be managed through a **Partnership Risk Register** which is developed specifically for the partnership at hand and maintained throughout the life of that partnership.

# Risk Management Process

To ensure risk management is effective it must be part of an overall framework and be supported by processes and procedures - a systemic and consistent approach. Whether the 'risk' poses a threat or an

opportunity - the stages remain the same. A '*Risk Assessment*' template/form shall be used when carrying out the stages below - the findings of which will be included on the appropriate '*Risk Register*'.

## RISK IDENTIFICATION

Threats or opportunities which might prevent or help achieve, delay or accelerate the objectives of the Council



## RISK ANALYSIS & ASSESSMENT

Following identification of the threats/opportunities, the risks need to be assessed



## RISK CONTROL

Taking risk appetite into account, the risks now need to be controlled



## RISK MONITORING

Most risks will change over time, timely, regular and appropriate monitoring must take place

## Risk Identification

The identification of risks will be the result of a variety of sources and endeavours including but not limited to; lessons learned and analysis of previous events; technical briefings; national reports; workshops; team meetings; networking; management experience; and through a ‘staple’ element of the **Risk Management Group** - something we will cover in later sections of this strategy. Another key source of risk identification will of course be the business/service planning process where SWOT (strengths, weaknesses, opportunities, threats) and PESTEL (political, economic, social, technological, environmental, legal) analysis takes place.

Traditionally this stage of the risk management process has focussed on the things that can go wrong or the threats, if the organisation wishes to improve outcomes however, then it must search for the ‘upside risks’ or opportunities to make things better and maximise any potential benefits that may also be available. If an opportunity risk is identified, decisions can be made to pursue and increase the likelihood/impact of the opportunity - i.e. it can be managed in the way a negative risk can, to make the most of the potential offered.

**N.B.** It is important to note here that when attempting to capture the opportunity risk description that we do not attempt to replace or duplicate the ‘purpose’ or ‘rationale’ for a given activity. Opportunity risk is not the argument or reason for doing something - it is the awareness and control of the ‘uncertainties that matter’ in relation to the ‘upside’ risks involved with the activity or issue at hand.

## Risk Analysis and Assessment

Once the risks have been identified and articulated they need to be assessed using the **Risk Matrix** in terms of the

‘**Likelihood**’ of them occurring and the ‘**Impact**’ of them if they do. This will provide an indication of the ‘**Inherent risk**’ - the level of risk prior to any action being taken.

Likelihood is scored based upon probability of the risk occurring and impact based on the consequences of the risk occurring. Taking each threat/ opportunity in turn the risk should be assessed using the impact/ likelihood tables. The ratings may well be mixed as one overarching risk could have a number of threats/opportunities associated with it, for example the consequence may carry a moderate threat financially but may have a significant impact upon reputation.

Once the consequence is understood for all of the threats/opportunities associated with the risk, a ‘best fit’ impact rating shall be determined and the ‘**Inherent Risk Value**’ identified. For example; if the impact of all of the threats/opportunities associated with the risk are significant with only one moderate, then the overall impact would be significant. It is important to note that the tables and descriptions are not and can never be exhaustive, they are designed to give a common perspective but not to be prescriptive.

## Risk Matrix

IMPACT	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
	LIKELIHOOD					

## Impact Table

Score	Description	Examples/guidance
5	Catastrophic	<p>Risks that can have a catastrophic impact on the operation of the Council or service, for example;</p> <ul style="list-style-type: none"> <li>• Death</li> <li>• Unable to function without Government or other agency intervention</li> <li>• Inability to fulfil obligations</li> <li>• Adverse national publicity - highly damaging, loss of public confidence.</li> </ul>
4	Severe	<p>Risks which can have a severe impact on the operation of the Council or service, for example;</p> <ul style="list-style-type: none"> <li>• Extensive injury, major permanent harm</li> <li>• Significant impact on service objectives</li> <li>• Short to medium term impairment to service capability</li> <li>• Major adverse local publicity.</li> </ul>
3	Moderate	<p>Risks which have a noticeable impact on the services provided. Will cause a degree of disruption to service provision / impinge on the budget, for example;</p> <ul style="list-style-type: none"> <li>• Medical treatment required, semi-permanent harm up to 1 year</li> <li>• Short term disruption to service capability</li> <li>• Significant financial loss</li> <li>• Some adverse publicity, needs careful public relations.</li> </ul>
2	Minor	<p>Risks where the impact and any associated losses will be minor, for example;</p> <ul style="list-style-type: none"> <li>• First Aid treatment, non-permanent harm up to 1 month</li> <li>• Minor impact on service objectives</li> <li>• Financial loss that can be accommodated at service level</li> <li>• Some public embarrassment, no damage to reputation.</li> </ul>
1	Negligible	<p>Risks where the impact and any associated losses will be small, for example;</p> <ul style="list-style-type: none"> <li>• No obvious harm or injury</li> <li>• Negligible impact on service capability</li> <li>• Minimal financial loss</li> <li>• Unlikely to cause any adverse publicity, internal only.</li> </ul>

## Likelihood table

Score	Description	Examples/guidance
5	Common	<ul style="list-style-type: none"> <li>• Is expected to occur in most circumstances.</li> <li>• Perhaps annually or more frequent.</li> </ul>
4	Likely	<ul style="list-style-type: none"> <li>• Will probably occur in most circumstances</li> <li>• Not persistent, perhaps once in 3 years.</li> </ul>
3	Foreseeable	<ul style="list-style-type: none"> <li>• Could occur in certain circumstances.</li> <li>• Perhaps once in 10 years.</li> </ul>
2	Occasional	<ul style="list-style-type: none"> <li>• May occur in exceptional circumstances.</li> <li>• Not expected to happen, perhaps every 25 years.</li> </ul>
1	Freak Event	<ul style="list-style-type: none"> <li>• Is never likely to happen or no knowledge of this happening before.</li> <li>• Very unlikely, perhaps once in 50 years.</li> </ul>

## Risk Control

When deciding how to control the ‘downside’ risks or threats there are four options available, sometimes more than one option may be chosen, the Council could transfer and treat for example;

Negative Risk (threat) Control Measures			
<p><b>Transfer</b> E.G. Insurance, Outsource, Partnerships.</p>	<p><b>Treat</b> E.G. Mitigation, Likelihood &amp; Consequence.</p>	<p><b>Tolerate</b> Understand and live with the risk.</p>	<p><b>Terminate</b> Avoid the risk, Do not pursue.</p>

**Transfer the Risk** - this might include transferring some of the consequence to an insurer e.g. legal liability, property, vehicles etc. Other examples might include services being delivered on the Councils behalf through outsourcing. When deciding to transfer, it must be acknowledged that this does not mean that the risk disappears, some risks may whilst others remain such as responsibility for the service being delivered and the reputational risk remaining with the Council for example.

**Treat the Risk** - the risk at this stage is unacceptable to the Council as it stands. Action needs to be taken and controls put in place to mitigate and reduce the risk to an acceptable level - the ‘Residual risk’. This might include putting procedures in place or modifying the activity to reduce the risk.

**Tolerate** - the Council intends to do nothing different to manage the risk identified aside from the usual management arrangements that are in place.

**Terminate** - the risk is so significant that even with control measures in place or modifications being made, the risk cannot be reduced to an acceptable level for the Council.

When attempting to control the ‘upside’ risks or opportunities, the four options above will be replaced by the three below;

Positive Risk (opportunity) Control Measures		
<p><b>Share</b> E.G. Joint Venture, Design and Build Contract.</p>	<p><b>Enhance</b> E.G. Action, Likelihood &amp; Consequence.</p>	<p><b>Accept</b> Understand and accept the risk.</p>

**Share** - the benefits of the opportunity risk might be shared, a project being completed early for instance which would save money overall.

**Enhance** - using the project example again, action might be taken to improve the likelihood and consequence of the project completing early.

**Accept** - as with tolerating a threat, the Council intends to do nothing different to manage the risk identified aside from the usual management arrangements that are in place.

By this stage, using the ‘*Risk Assessment*’ template/forms, the risks have been identified and analysed taking into account any current controls in place, giving an ‘*Inherent Risk*’

**Value'**, beyond this other control measures may have been put in place resulting in a **'Residual Risk Value'**. The Council will now consider the residual risk and decide how this fits with the Councils **'Risk Appetite'** in terms of acceptability - this shall be detailed in a later section of the strategy.

## Risk Monitoring

Now that the risks have been identified, analysed, controlled and scored according to the risk matrix, the final stage of the effective risk management process begins - risk monitoring. It is critical that risk assessments and action plans relating to them are monitored and reported on regularly to ensure progress is being made in both the management of the threats, or the taking advantage of the opportunities.

Risk registers are an important tool within the risk monitoring stage as long as they are kept up to date and accurate. Previously identified risks will change over time; some may become less of an issue once planned activity has taken place, therefore reducing the likelihood of the risk occurring. Others may have an increased level of risk due to external changes or important milestones approaching. When things change, or at a given frequency, the reassessment of the risk is necessary.

When reviewing, the following should be considered;

- Is the risk still valid?
- Has any of the circumstances or the situation changed?

- Has any planned mitigation/treatment/enhancement or action now taken place which has affected the **'Residual Risk Value'**?
- Has the planned mitigation/treatment/enhancement or action been deemed effective?
- Is there more that the Council should be doing?
- Has the threat/opportunity passed?

Along with those sources listed in the Risk Identification stage previously, the risk monitoring and review stage is also a good time to consider the following;

- Has anything new happened either externally or within the service, department, Council, project or partnership?
- As a result, are there any new threats or opportunities facing the service, department, Council, project or partnership?

Part of the monitoring process is of course **'Risk Reporting'**. This is required to ensure that managers, senior officers and elected Members are fully aware of the risks when making decisions and taking any action. Effective risk reporting should provide management and elected Members with assurance that all risks have been identified, assessed, controlled and are being effectively monitored - this shall be detailed further in a later section of the strategy.

# Risk Appetite

Risk appetite for local authorities on the whole will most likely be lower than that of many other organisations due in part to the regulatory nature of most of its services and because of its stewardship obligations for public resources. It is however, increasingly important for the Council to identify innovative solutions and new ways of working in the delivery of its services and operations.

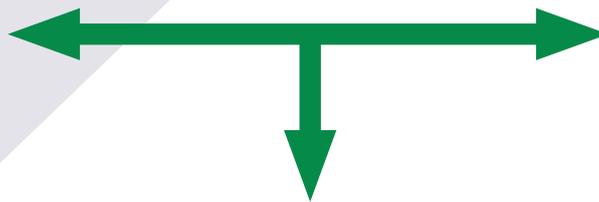
New opportunities or changes to the way we do things will often bring new risks, both specific to the change at hand and to the Council as a whole. A key determinant in the risk management process is the Council's risk appetite and the scalability of this depending upon the individual circumstances.

The Council's risk appetite in relation to a given opportunity needs to be gauged individually to ensure that the tolerance level of the risks at hand are adjusted in accordance with the level or scale of the risk. A specific project may well have a different risk tolerance level to that of the wider operation of the Council or a health and safety matter for example. The Council should not be risk averse but risk aware and able to accept risk at a level that meets the Council's risk appetite.

As mentioned previously, effective risk management is about managing uncertainties that affect us, this includes both the negative uncertainties or threats and the positive uncertainties or opportunities. Effective risk management aims to minimise the likelihood and impact of the threats whilst maximising the likelihood and impact of the opportunities.

## Risk aware

Sensible management of threats and opportunities



## Risk blind

- Exposed to threats
- Too opportunity focussed

## Risk averse

- Excessive management of threats
- Do not maximise opportunities

Acknowledgement and awareness of the two aspects of risk - the 'upside' and 'downside' increases the importance of an effective risk appetite framework which has the ability to be repositioned along the continuum on the previous page in line

with the given subject matter at hand.

Generally speaking, the amount of risk that the Council are willing to take on, tolerate or be exposed to in the pursuit of its objectives can be illustrated below;

## Risk Matrix

IMPACT	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
	LIKELIHOOD					

**Green** = Low Priority - no immediate action other than to set a review date to re-consider assessment.

**Amber** = Medium Priority - check current controls and consider if others are required.

**Red** = High Priority - must take action to mitigate or terminate if not possible to do so.

Any threats that are an unacceptable level to the Council have to be mitigated as far as possible. Where a proposed activity has a residual risk value that is considered unacceptable and there is no means of reducing this value, then the activity will be rejected. Therefore the Council's risk appetite threshold is 15 or above, in other words if the residual risk is 15 or above the Council's risk appetite has been exceeded and the activity will be terminated.

There may be however, occasions where there is a statutory obligation to undertake a given activity despite the risk exposure. There may also be occasions where, in entrepreneurial terms, it will be appropriate to take measured but increased levels of risk in furtherance of the Council's business objectives.

In determining the Council's risk appetite, elected Members and senior officers will consider many things including, but not limited to the following;

- Wider macro-economic factors including legislation

- The level of risk that can be justified
- The Council's capacity to bear the risk
- The Council's resource, expertise and skill-set for taking the risk
- The extent and prevalence of operational and commercial opportunities capable of being exploited by the Council.

Public sector organisations cannot be culturally risk averse and be successful. Effective and meaningful risk management remains more important than ever in taking a balanced view of risk and opportunity in delivering public services. Risk management is an integral part of good governance and corporate management mechanisms. An organisation's risk management framework harnesses the activities that identify and manage uncertainty, allows it to take opportunities and to take managed risks not simply to avoid them, and systematically anticipates and prepares successful responses. A key consideration in balancing risks

and opportunities, supporting informed decision-making and preparing tailored responses is the conscious and dynamic determination of the organisation's risk appetite. The Council should recognise the following when understanding its own risk appetite:

- While desirable, it is often not possible to manage all risks at any point in time to the most desirable level, but the discipline and approach set out in our approach provides a means to manage risks to a tolerable level.
- Outcomes cannot be guaranteed when decisions are made in conditions of uncertainty.
- It is often not possible, and not financially affordable, to fully remove uncertainty from a decision or in the design and application of control activities.

- Decisions should be made using the best available information and expertise.
- When decisions need to be made urgently, the information relied upon and the considerations applied to it should, as in the normal course of business, be retained.
- The risk culture must embrace openness, support transparency, welcome constructive challenge and promote collaboration, consultation, co-operation and continual improvement.

Below is the 'typical' risk appetite profile for the Council, this needs to be flexible and dynamic and open to factors that may cause this to change on an ongoing basis along with regular systematic review (see in conjunction with Appendix 1).

Risk Appetite Profile					
	Eager	Open	Cautious	Minimal	Averse
Strategy		●			
Governance					●
Operations				●	
H&S					●
Legal					●
Property			●		
Financial investment			●		
Financial management					●
Commercial		●			
People		●			
Technology			●		
Data & Info Management				●	
Project /Programme		●			
Reputational					●

In reaching this risk appetite position, the Council risks are organised by categories of risk as set out in Governments guidance on the management of risk - grouping risks in this way supports the development of an over-arching sense of appetite whilst differentiating tolerance levels on a given area or category. Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences. These categories provide a 'flavour' and are not intended as exhaustive:

**Strategy risks** - Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change).

**Governance risks** - Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.

**Operations risks** - Risks arising from inadequate, poorly designed or ineffective/ inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.

**Legal risks** - Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property). **Property risks** - Risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors,

service users or the public.

**Financial risks** - Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.

**Commercial risks** - Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and /or failure to meet business requirements/objectives.

**People risks** - Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.

**Technology risks** - Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.

**Information risks** - Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.

**Project/Programme risks** - Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.

**Reputational risks** - Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.

# Our Risk Management Arrangements

This strategy sets out to ensure that effective risk management is embedded throughout all levels of the Council. Whether it relates to ‘day to day’ service delivery or the decision making process of elected Members, the Council and its employees need to know what the risks are, understand them, identify ways to mitigate or exploit them and control them in line with the Council’s risk management processes and appetite.

## Risk Management Roles and Responsibilities

### Elected Members

All elected Members are responsible for effective governance in the delivery of services to the local community and the achievement of the Council’s objectives. Elected Members have a responsibility to understand the risks that the Council faces and will be made aware of how these risks are being managed through a variety of mechanisms including, but not limited to; the corporate, strategic and service planning and delivery process. It is the responsibility of all elected Members to support and promote an effective risk management culture and consider the risks associated with recommendations put forward in reports to the various committees at which decisions are made.

### Cabinet

Cabinet has a fundamental role to play in the management of risk. Its role is to set the risk appetite and influence the

culture of risk management within the organisation. Cabinet will ensure that risks are fully considered as part of every decision it makes whilst ensuring effective procedures are in place to monitor the management of significant risks. Cabinet will establish Portfolio Holder representation on the Risk Management Group and regularly review the content of the strategic risk register. Cabinet will periodically review the Council’s approach to risk management and approve changes or improvements to processes and procedures.

### Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee has responsibility for overseeing all aspects of Risk Management, Governance and Internal Control. The Committee will provide guidance and oversight to the management of risk but also challenge the effectiveness of the risk management arrangements within the Council. The Committee will look to seek assurance for the Council that risk management is being effectively undertaken and that all risk related processes and procedures are being implemented. To this end, the Committee will receive reports on behalf of the Council including but not limited to; Quarterly Risk Management Group reports, Internal Audit reports, External Audit reports and the Annual Governance Statement.

### Scrutiny

In their role of scrutinising decisions taken by the Cabinet, Scrutiny Members should

ensure that associated risks have been taken into account. Scrutiny Committees also have a role in bringing potential risks that have not previously been identified to the attention of the organisation.

## **Managing Director**

The Head of Paid Service leads on the wider Corporate Governance arrangements of the Council of which Risk Management is a part. The Managing Director has ultimate responsibility for risk management within the paid service and as Senior Risk Officer (SRO) will support the Senior Information Risk Officer (SIRO) in carrying out their roles and responsibilities.

## **Senior Risk Officer (SRO)**

The SRO plays an important role in raising the profile and promoting the benefits of risk management to elected Members and officers. The SRO also ensures that the accountability and responsibility of elected Members, officers and staff is understood by embedding risk management throughout every level of the Council and by overseeing the implementation of the Risk Management Strategy and Action Plan.

## **Senior Information Risk Owner (SIRO)**

Information has never been more important to the essential working of the Council. As the quantity, diversity and nature of Council information changes, so will the risks. The role of the SIRO is to ensure that 'information' related risks are identified and addressed. The SIRO will establish an Information Risk Management Framework which allows information based threats and opportunities to be managed effectively.

## **Section 151 Officer**

Section 151 of the Local Government Act 1972 requires all Councils to make arrangements for the proper administration

of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For this Council this statutory role is carried out by the Director of Finance and Resources. The Section 151 Officer is a key member of the Senior Management Team who helps to develop and implement the strategy and appropriate resourcing to deliver the Council's objectives sustainably and in the public interest. The role brings influence and bearing on all material business decisions to ensure opportunities and threats are fully considered and aligned to the Council's financial strategy. The Section 151 Officer leads on the promotion of good financial management by the whole organisation so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

## **Risk Management Group**

The Risk Management Group shall be elected Member led and will include the Council's SRO, SIRO, S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group will provide a comprehensive oversight of risk throughout the organisation and be the conduit to and from the whole organisation in terms of risk management. The group will 'regularly' and 'consistently' oversee, at least quarterly, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself. It will be responsible for risk management reporting to stakeholder groups across the Council and support the production of the Annual Governance Statement. The group will lead on the development and review of all risk related policies, plans and strategies across the Council and will oversee and champion the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture.

## Directors and Assistant Directors

Directors and Assistant Directors are responsible for creating an environment and culture within their Directorate and portfolio of Services where risk management is promoted, facilitated and effectively undertaken. They will drive forward risk management to raise its profile and ensure that Service Managers and their teams understand the importance and benefits of effective risk management, embedding the Risk Management Strategy and arrangements throughout their span of control. They will include risk management as a standing item on all Directorate, Service and team meeting agendas to keep risk management 'ever present' and ensuring effective, regular and consistent 'check and challenge' is in place throughout the Directorate. Assistant Directors will review the content of the strategic risk register and their Directorate operational risk registers at least quarterly and represent their Directorate and portfolio of services at the Risk Management Group. They will identify existing and emerging risks, address them in line with the risk management arrangements and ensure sufficient resource is allocated to for this purpose within their span of control including identifying and meeting any risk management training needs within the Directorate.

## Service Managers

As with the Directors and Assistant Directors, Service Managers will support the creation of an environment where risk management is promoted, facilitated and effectively undertaken within their service area. Service Managers will also form part of the quarterly review process of their service related operational and when necessary, strategic risks. They will work with the Directors and Heads of Service to identify and address existing and emerging risks within their service area and ensure that training needs are identified and addressed in relation to risk management within their service area. Service Managers will be the consistent 'day to day' champions of an effective risk management culture throughout their service area and will ensure that the risk management strategy and arrangements are understood, embedded and implemented by their team.

## Project and Partnership Leads

Project and Partnership Leads are responsible for ensuring that the project or partnership is being effectively managed in terms of risk and that the Risk Management Strategy and arrangements are implemented fully throughout the lifecycle of the project or partnership. As mentioned in previous sections of the document however, project risks and partnership risks do need to be treated slightly differently to the Councils other risks.

### ***The Project Lead will;***

Ensure that there is senior management team commitment to and involvement in the project/programme delivery. They will set out clearly defined roles and responsibilities at all levels within the project/programme with responsibility for risk identified and agreed. The Project Lead will ensure stakeholder engagement in the early identification of the risks which will inform the project/programme scope, objectives and outcomes. They will embed the active management of risk throughout the lifecycle of the project/programme through the development of a Project Plan.

### ***The Partnership Lead will;***

Ensure that the partnership has a senior management team made up of members from all organisations involved who will support, own and lead on risk management. The Partnership Lead will ensure that an agreed risk management framework is in place and managed on an ongoing basis. They will promote a partnership culture which supports an effective and appropriate approach to managing risks by reducing the threats and maximising the opportunities that the partnership will bring.

Both Leads will approach the project/programme/partnership in line with the Risk Management Strategy and arrangements set out within. They will ensure that the risk management process is followed, risk assessments completed, control measures are in place and risk registers are maintained throughout. The Leads will report to the Risk Management Group quarterly and assist in the production of the Risk Management Group reporting process.

## **Internal Audit**

Internal Audit's role is to maintain independence and objectivity, they are not responsible for risk management or for managing risks on behalf of others. Internal Audit will check, challenge and test the risk management process and arrangements for adequacy in order to provide assurance to the Council that risk is being effectively managed.

## **All Staff**

All staff have a responsibility for identifying threats and opportunities in performing their day to day duties. They also have a responsibility to participate in training, supporting the risk assessment process and action planning where appropriate.

## Roles and responsibilities summary table:

Group or individual	Roles & Responsibilities
Elected Members	<ul style="list-style-type: none"> <li>• Support and promote an effective risk management culture</li> <li>• Understand the strategic risks that the Council faces and how these risks are being managed</li> <li>• Consider the risks associated with recommendations put forward in report</li> </ul>
Cabinet	<ul style="list-style-type: none"> <li>• Provide leadership on risk management within the Council</li> <li>• Monitor the Council's risk management arrangements</li> <li>• Assess the risks in Cabinet reports and provide challenge where necessary particularly in relation to key decisions</li> </ul>
Audit and Corporate Governance Committee	<ul style="list-style-type: none"> <li>• Overseeing all aspects of risk management, governance and internal control</li> <li>• Provide guidance and oversight to the management of risk and challenge the effectiveness of arrangements</li> <li>• To seek assurance for the Council that risk management is being properly undertaken.</li> </ul>
Scrutiny	<ul style="list-style-type: none"> <li>• In their role of scrutinising decisions taken by Cabinet, Scrutiny Members will ensure that associated risks have been taken into account</li> <li>• Identifying potential risks that may not have been previously identified.</li> </ul>
Managing Director	<ul style="list-style-type: none"> <li>• Leads on the wider Corporate Governance arrangements of which Risk Management is a part</li> <li>• Overall responsibility for ensuring that strategic risks are effectively managed within the Council.</li> </ul>
Senior Risk Officer (SRO)	<ul style="list-style-type: none"> <li>• Raising the profile of risk management</li> <li>• Promoting the benefits of risk management</li> <li>• Promoting the accountability and responsibility of all staff</li> <li>• Embedding risk management throughout all levels of the Council.</li> </ul>
Senior Information Risk Owner (SIRO)	<ul style="list-style-type: none"> <li>• Manage information risk from a business perspective</li> <li>• Establish an effective information governance framework</li> <li>• Ensure compliance with regulatory, statutory and organisational information security policies and standards.</li> </ul>
Section 151 Officer	<ul style="list-style-type: none"> <li>• To assist with the development and implementation of the strategy and resourcing required to deliver the Council's objectives sustainably and in the public interest</li> <li>• To ensure opportunities and risks are fully considered and aligned to the Council's financial strategy</li> <li>• Leads on the promotion of good financial management by the whole organisation.</li> </ul>
Risk Management Group	<ul style="list-style-type: none"> <li>• To provide a comprehensive oversight of risk throughout the organisation and become an effective conduit to and from the whole organisation in terms of risk management</li> <li>• To 'regularly' and 'consistently' oversee, at least quarterly, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself</li> <li>• To be responsible for risk management reporting to stakeholder groups</li> <li>• To review and support the development of all risk related policies, plans and strategies</li> <li>• To oversee the implementation of the Risk Management Strategy.</li> </ul>

Group or individual	Roles & Responsibilities
Directors and Assistant Directors	<ul style="list-style-type: none"> <li>• To review the content of the strategic risk register at least quarterly</li> <li>• To allocate sufficient resources to address strategic and operational risks</li> <li>• To identify emerging risks and address them through the risk management arrangements</li> <li>• To ensure that operational risks are being managed in line with the risk management arrangements and that the service area operational risk registers are up to date</li> <li>• Escalate when necessary.</li> </ul>
Service Managers	<ul style="list-style-type: none"> <li>• To implement the risk management strategy and arrangements within their service area</li> <li>• To review the content of their operational risk register at least quarterly and provide assurance to stakeholders that risks are being effectively managed</li> <li>• To identify emerging operational risks and address them through the risk management arrangements</li> <li>• Escalate when necessary.</li> </ul>
Project / Partnership Leads	<ul style="list-style-type: none"> <li>• To ensure that the risks associated with the project / partnership are identified and managed in line with the risk management arrangements</li> <li>• To review the content of their project/partnership risk register regularly depending upon the project/partnership this could be weekly</li> <li>• To identify emerging project/partnership risks and address them through the risk management arrangements</li> <li>• Escalate when necessary.</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• • Audit the risk management process</li> <li>• • Assess the adequacy of the arrangements</li> <li>• • Provide assurance to officers and elected Members on the effectiveness of the processes and arrangements</li> <li>• • Be guided by the risk registers in terms of the annual audit plan - areas of greatest risk = greatest need for assurance.</li> </ul>
All Staff	<ul style="list-style-type: none"> <li>• • To adhere to the risk management strategy and arrangements</li> <li>• • Report emerging or new threats and opportunities to their manager</li> <li>• • Participate in training, risk assessments and action planning where appropriate.</li> </ul>

# Risk Management Framework

Risk aware

Sensible management of threats and opportunities

Risk blind

Risk averse

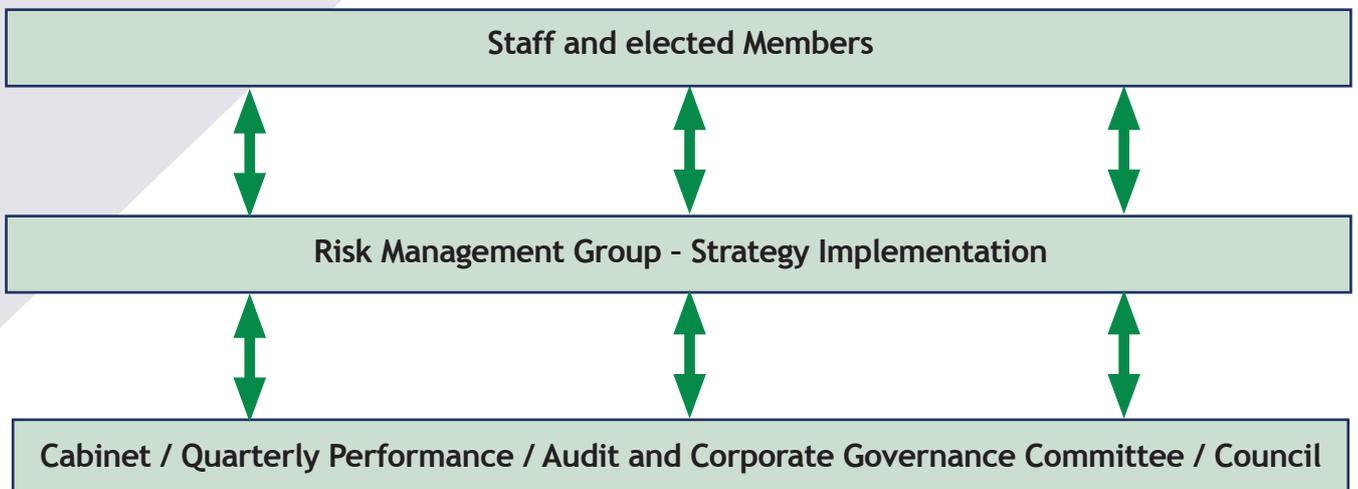
Risk Categorisation



Risk Management Process



Training & Development Roles & Responsibilities



# Appendix 1

Risk Appetite Level Definition					
	Eager	Open	Cautious	Minimal	Averse
<b>Strategy</b>	Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed each year. Strategies are aspirational.	Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2-3 year intervals. Strategies are aspirational but smart.	Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 3-4 year intervals. Strategies require more certainty in terms of deliverability.	Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities. Organisational strategy is longer term and quite fixed.	Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities. Organisational strategy is 'safe' with less aspiration and more 'knowns' rather than 'unknowns'.
<b>Governance</b>	Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. 'Good Governance' levels of controls are varied to reflect scale of risks with costs.	Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. 'Good Governance' levels of controls are varied to reflect scale of risks with costs.	Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. 'Good Governance' levels of controls enable 'Poor Governance' prevention, detection and deterrence by maintaining appropriate controls and sanctions.	Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise 'Poor Governance' prevention, detection and deterrence through robust controls and sanctions.	Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of 'Poor Governance', with significant levels of resource focused on detection and prevention.

### Risk Appetite Level Definition

	Eager	Open	Cautious	Minimal	Averse
<b>Operations</b>	Innovation pursued - desire to 'break the mould' and challenge current working practices. High levels of devolved authority - management by trust / lagging indicators rather than close control.	Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovations largely avoided unless essential. Decision making authority held by senior management.	Defensive approach to operational delivery - aim to maintain/ protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority.
<b>H&amp;S</b>	Activity/outcome prioritised with less focus upon H&S restrictions or parameters.	Activity/outcome prioritised whilst seeking solutions to the H&S restrictions or parameters.	Activity/outcome balanced equally with H&S requirements, restrictions or parameters.	H&S prioritised over activity/ outcome.	An avoidance of activity - seek another way to produce the outcome.
<b>Legal</b>	Chances of losing are high but exceptional benefits could be realised.	Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact.	Want to be reasonably sure we would win any challenge.	Want to be very sure we would win any challenge.	Play safe and avoid anything which could be challenged, even unsuccessfully.
<b>Property</b>	Application of dynamic solutions for purchase, rental, disposal, construction and refurbishment that ensures meeting organisational requirements.	Consider benefits of agreed solutions for purchase, rental, disposal, construction and refurbishment that meeting organisational requirements.	Requirement to adopt a range of agreed solutions for purchase, rental, disposal, construction and refurbishment that ensures producing good value for money.	Recommendation to follow strict policies for purchase, rental, disposal, construction and refurbishment that ensures producing good value for money.	Obligation to comply with strict policies for purchase, rental, disposal, construction and refurbishment that ensures producing good value for money
<b>Financial investment</b>	Prepared to invest for best possible benefit and accept possibility of financial loss.	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels.	Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.	Only prepared to accept the possibility of very limited financial impact if essential to delivery.	Avoidance of any financial impact or loss, is a key objective.
<b>Financial management</b>	Prepared to manage for best possible benefit and accept possibility of financial failings.	Prepared to manage for benefit and to minimise the possibility of financial failings by managing the risks to tolerable levels.	Seek safe management options with small residual financial failings only if it could yield upside opportunities.	Only prepared to accept the possibility of very limited financial failings if essential to delivery.	Avoidance of any financial failings, is a key objective.

Risk Appetite Level Definition					
	Eager	Open	Cautious	Minimal	Averse
<b>Commercial</b>	Innovation pursued- desire to 'break the mould' and challenge current working practices. High levels of devolved authority - management by trust / lagging indicators rather than close control.	Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Appetite for risk taking limited to low scale activity. Decision making authority held by senior management.	Zero appetite for untested commercial activity. Priority for close management controls and oversight with limited devolved authority.
<b>People</b>	Innovation pursued - desire to 'break the mould' and challenge current working practices. High levels of devolved authority - management by trust rather than close control.	Prepared to invest in our people to create innovative mix of skills environment. Responsibility for non- critical decisions may be devolved.	Seek safe and standard people policy. Decision making authority generally held by senior management.	Decision making authority held by senior management. Development investment generally in standard practices.	Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only.
<b>Technology</b>	New technologies viewed as a key enabler of operational delivery. Agile principles are embraced.	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.	Only essential systems / technology developments to protect current operations.	General avoidance of systems / technology developments.
<b>Data &amp; Info Management</b>	Level of controls minimised with data and information openly shared.	Accept need for operational effectiveness in distribution and information sharing.	Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.	Minimise level of risk due to potential damage from disclosure.	Lock down data & information. Access tightly controlled, high levels of monitoring.

Risk Appetite Level Definition					
	Eager	Open	Cautious	Minimal	Averse
<b>Project/ Programme</b>	Innovation pursued - desire to 'break the mould' and challenge current working practices. High levels of devolved authority - management by trust rather than close control. Plans aligned with organisational governance.	Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for non-critical decisions may be devolved. Plans aligned with functional standards and organisational governance.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.	Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards.	Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards.
<b>Reputational</b>	Appetite to take decisions which are likely to bring additional governmental / organisational scrutiny only where potential benefits outweigh risks.	Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.	Appetite for risk taking limited to those events where there is little chance of any significant repercussions for the organisation.	Appetite for risk taking limited to those events where there is no chance of any significant repercussions for the organisation.	Zero appetite for any decisions with high chance of repercussions for organisations' reputation.

# Appendix 2 - Action Plan

Ref	Action	Responsibility	Target Date
RMS1	Schedule the new Risk Management Strategy review date and process for 2024.	SRO (MD) With support of RMG	Oct 2022
RMS2	Establish a roll-out, promotion and communication programme for the new Risk Management Strategy.	SRO (MD) With support of RMG	Oct 2022
RMS3	Review representation on the RMG to ensure whole organisational oversight.	SRO (MD) With support of RMG	Oct 2022
RMS4	Improve communications about risk management principles e.g. through the intranet, desktop guides or toolkits.	AD - T&C With support of RMG	Mar 2023
RMS5	Consider opportunities for integrating risk management and performance management reporting via management 'dashboard'.	AD - T&C With support of RMG	Dec 2022
RMS6	Ensure Risk Management is a regular item at team meetings and incorporated into all service plans.	SRO (MD) With support of RMG	Oct 2022
RMS7	Review and refine the Risk Management Strategy organisational training package/mechanism for elected Members and staff including roles and responsibilities.	SRO (MD) With support of RMG	Dec 2022
RMS8	Create a 'Digital' or 'Online' Risk Management Strategy training option/package/mechanism for elected Members and staff	SRO (MD) and HR With support of RMG	Mar 2023
RMS9	Establish an Information Risk Management Framework.	SIRO (AD - T&G)	Dec 2022
RMS10	Increase the visibility of Risk Registers to enable common risk types to be identified across the organisation.	SRO (MD) With support of RMG	Dec 2022
RMS11	Promote a positive risk awareness culture within the organisation through our collective spans of influence.	RMG	Ongoing
RMS12	Undertake a review of the Councils Partnership arrangements with specific regard to managing the associated risks.	AD - T&C With support of RMG	Dec 2022
RMS13	Undertake a review of the Councils shared services and posts arrangements with specific regard to managing the associated risks.	SRO (MD) and Statutory Officers and Directors. With support of RMG	Dec 2022
RMS14	Further develop the Projects and Partnerships Risk Registers.	AD - T&C AD - ED&R	Dec 2022
RMS15	Further develop quarterly detailed strategic risk review to include assessment, adjustment and update for each risk area.	RMG	Oct 2022
RMS16	Review the format of the strategic risk register.	RMG	Oct 2022
RMS17	Schedule risk appetite reviews throughout the plan period.	RMG	Nov 2022
RMS18	Undertake an annual Risk Management Audit.	Internal Audit Consortium Manager	Ongoing







North East  
Derbyshire  
District Council



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## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

27 July 2022

### Corporate Debt 30 June 2022

#### Report of the Director of Finance & Resources (S151 Officer)

Classification: This report is public

Report By: Jayne Dethick, Director of Finance and Resources (S151 Officer)

Contact Officer: Jayne Dethick

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#### PURPOSE/SUMMARY

- To present to Members of the Audit and Corporate Governance Scrutiny Committee a summary of the corporate debt position at 30 June 2022.
- 

#### RECOMMENDATIONS

- That the Audit and Corporate Governance Scrutiny Committee note the report concerning the Council's corporate debt position as at 30 June 2022.
- 

#### IMPLICATIONS

##### Finance and Risk

Yes ✓ No

Appendix 1 details the current position regarding corporate debt.

On Behalf of the Section 151 Officer

##### Legal including Data Protection

Yes No ✓

There are no legal implications arising directly from this report.

On Behalf of the Solicitor to the Council

##### Staffing

Yes No ✓

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

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## **DECISION INFORMATION**

<b>Decision Information</b>	
<b>Is the decision a Key Decision?</b> 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:  <b>NEDDC:</b> <b>Revenue - £100,000</b> <input type="checkbox"/> <b>Capital - £250,000</b> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	N/A
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	N/A
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> <b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Cabinet</b> <input type="checkbox"/> <b>SMT</b> <input type="checkbox"/> <b>Relevant Service Manager</b> <input checked="" type="checkbox"/> <b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/>	No  Details:

<b>Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.</b>
All

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## **REPORT DETAILS**

### **1 Corporate Debt Position**

- 1.1 This report updates Members of the Audit and Corporate Governance Scrutiny Committee on the current position in relation to corporate debt.
- 1.2 Appendix 1 contains details of the debt position in relation to sundry debtors, overpaid housing benefits and rents.

### **2 Reasons for Recommendation**

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

### **3 Alternative Options and Reasons for Rejection**

- 3.1 There are no alternative options for consideration.
-

**DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
1	Corporate Debt as at 30 June 2022
<b>Background Papers</b>	

**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 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
Average Debt 2019/20	605	39	22	22	16	7	24	871	3
Average Debt 2020/21	1954	216	32	25	12	23	25	2287	9
Average Debt 2021/22	1096	171	95	25	8	4	34	1433	40
Average Debt 2022/23	946	124	130	34	9	4	34	1281	0
30 June 2022	946	124	130	34	9	4	34	1281	0

## 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 2016/17	173	332	346	203	123	128	241	1546	144
Average Debt 2017/18	141	318	322	256	157	105	283	1582	89
Average Debt 2018/19	104	263	291	253	201	138	340	1589	38
Average Debt 2019/20	75	137	259	247	212	173	425	1527	68
Average Debt 2020/21	59	95	146	194	223	186	622	1525	10
Average Debt 2021/22	91	62	135	133	173	181	760	1535	0
Average Debt 2022/23	56	126	128	122	147	186	751	1516	0
30 June 2022	56	126	128	122	147	186	751	1516	0

**HRA total Indebtedness**

<b>Debt Outstanding as at</b>	<b>Total</b>	<b>Write Offs in Year</b>
	<b>£000</b>	<b>£000</b>
<b>Average Debt 2016/17</b>	<b>2,023</b>	<b>178</b>
<b>Average Debt 2017/18</b>	<b>2,028</b>	<b>203</b>
<b>Average Debt 2018/19</b>	<b>1,807</b>	<b>162</b>
<b>Average Debt 2019/20</b>	<b>1,928</b>	<b>208</b>
<b>Average Debt 2020/21</b>	<b>1,938</b>	<b>116</b>
<b>Average Debt 2021/22</b>	<b>1785</b>	<b>158</b>
<b>Average Debt 2022/23</b>	<b>1,825</b>	<b>6</b>
<b>30 June 2022</b>	<b>1,825</b>	<b>6</b>

## SUMMARY OF PROVISION FOR DOUBTFUL DEBTS 2021/22

	General Fund Sundry Debtors	Over Paid Housing Benefit	HRA Rents	Total
	£000's	£000's	£000's	£000's
Balance B/Fwd	(250)	(1,392)	(1,006)	(2,648)
Write offs in current financial year	0	0	6	6
Actual increase in provision	0	0	0	0
<b>Provision C/Fwd</b>	<b>(250)</b>	<b>(1,392)</b>	<b>(1,000)</b>	<b>(2,642)</b>
Current Debt position	1,281	1,516	1,825	4,622
Percentage Coverage	20%	92%	55%	57%

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

27 July 2022

<p><b>Medium Term Financial Plan – Budget Monitoring Report</b> <b>April - June 2022 (Q1)</b></p>
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### Report of the Portfolio Holder with Responsibility for Finance

Classification: This report is public

Report By: Jayne Dethick, Director of Finance and Resources (S151 Officer)

Contact Officer: Jayne Dethick

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### PURPOSE/SUMMARY

To present to Members of the Audit and Corporate Governance Scrutiny Committee a summary of the budget position for the first quarter of 2022/23 which will be presented to Cabinet at its meeting on 4 August 2022.

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### RECOMMENDATIONS

1. That the Audit and Corporate Governance Scrutiny Committee note the report concerning the Council's budget monitoring report for Quarter 1 and make any comments that they believe to be appropriate concerning these matters.

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### IMPLICATIONS

#### Finance and Risk

Yes ✓

No

These are detailed in the attached report.

On Behalf of the Section 151 Officer

#### Legal including Data Protection

Yes

No ✓

There are no legal issues arising directly from this report.

On Behalf of the Solicitor to the Council

#### Staffing

Yes

No ✓

There are no staffing issues arising directly from this report.

**DECISION INFORMATION**

<b>Decision Information</b>	
<b>Is the decision a Key Decision?</b> 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:  <b>NEDDC:</b> <b>Revenue - £100,000</b> <input type="checkbox"/> <b>Capital - £250,000</b> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	N/A
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> <b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Cabinet</b> <input type="checkbox"/> <b>SMT</b> <input checked="" type="checkbox"/> <b>Relevant Service Manager</b> <input checked="" type="checkbox"/> <b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/>	Yes  Details:

**Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.**

All

**REPORT DETAILS****1 Background**

- 1.1 To update Members of the Audit and Corporate Governance Scrutiny Committee concerning the current budget position in respect of quarter one - to 30 June 2022.
- 1.2 The report to be taken to the Council's Cabinet on 4 August 2022 is accordingly brought to the Audit and Corporate Governance Scrutiny Committee for its consideration.

**2 Reasons for Recommendation**

- 2.1 To ensure that the Audit and Corporate Governance Scrutiny Committee is kept informed of the latest position concerning budget monitoring.

**3 Alternative Options and Reasons for Rejection**

- 3.1 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.

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**DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
1	Q1 Budget Monitoring 2022/23 pack
<b>Background Papers</b>	

**North East Derbyshire District Council****Cabinet****4 August 2022****Medium Term Financial Plan – Budget Monitoring Report  
April - June 2022 (Q1)****Report of the Portfolio Holder with Responsibility for Finance**

**Classification:** This report is public

**Report By:** Jayne Dethick, Director of Finance and Resources (S151 Officer)

**Contact Officer:** Jayne Dethick

**PURPOSE/SUMMARY**

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

**RECOMMENDATIONS**

1. That Cabinet note the quarter one budget monitoring position outlined in this report and detailed in **Appendices 1-6**.

Approved by the Portfolio Holder – Cllr Parkin, Cabinet Member for Finance

**IMPLICATIONS****Finance and Risk**

Yes ✓

No

It is important that the Council maintains robust budgetary control and monitoring processes in order to safeguard both its reserves and its financial resilience.

The issue of financial risk and resilience is covered throughout the report. In addition, it should be noted that not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register.

All other financial implications are covered in the relevant sections throughout the report

On Behalf of the Section 151 Officer

**Legal including Data Protection**

Yes

No ✓

There are no legal issues arising directly from this report.

**Staffing**

Yes

No ✓

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

**DECISION INFORMATION**

<b>Decision Information</b>	
<b>Is the decision a Key Decision?</b> 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:  <b>NEDDC:</b> <b>Revenue - £100,000</b> <input type="checkbox"/> <b>Capital - £250,000</b> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> <b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Cabinet</b> <input type="checkbox"/> <b>SMT</b> <input checked="" type="checkbox"/> <b>Relevant Service Manager</b> <input checked="" type="checkbox"/> <b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/>	Yes  Details:

**Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.**

All

**REPORT DETAILS**

**1 Background**

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

## **2 General Fund**

- 2.1 The position in respect of the General Fund as at 30 June 2022 is summarised in **Appendix 1** attached to this report. The appendix shows the Original Budget that was set in January 2022, together with the Current Budget compared to the 30 June position.
- 2.2 As at quarter one the overall forecast is for the General Fund to underspend by (£0.122m). **Appendix 2** provides a more detailed breakdown by directorate.
- 2.3 The Organisation and Place Directorate is £0.219m lower than the original forecast. The main variances are in relation to an under spend on salaries of £0.166m. Planning fee income is slightly higher than forecast in the first quarter (£0.026m). There are a number of smaller variances such as printing and postage not nothing of particular note in the quarter.
- 2.4 The Growth and Assets Directorate is £0.004m lower than the original forecast. Pay and agency costs over higher than budget in this quarter (£0.040m). A number of income budgets are slightly below profile in this quarter but are expected to reach target during the year and this is offset by under spends of routine maintenance budgets which again will be utilise during the year.
- 2.5 The Finance and Resources Directorate is £0.101m higher than the original forecast. The variance is predominantly due to an over spend in the Housing Benefit Service of £0.073m due to housing benefit subsidy income being lower than forecast. This will be rectified later in the year when the mid-ear subsidy claim is submitted to DWP.

### **Efficiency Plan**

- 2.7 Progress against the efficiencies is summarised in Table 2 below and in more detail in **Appendix 3**. This is supported by a detailed operating plan which is regularly reviewed and updated by the Senior Management Team. Inevitably there will be changes needed over the medium term and the plan will need to be flexible enough to adapt to changing circumstances over this time.
- 2.8 Efficiencies of £0.497m have been achieved during the quarter against an annual target of £0.111 thereby overachieving by £0.386m.

Table 2

	2022/23 Original Budget	2022/23 Q1 Actual
	£000's	£000's
<b>Savings Target MTFP Jan 2022</b>	111	111
<b>Less</b> savings identified in Efficiencies Plan (App 3):		
Corporate	300	462
Digital Transformation	58	4
Income Generation	20	11
Service Review/Cost Reduction	35	20
<b>Target Budget (Surplus)/Shortfall before council tax increase</b>	<b>(302)</b>	<b>(386)</b>
<b>Less</b> Council Tax Increase (* indicative 2% from 23/24)	160	160
<b>Target Budget (Surplus)/Shortfall after council tax increase</b>	<b>(462)</b>	<b>(546)</b>
<i>Contribution to (from) Resilience Reserve</i>	462	546
<b>Target Budget (Surplus)/Shortfall</b>	<b>0</b>	<b>0</b>

### Budget Pressures

2.9 As part of the monitoring process a number of budget pressures have been identified which are predicted to have a significant impact upon the budget this year. These will be closely monitored to ensure that the value and the likelihood of them occurring are kept under constant review.

The budget pressures identified are:

- Fuel £0.230m
  - Energy £0.364m
  - Wingerworth Lido £0.150m
  - Potential Planning Appeal £0.300m
  - Potential 3% Pay Award £0.161m
- £1.205m**

### Financial Reserves

2.10 Transfers from Earmarked Reserves

The use of earmarked reserves in 2022/23 to date is £0.377m comprising:

- £0.153m from revenue grants
- £0.224m from earmarked reserves

2.11 Transfers to Earmarked Reserves

There have been transfers to earmarked reserves during 2022/23 totalling £0.69m. This comprises:

- £0.020m in revenue grants received
- £0.049m into earmarked reserves

- 2.12 There are ongoing commitments against the earmarked reserves which will continue in 2022/23 and future years. Should any of the reserves prove unnecessary in the light of subsequent events then they will be moved back into unallocated General Fund resources.

#### Invest to Save

- 2.13 The Invest to Save Reserve currently has a balance £2.984m. Commitments already made against this reserve for 2022/23 and future years amount to £0.806m leaving £2.178m currently uncommitted.

#### Resilience Reserve

- 2.14 The Resilience Reserve currently has a balance of £2.601m. This will be utilised to provide financial resilience to the General Fund in future years as required by Medium Term Financial Plan. Ongoing pressures arising from the Covid pandemic will continue to be met from this reserve.

### **General Fund Balances**

- 2.15 The level of General Fund Balances has been maintained at £2.000m. The General Fund balances are considered to be at an acceptable level rather than generous. The General Fund balance needs to be considered against the background of ongoing reductions in the level of Government funding together with the range of risks facing the Council. With only a limited level of General Fund reserves it is crucial that the Council continues to maintain robust budgetary control while securing its ongoing savings targets in order to safeguard both its reserves and its financial sustainability.

### **Housing Revenue Account (HRA)**

- 2.16 **Appendix 4** shows the HRA position at quarter one. To date the HRA has remained relatively stable with income above budget by (£0.042m) and expenditure also above budget by £0.037m resulting in an overall income position of (£0.005m). The expenditure variance is largely due to the cost of a large value insurance claim which is awaiting decision and reimbursement by the insurers with the income variance being due to a reduction in voids across dwellings and increased income of non-dwellings.

### **Capital Investment Programme**

- 2.17 **Appendix 5** shows the capital position at quarter three. The HRA Capital Programme is currently (£1.138m) lower than forecast largely as a result of the shortage of building materials limiting HRA capital works.
- 2.18 The Council has sufficient capital resources in place to finance the actual expenditure and commitments of the capital programme this year.

### **Treasury Management**

- 2.19 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.

- 2.20 The Council approved the 2022/23 Treasury Management Strategy at its meeting on 31 January 2022. **Appendix 6** identifies the Treasury Management activity undertaken up to the third quarter of 2022/23.

### **3 Reasons for Recommendation**

- 3.1 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.

### **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.

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## **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
1	General Fund Summary Monitoring Q1 2022/23
2	General Fund Detail Monitoring Q1 2022/23
3	General Fund Efficiency Plan Q1 2022/23
4	HRA Monitoring Q1 2022/23
5	Capital Expenditure Monitoring Q1 2022/23
6	Treasury Management Monitoring Q1 2022/23
<b>Background Papers</b>	

## APPENDIX 1

## GENERAL FUND ACCOUNT - SUMMARY BUDGET MONITORING 2022/23 (QUARTER 1)

	Original Budget 2022/23 £	Current Budget 2022/23 £	Q1 Profiled Budget 2022/23 £	Actuals £	Variance £
Organisation and Place	6,409,789	6,419,989	1,550,664	1,331,210	(219,454)
Finance & Resources	4,546,650	4,551,650	348,869	450,366	101,497
Growth & Assets	1,781,341	1,783,341	685,717	681,327	(4,389)
Recharges to Capital and HRA	(600,500)	(600,500)	0	0	0
<b>Net Cost of Services</b>	<b>12,137,280</b>	<b>12,154,480</b>	<b>2,585,250</b>	<b>2,462,903</b>	<b>(122,346)</b>
Investment Properties	(424,175)	(426,175)	(137,465)	(133,717)	3,748
Bad Debt Provision	40,000	40,000	10,000	10,000	0
Interest	(114,010)	(114,010)	(3,970)	(32,263)	(28,293)
Debt Repayment Minimum Revenue Provision	56,000	56,000	14,000	14,000	0
Parish Precepts	3,467,459	3,467,459	1,733,730	1,733,730	0
Transfer To Earmarked Reserves	68,615	68,615	68,615	68,615	0
Transfer From Earmarked Reserves	(362,181)	(377,381)	(377,381)	(377,381)	0
<b>Total Spending Requirement</b>	<b>14,868,988</b>	<b>14,868,988</b>	<b>3,892,778</b>	<b>3,745,886</b>	<b>(146,891)</b>
Business Rates	(4,000,000)	(4,000,000)	(1,000,000)	(1,000,000)	0
New Homes Bonus	(720,063)	(720,063)	(180,016)	(180,016)	0
Lower Tier Services Grant	(125,686)	(125,686)	(32,044)	(32,044)	0
Services Grant	(193,157)	(193,157)	(48,287)	(48,287)	0
Collection Fund (Surplus)/Deficit - Council Tax	0	0	0	0	0
Collection Fund (Surplus)/Deficit - NNDR	0	0	0	0	0
NEDDC Council Tax Requirement	(6,362,623)	(6,362,623)	(1,590,656)	(1,590,656)	0
Parish Council Council Tax Requirement	(3,467,459)	(3,467,459)	(1,733,730)	(1,733,730)	0
<b>Council Tax Requirement</b>	<b>(14,868,988)</b>	<b>(14,868,988)</b>	<b>(4,584,732)</b>	<b>(4,584,732)</b>	<b>0</b>

## GENERAL FUND ACCOUNT - DETAILED BUDGET MONITORING 2022/23 (QUARTER 1)

		Budget 2022/23 £	Actuals 2022/23 £	Variance £
<b><u>Operations</u></b>				
<b>Director of Organisation and Place</b>				
4500	Managing Director	32,721	33,186	465
5700	Joint Strategic Director - Environment & Enforcement	0	0	0
5720	Supporting PA's	31,875	31,114	(761)
		<u>64,596</u>	<u>64,300</u>	<u>(296)</u>
<b>Assistant Director Environmental Health</b>				
3400	Environmental Protection	55,995	54,315	(1,679)
3401	Food, Health & Safety	58,373	51,893	(6,480)
3402	Environmental Enforcement	49,055	44,531	(4,524)
3403	Community Outreach	16,530	16,533	3
3404	Licensing	31,639	32,208	570
3405	Pollution	62,569	64,382	1,813
3407	Pest Control	14,091	12,675	(1,416)
3409	EH Technical Support & Management	112,123	118,687	6,563
3410	Private Sector Housing	35,691	31,465	(4,227)
3419	Destitute Funerals	374	(874)	(1,248)
3420	Fly Tipping	750	875	125
3421	VARM (NE) Discretionary Funding	0	0	0
3423	Air Quality Feasibility Study	0	0	0
3425	Covid-19 Fines	0	0	0
3426	Covid Enforcement Team	(18,642)	(18,588)	54
3427	Private Water Supply Contract	0	0	0
3428	MEES Project	0	800	800
3726	Works In Default	1	1,834	1,833
		<u>418,548</u>	<u>410,734</u>	<u>(7,814)</u>
<b>Assistant Director Streetscene</b>				
3174	Street Scene	112,575	76,163	(36,412)
3227	Materials Recycling	160,598	129,923	(30,675)
3244	Parks Derbyshire County Council Agency	0	0	0
3282	Eckington Depot	44,371	43,760	(610)
3285	Dronfield Bulk Depot	892	3,493	2,601
3511	Hasland Cemetery	(8,627)	(6,611)	2,016
3513	Temple Normanton Cemetery	(1,735)	374	2,109
3514	Clay Cross Cemetery	(14,925)	(18,122)	(3,197)
3516	Killamarsh Cemetery	(3,964)	(5,275)	(1,311)
3918	Dog Fouling Bins	1,128	(123)	(1,251)
3921	Street Cleaning Service	129,054	111,856	(17,198)
3943	Transport	134,056	117,546	(16,510)
3944	Grounds Maintenance	(13,047)	(35,609)	(22,562)
3945	Domestic Waste Collection	316,444	334,664	18,220
3946	Commercial Waste Collection	(348,132)	(348,534)	(403)
		<u>508,688</u>	<u>403,507</u>	<u>(105,181)</u>
<b>Assistant Director Planning</b>				
4111	Applications And Advice	(147,222)	(173,452)	(26,230)
4113	Planning Appeals	0	10,820	10,820
4116	Planning Policy	64,022	46,471	(17,551)
4119	Neighbourhood Planning Grant	0	0	0
4311	Environmental Conservation	2,304	0	(2,304)
4511	Assistant Director Planning	16,214	15,676	(538)
4513	Planning	239,018	208,473	(30,546)
4515	Building Control	0	0	0
4522	Section 106 Agreement	0	0	0
		<u>174,336</u>	<u>107,988</u>	<u>(66,348)</u>
<b>Assistant Director Governance</b>				
1121	Member's Services	113,098	111,672	(1,426)
1123	Chair's Expenses	1,677	317	(1,360)
1131	District Elections	0	0	0
1137	Parliamentary Elections	(13,308)	(13,308)	0
1138	Police & Crime Commissioner Elections	19,420	19,420	0
1139	County Council Elections	0	2,024	2,024
1231	Corporate Training	10,503	11,597	1,094

1259	Corporate Groups	252	1,985	1,733
1311	Human Resources	67,320	63,943	(3,377)
3121	Health & Safety Advisor	6,459	380	(6,079)
5250	National Civic Events	0	105	105
5273	Brass Band Concert	1,251	0	(1,251)
5313	Register Of Electors	48,534	39,648	(8,886)
5321	Assistant Director Governance	20,028	22,070	2,042
5353	Legal Section	30,048	35,702	5,654
5354	Land Charges	(6,859)	(8,419)	(1,560)
5392	Scrutiny	13,453	7,903	(5,550)
5711	Democratic Services	72,620	49,642	(22,978)
		<b>384,496</b>	<b>344,680</b>	<b>(39,815)</b>
<b>Total for Organisation and Place</b>		<b>1,550,664</b>	<b>1,331,210</b>	<b>(219,455)</b>

### Finance & Resources

#### **Director of Finance & Resources**

1312	Payroll	14,683	15,025	342
3165	Housing Options Team	49,277	59,587	10,310
3176	Pool Car	90	0	(90)
3740	Strategic Housing	22,662	22,088	(574)
3745	Household Support Fund	42,717	42,717	0
3746	Homelessness Prevention Grant	0	0	0
3747	Homeless Temp Accomodation	(8,962)	(8,180)	782
3748	Homelessness Grant	(97,606)	(97,606)	0
3749	Empty Properties	501	258	(243)
3750	Housing Growth	3,924	8,151	4,227
3754	Rough Sleepers	7,789	7,789	0
3759	Emergency Welfare Assistance Grant	2,502	2,856	354
5113	Unison Duties	4,344	4,152	(192)
5611	External Audit	(55,964)	(55,964)	0
5615	Bank Charges	23,889	29,482	5,593
5621	Contribution to/from HRA	0	0	0
5713	Audit	35,412	33,783	(1,630)
5714	Financial Support Services	876	957	81
5715	Procurement	(2,001)	(2,001)	0
5721	Financial Services	149,256	150,623	1,367
5724	Insurance	(16,503)	(12,142)	4,361
5725	Apprenticeship Levy	11,256	12,309	1,053
5727	Cost Of Ex-Employees	120,731	120,731	0
5728	Covid-19 Response	12,918	12,918	(0)
5729	Additional Restrictions Grant	1,070	1,070	0
5730	Local Restrictions Support Grant (Closed)	(455,252)	(455,252)	0
5731	Local Restrictions Support Grant (Open)	(10,801)	(10,801)	0
5738	Closed Business Lockdown Payments	(443,000)	(443,000)	0
5739	LAGDF	0	0	0
5741	Housing Benefit Service	319,499	416,837	97,338
5742	Test & Trace	(68,450)	(68,450)	0
5744	Omicron Hospitality and Leisure Grant	(281,354)	(281,354)	0
5745	Covid New Burdens	0	(1,949)	(1,949)
5747	Debtors	13,623	13,892	269
5748	Ukrainian Guests	0	1,783	1,783
5751	NNDR Collection	14,286	42,773	28,487
5759	Council Tax Administration	72,992	80,120	7,128
5775	Council Tax Rebate	(15,900)	(15,900)	0
5776	Discretionary Fund	(29,379)	(29,379)	0
5781	Village Hall Grants	0	0	0
		<b>(560,874)</b>	<b>(402,075)</b>	<b>158,799</b>

#### **Assistant Director ICT**

5215	Telephones	7,311	6,780	(531)
5216	Mobile Phones and Ipads	5,780	4,229	(1,551)
5701	Joint ICT Service	327,509	313,187	(14,323)
5734	NEDDC ICT Service	75,472	79,693	4,221
5735	Cyber Security	0	(4,788)	(4,788)
5736	Business Development	114,952	92,337	(22,615)
5737	Corporate Printing Costs	3,972	3,253	(719)
		<b>534,996</b>	<b>494,690</b>	<b>(40,306)</b>

<b>Assistant Director Transformation &amp; Communication</b>				
1255	Strategy and Performance	28,002	24,072	(3,930)
1256	Corporate Consultation	3,656	628	(3,028)
1315	Design & Print	27,722	27,444	(278)
1321	Communications & Marketing	25,331	23,429	(1,902)
1323	NEDDC News	(4,162)	0	4,162
1329	Corporate Web Site	252	309	57
1331	Strategic Partnerships	51,186	46,448	(4,738)
1332	Strategic Partnership Projects	0	0	0
1333	Healthy North East Derbyshire	6,863	7,256	393
3408	Home Improvement	15,055	14,972	(83)
4352	LEADER	0	7,852	7,852
4443	Elderly Peoples Clubs	1,002	1,248	246
5221	Customer Services	89,004	78,758	(10,247)
5223	Franking Machine	14,610	8,486	(6,124)
5785	Contributions	118,775	117,084	(1,691)
5825	Concessionary Bus Passes	(2,550)	(234)	2,316
		<b>374,746</b>	<b>357,751</b>	<b>(16,995)</b>

<b>Total for Finance &amp; Resources</b>	<b>348,869</b>	<b>450,366</b>	<b>101,497</b>
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### Growth & Assets

<b>Director of Growth &amp; Assets</b>				
1143	Director of Growth	13,746	63,795	50,049
1218	Community Safety	(14,223)	(13,689)	534
1283	Emergency Planning	4,002	0	(4,002)
3512	CBC Crematorium	173,000	173,000	0
4600	Director of Transformation	26,433	24,744	(1,689)
		<b>202,958</b>	<b>247,850</b>	<b>44,892</b>

<b>Assistant Director Property, Estates &amp; Assets</b>				
3135	Drainage	12,251	16,234	3,982
3172	Engineers	40,476	36,071	(4,405)
3241	Car Parks	36,492	31,700	(4,792)
3247	Street Names/Lights	1,251	72	(1,179)
3249	Footpath Orders	(99)	0	99
3265	Dams And Fishing Ponds	(111)	66	177
3281	Clay Cross Depot	0	(105)	(105)
3811	Closed Circuit Television	0	(270)	(270)
4412	Midway Business Centre	(13,901)	(18,693)	(4,792)
4425	Coney Green Business Centre	(39,832)	(41,762)	(1,931)
4519	The Avenue, Wingerworth	0	0	0
4523	Estates Administration	89,005	60,536	(28,469)
5204	Assistant Director Property, Estates & Assets	17,674	59,291	41,617
5205	Mill Lane	80,588	78,728	(1,861)
5209	Facilities Management	12,953	5,014	(7,939)
5210	Pioneer House	37,220	32,643	(4,577)
		<b>273,968</b>	<b>259,524</b>	<b>(14,444)</b>

<b>Assistant Director Economic Development &amp; Regeneration</b>				
4211	Tourism Promotions	8,775	6,212	(2,563)
4237		0	(1,531)	(1,531)
4238	Working Communities Strategy	18,743	18,138	(605)
4512	Growth Agenda	10,297	10,297	0
4517	Economic Development	54,365	23,008	(31,357)
4520	Eckington Killamarsh OPE	0	0	0
4521	Eckington Masterplan	34,265	34,265	(0)
4524	New Towns Fund - Clay Cross	9,722	9,722	0
4526	Sheffield City Region	0	0	0
4527	Dronfield Civic Centre	0	0	0
5750	Assistant Director Economic Development, Regeneration & Housing	9,675	18,305	8,630
		<b>145,842</b>	<b>118,415</b>	<b>(27,428)</b>

<b>Assistant Director Leisure</b>				
4561	Leisure Centre Management	(167,913)	(173,501)	(5,588)
4720	Sportivate	(27,252)	(27,252)	0
4722	Physical Inactivity Fund	(28,989)	(28,917)	72
4723	Generation Games	1	340	339
4724	Walking into Communities	(22,873)	(22,795)	78
4726	Walking For Health	(17,172)	(17,380)	(208)
4727	Five 60	(11,129)	(11,756)	(627)

4731	Promotion Of Recreation And Leisure	7,848	7,555	(293)
4732	Schools Promotion	2	1,954	1,952
4736	Derbyshire Sports Forum	0	0	0
4742	Arts Development	633	2,524	1,891
8441	Eckington Swimming Pool	36,754	37,440	686
8445	Eckington Pool Cafe	(5,018)	(6,951)	(1,933)
8451	Dronfield Sports Centre	45,810	66,399	20,589
8455	Dronfield Café	(2,150)	3,190	5,340
8461	Sharley Park Sports Centre	142,290	113,867	(28,423)
8465	Sharley Park Sports Centre Outdoor	(929)	(1,155)	(226)
8471	Killamarsh Leisure Centre	117,261	111,975	(5,286)
8475	Killamarsh Outdoors	(4,251)	0	4,251
8476	Killamarsh Café	25	0	(25)
		<u>62,948</u>	<u>55,538</u>	<u>(7,411)</u>
	<b>Total for Growth &amp; Assets</b>	<b>685,717</b>	<b>681,327</b>	<b>(4,389)</b>
	<b>Corporate Charges</b>			
5790	Savings Target	0	0	0
0001	Recharges to Capital and HRA	0	0	0
	<b>Total for Corporate Charges</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Net Cost of Services</b>	<b>2,585,250</b>	<b>2,462,903</b>	<b>(122,346)</b>
	<b>Investment Properties</b>			
4411	Stonebroom Industrial Estate	(16,923)	(18,486)	(1,563)
4413	Clay Cross Industrial Estate	(25,781)	(27,112)	(1,331)
4415	Norwood Industrial Estate	(75,126)	(76,790)	(1,664)
4417	Eckington Business Park	(1,551)	(1,688)	(137)
4418	Rotherside Court Eckington Business Unit	(2,445)	(3,411)	(966)
4423	Pavillion Workshops Holmewood	(21,976)	(23,855)	(1,879)
4432	Miscellaneous Properties	6,336	17,624	11,288
	<b>Total for Investment Properties</b>	<b>(137,465)</b>	<b>(133,717)</b>	<b>3,748</b>

	Timeline of Planned Savings:				
	2022/23	2022/23	2023/24	2024/25	2025/26
	Budget	Q1 Actual	Budget	Budget	Budget
	£000's	£000's	£000's	£000's	£000
<b>Savings Target MTFP Jan 2022</b>	<b>111</b>	<b>111</b>	<b>1,505</b>	<b>1,716</b>	<b>1,921</b>
<b>Less savings identified:</b>					
<b>Corporate:</b>					
Vacancy Management	300	462	300	300	300
Taxbase growth (forecast)	0	0	80	160	240
<b>Digital Transformation</b>					
Organisational review of printing usage	13	4	38	38	38
Planned digitisation projects	10	0	25	25	25
Hybrid Mail solutions	35	0	35	35	35
<b>Income Generation (including self financing initiatives):</b>					
Self financing Initiatives	0	0	19	26	33
Selling Services Opportunities	20	10	45	65	65
Fees and Charges Reviews	0	1	17	61	61
Annual inflationary increases not added to base (assume 2%)	0	0	15	18	23
<b>Service Reviews/Cost Reductions:</b>					
Spend to Save - Eckington Depot	5	0	5	5	5
Accommodation review	0	0	80	80	80
Service Reviews	30	20	95	110	125
Joint working projects	0	0	60	60	60
<b>Total Savings Identified</b>	<b>413</b>	<b>497</b>	<b>814</b>	<b>983</b>	<b>1,090</b>
<b>Target Budget (Surplus)/Shortfall before council tax increase</b>	<b>(302)</b>	<b>(386)</b>	<b>691</b>	<b>733</b>	<b>831</b>
Income Generated by Council Tax Increase (* indicative 2% from 23/24)	160	160	282	406	532
<b>Target Budget (Surplus)/Shortfall after council tax increase</b>	<b>(462)</b>	<b>(546)</b>	<b>409</b>	<b>327</b>	<b>299</b>
Contribution to/(from) Resilience Reserve	462	546	(409)	(327)	(299)
<b>Target Budget (Surplus)/Shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## HOUSING REVENUE ACCOUNT: SUMMARY 2022/23

## APPENDIX 2

	Current Budget 2022/23 £	Profiled Qtr 1 Budget £	Actuals with Accruals £	Variance £
<b>INCOME</b>				
Dwelling Rents	(32,130,380)	(8,039,019)	(8,051,423)	(12,404)
Non-Dwelling Rents	(432,222)	(108,158)	(160,018)	(51,860)
Charges for Services and Facilities	(150,426)	(37,632)	(14,897)	22,735
Contributions Towards Expenditure	(50,000)	(12,500)	(12,500)	0
<b>INCOME TOTAL</b>	<b>(32,763,028)</b>	<b>(8,197,309)</b>	<b>(8,238,838)</b>	<b>(41,529)</b>
<b>EXPENDITURE</b>				
Repairs & Maintenance	5,188,589	1,289,433	1,305,142	15,709
Supervision and Management	6,405,899	1,602,743	1,624,035	21,292
Rents, Rates & Taxes	110,000	27,522	27,522	0
Capital Charges - Depreciation	7,737,791	1,935,995	1,935,995	0
Provision for Bad Debts	250,000	62,500	62,500	0
Debt Management Expenses	11,500	2,875	2,875	0
<b>EXPENDITURE TOTAL</b>	<b>19,703,779</b>	<b>4,921,068</b>	<b>4,958,070</b>	<b>37,002</b>
<b>NET COST OF SERVICES</b>				
	<b>(13,059,249)</b>	<b>(3,276,241)</b>	<b>(3,280,768)</b>	<b>(4,527)</b>
Corporate & Democratic Core	185,450	46,363	46,363	0
<b>NET COST OF HRA SERVICES</b>				
	<b>(12,873,799)</b>	<b>(3,229,879)</b>	<b>(3,234,406)</b>	<b>(4,527)</b>
Interest Payable	4,729,461	1,183,311	1,183,311	0
Interest Receivable	(6,835)	(1,710)	(1,710)	0
Revenue Contribution to Capital	7,685,709	1,922,964	1,922,964	0
Contribution to Development Reserve	415,464	103,866	103,866	0
Contribution to/(from) Debt Repayment	0	0	0	0
Contribution to Insurance Reserve	50,000	12,510	12,510	0
Capital Grant	0	(343,200)	(343,200)	0
<b>(Surplus)/Deficit on HRA Services</b>	<b>0</b>	<b>(352,138)</b>	<b>(356,665)</b>	<b>(4,527)</b>

Project/Scheme	Current Programme 2022/23 £000	Profiled Budget Quarter 1 £000	Actual and Commitments Quarter 1 £000	Variance at Quarter 1 £000
<b>Housing Investment</b>				
HRA Capital Works	16,872	4,218	4,423	205
Garage Demolitions	60	15	0	(15)
Concrete Balconies	111	28	0	(28)
EWI Scheme - Heath	0	0	0	0
Pine View Danesmoor	832	208	98	(110)
Parking Solutions	573	143	17	(126)
Green Homes EWI - Mickley	333	83	(154)	(237)
North Wingfield New Build	1,961	490	3	(487)
Stock Purchase Programme	2,500	625	124	(501)
Acquisitions and Disposals (RHL)	500	125	0	(125)
Private Sector Spending	820	244	244	0
<b>Total Housing Investment</b>	<b>24,562</b>	<b>6,180</b>	<b>4,755</b>	<b>(1,425)</b>
<b>Other Capital Projects</b>				
Asset Refurbishment - General	609	21	21	0
Roller Shutter Doors	36	36	77	41
Eckington Depot Refurbishment	582	200	200	0
Eckington Pool Carbon Efficiencies Programme	231	231	268	37
Killamarsh Leisure Centre Refurbishment	1,060	644	644	0
Dronfield LC Carbon Efficiencies Programme	1,380	1,380	1,589	209
Clay Cross Football Pitch	9	0	0	0
Replacement Vehicles	3,427	1,253	1,253	0
Contaminated Land	42	0	0	0
ICT Schemes	416	32	32	0
CX Town Market Street Regeneration	3,999	1	1	0
CX Town Bridge Street Regeneration	0	0	0	0
CX Town Clay Cross Creative	1,000	0	0	0
CX Town Clay Cross Skills and Enterprise Hub	2,000	0	0	0
CX Town Sharley Park Active Community Hub	7,145	1,739	1,739	0
CX Town Connections	500	0	0	0
CX Town Low Carbon Housing Challenge Fund	650	0	0	0
CX Town Rail Station Feasibility	150	0	0	0
CX Town Programme Management	415	7	7	0
CX Town Acc Fund Old Constabulary	150	0	0	0
CX Town Acc Fund School Demolition	8	0	0	0
CX Town Acc Fund CX Depot Demolition	86	0	0	0
CX Town Acc Fund Public Art Work	32	0	0	0
CX Town Acc Fund Land Assembly	3	0	0	0
CX Town Acc Other	2	2	2	0
<b>Total Other Capital Projects</b>	<b>23,932</b>	<b>5,546</b>	<b>5,833</b>	<b>287</b>
<b>Total Capital Expenditure</b>	<b>48,494</b>	<b>11,726</b>	<b>10,588</b>	<b>(1,138)</b>
<b>Housing Investment Funding</b>				
Major Repairs Reserve	(17,125)	(4,281)	(4,269)	12
HRA Capital Investment Reserve	(1,596)	(399)	(115)	284
Usable Capital Receipts	(1,865)	(466)	(50)	416
External Grant	0	0	0	0
Prudential Borrowing	(3,156)	(789)	(77)	712
	(23,742)	(5,936)	(4,511)	1,425
Private Sector Spending				
Disabled Facilities Grant	(820)	(244)	(244)	0
<b>Total Housing Investment Funding</b>	<b>(24,562)</b>	<b>(6,180)</b>	<b>(4,755)</b>	<b>1,425</b>
<b>Other Capital Projects Funding</b>				
Prudential Borrowing	(3,453)	(2,097)	(2,097)	0
External Grant	(17,538)	(3,129)	(3,095)	34
RCCO	(36)	(36)	(77)	(41)
Useable Capital Receipts	(2,905)	(284)	(564)	(280)
<b>Other Capital Project Funding</b>	<b>(23,932)</b>	<b>(5,546)</b>	<b>(5,833)</b>	<b>(287)</b>
<b>Total Capital Financing</b>	<b>(48,494)</b>	<b>(11,726)</b>	<b>(10,588)</b>	<b>1,138</b>

**Treasury Management Activity April – June 2022/23****PWLB Borrowing**

The Council's total outstanding PWLB debt amounted to £147.032m at 1<sup>st</sup> April 2022. During the first three quarters of 2022/23 £0.000m has been repaid to the PWLB so the balance at 30<sup>th</sup> June 2022 is £147.032m. 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: -

<b>PWLB Borrowing</b>	<b>Maturity Profile 31 March 2022 £'000</b>	<b>Maturity Profile 30 June 2022 £'000</b>
<b>Term</b>		
12 Months	111	111
1 - 2 years	4,112	4,112
2 - 5 years	17,206	17,206
5 - 10 years	20,466	20,466
10 - 15 years	40,047	40,047
Over 15 years	65,090	65,090
<b>Total PWLB Debt</b>	<b>147,032</b>	<b>147,032</b>

**PWLB Interest**

The interest cost to the Council of the PWLB debt for 2022/23 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.

<b>Date</b>	<b>Amount Paid to PWLB £'000</b>
Accrued Interest re 2021/22	(44)
Accrued Interest re 2022/23	1,341
<b>Total Paid</b>	<b>1,297</b>

**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 30<sup>th</sup> June 2022 the Council had no temporary borrowing in place.

## Temporary Investments

The tables below detail the short term investments made during the first quarters of 2022/23: -

Bank Name	Duration of Loan	B/Fwd 01/04/22 £000's	Amount Invested 2022/23 £000's	Amount Returned 2022/23 £000's	Balance Invested 30/06/22 £000's	Interest Received 30/06/22 £000's
Federated Fund 3	Call	3,000	3	(3,003)	0	(3)
Federated GBP 3	Call	2,000	4	(4)	2,000	(4)
Aberdeen Standard	Call	5,000	10	(10)	5,000	(10)
CCLA Public Sector Deposit Fund	1 Day Call	5,000	7	(5,007)	0	(7)
Aviva	Call	5,000	2,009	(7,009)	0	(9)
Invesco	Call	2,000	7,003	(4,003)	5,000	(3)
JP Morgan	Call	0	0	(0)	0	(0)
Goldman Sachs	Call	0	0	(0)	0	(0)
SSGA	Call	5,000	10	(10)	5,000	(10)
Debt Management Account Deposit Facility	Various	0	3,000	(3,000)	0	(0)
Ashford Borough Council	12 Months	5,000	2	(2)	5,000	(2)
Lancashire County Council	12 Months	5,000	2	(2)	5,000	(2)
<b>Total</b>		<b>37,000</b>	<b>12,050</b>	<b>(22,050)</b>	<b>27,000</b>	<b>(50)</b>

## 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 three quarters of the financial year was £4.824m. 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. The interest earned from daily balances up to 30 June 2022 is £4,236.92

## 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 2022/23 £'000	Set Limits 2022/23 £'000
Authorised Limit (total Council external borrowing limit)	200,433	203,786
Operational Boundary	195,433	198,786

## North East Derbyshire District Council

### Audit and Corporate Governance Scrutiny Committee

27 July 2022

### Committee Work Programme 2022/2023

#### Report of the Assistant Director of Governance and Monitoring Officer

Classification: This report is public

Report By: Tom Scott – Governance and Scrutiny Officer

Contact Officer: Tom Scott [thomas.scott@ne-derbyshire.gov.uk](mailto:thomas.scott@ne-derbyshire.gov.uk) 01246 217045

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#### **PURPOSE / SUMMARY**

To enable the Audit and Corporate Governance Scrutiny Committee to review the Work Programme for the remainder of the municipal year 2022/2023.

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#### **RECOMMENDATIONS**

1. That the Committee notes and approves the Audit and Corporate Governance Scrutiny Work Programme for the remainder of the 2022/2023 municipal year as set out in the attached **Appendix 1**.

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#### **IMPLICATIONS**

Finance and Risk: Yes  No

##### **Details:**

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 and consider work the range of matters which are within its remit. There are no financial issues arising from the report.

On Behalf of the Section 151 Officer

**Legal (including Data Protection):**                      Yes                       No

**Details:**

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

On Behalf of the Solicitor to the Council

**Staffing:**                      Yes                       No

**Details:**

There are no staffing issues arising from the report.

On behalf of the Head of Paid Service

**DECISION INFORMATION**

<b>Decision Information</b>	
<p><b>Is the decision a Key Decision?</b>                      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><b>NEDDC:</b>  <b>Revenue - £100,000</b> <input type="checkbox"/> <b>Capital - £250,000</b> <input type="checkbox"/>  <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p><b>Is the decision subject to Call-In?</b>                      (Only Key Decisions are subject to Call-In)</p>	No
<p><b>District Wards Significantly Affected</b></p>	None
<p><b>Consultation:</b>  <b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Cabinet</b> <input type="checkbox"/>  <b>SAMT</b> <input type="checkbox"/> <b>Relevant Service Manager</b> <input type="checkbox"/>  <b>Members</b> <input checked="" type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/></p>	Yes  Details: Members of the Audit and Corporate Governance Scrutiny Committee

<p><b>Links to Council Ambition (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.</b></p>
<p>None.</p>

## REPORT DETAILS

### 1 Background

- 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, including standing items.
- 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. Details of Proposal or Information

- 2.1 To enable the Audit and Corporate Governance Scrutiny Committee to review the Work Programme for the remainder of the municipal year 2022/23.

### 3 Reasons for Recommendation

- 3.1 To enable the Committee to consider the Work Programme for the remainder of the 2022/23 municipal year.

### 4 Alternative Options and Reasons for Rejection

- 4.1 There are no other options proposed.

## DOCUMENT INFORMATION

Appendix No	Title
1	Committee Work Programme 2022/23
<b>Background Papers</b> (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) you must provide copies of the background papers)	
<a href="#">Click here to enter text.</a>	

**AUDIT AND CORPORATE GOVERNANCE SCRUTINY COMMITTEE: PROPOSED  
WORK PROGRAMME**

<b><u>DATE OF MEETING</u></b>	<b><u>ITEM</u></b>
29 June 2022	<ul style="list-style-type: none"> <li>• Car Parking on Council owned housing estates</li> <li>• Internal Audit Annual Report</li> <li>• Internal Audit Progress Report</li> <li>• CIPFA – Internal Audit Untapped Potential (for information)</li> <li>• External Audit Strategy Memorandum</li> <li>• Risk Management update</li> <li>• Medium Term Financial Plan – Outturn</li> <li>• Review of Work Programme</li> </ul>
27 July 2022	<ul style="list-style-type: none"> <li>• S106 Update</li> <li>• External Audit Strategy Memorandum</li> <li>• Performance Management</li> <li>• Corporate Debt</li> <li>• Financial Monitoring</li> </ul>
28 September 2022	<ul style="list-style-type: none"> <li>• Internal Audit Progress Update</li> <li>• Monitoring the Implementation of Internal Audit Recommendations</li> <li>• Review of the Internal Audit Charter</li> <li>• Annual Statement of Accounts and Going Concern Report 2020-21</li> <li>• Annual Governance Statement and Code of Corporate Governance 2020/21</li> <li>• Audit Completion Report 2020/21</li> <li>• Letter of Representation 2020/21</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Car Parking on Council owned housing estates</li> <li>• Review of Work Programme</li> </ul>
09 November 2022	<ul style="list-style-type: none"> <li>• Internal Audit Progress Update</li> <li>• Performance Management</li> <li>• Risk Management</li> <li>• Corporate Debt</li> <li>• Financial Monitoring</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Evaluate the Effectiveness of the Audit and Corporate Governance Committee</li> </ul>

	<ul style="list-style-type: none"> <li>• Review of Work Programme</li> </ul>
18 January 2023	<ul style="list-style-type: none"> <li>• Medium Term Financial Plan 2022/23 - 2025/26</li> <li>• Treasury Management Strategies 2022/23 – 2025/26</li> <li>• Internal Audit Progress Update</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Review of Work Programme</li> </ul>
15 February 2023	<ul style="list-style-type: none"> <li>• Internal Audit Progress Update</li> <li>• Monitoring the Implementation of Internal Audit Recommendations</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Performance Management</li> <li>• Financial Monitoring</li> <li>• Corporate Debt</li> <li>• Proposed Accounting Policies 2022/23</li> <li>• Review of Work Programme</li> <li>• Risk Management</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> </ul>
10 May 2023	<ul style="list-style-type: none"> <li>• Annual Review of Effectiveness of Internal Audit</li> <li>• Internal Audit Progress Update</li> <li>• Report of the External Auditor – Audit Plan 2022/23</li> <li>• Report of the External Auditor – Progress report and Technical Update</li> <li>• Internal Audit Plan 2023/24</li> <li>• Work Programme</li> </ul>