

Enquiries to Committee Services
Direct Dial: 024 7637 6204
Direct Email: committee@nuneatonandbedworth.gov.uk

Date: 1st November, 2021

Our Ref: KB

Dear Sir/Madam,

A meeting of the **AUDIT & STANDARDS COMMITTEE** will be held in the Council Chamber, Town Hall, Nuneaton, on **Tuesday 9th November at 6.00 p.m.**

Please note that meetings will be recorded for future publication on the Council's website.

Yours faithfully,

BRENT DAVIS
Chief Executive

To: All Members of the
Audit & Standards
Committee

Councillors H. Walmsley (Chair), M. Rudkin
(Vice-Chair), B. Beetham, T. Cooper, L.
Downs, L. Hocking, J. Kennaugh, K.
Kondakor, S. Markham, J. Singh, R.
Tromans, and Mr G. Sonola

A G E N D A

PART I - PUBLIC BUSINESS

1. ANNOUNCEMENTS

To advise the meeting participants of the procedure that will be followed by the Members of the committee.

A fire drill is not expected, so if the alarm sounds please evacuate the building quickly and calmly. Please use the stairs and do not use the lifts. Once out of the building, please gather outside the Virgin Money building (formally the Yorkshire Bank) on the opposite side of the road.

Exit by the door by which you entered the room or by the fire exits which are clearly indicated by the standard green fire exit signs.

If you need any assistance in evacuating the building, please make yourself known to a member of staff.

Please also make sure all your mobile phones are turned off or set to silent.

Chair to advise the meeting that the meeting will be recorded for future broadcast.

2. APOLOGIES - To receive apologies for absence from the meeting.

3. MINUTES – To confirm the minutes of the meeting of the Audit and Standards Committee held on 28th September 2021, attached **(Page 5)**

4. DECLARATIONS OF INTEREST

To receive declarations of Disclosable Pecuniary and Other Interests, in accordance with the Members' Code of Conduct.

Declaring interests at meetings

If there is any item of business to be discussed at the meeting in which you have a disclosable pecuniary interest or non-pecuniary interest (Other Interests), you must declare the interest appropriately at the start of the meeting or as soon as you become aware that you have an interest.

Arrangements have been made for interests that are declared regularly by members to be appended to the agenda **(Page 10)**. Any interest noted in the Schedule at the back of the agenda papers will be deemed to have been declared and will be minuted as such by the Committee Services Officer. As a general rule, there will, therefore, be no need for those Members to declare those interests as set out in the schedule.

There are, however, TWO EXCEPTIONS to the general rule:

1. When the interest amounts to a Disclosable Pecuniary Interest that is

engaged in connection with any item on the agenda and the member feels that the interest is such that they must leave the room. Prior to leaving the room, the member must inform the meeting that they are doing so, to ensure that it is recorded in the minutes.

2. Where a dispensation has been granted to vote and/or speak on an item where there is a Disclosable Pecuniary Interest, but it is not referred to in the Schedule (where for example, the dispensation was granted by the Monitoring Officer immediately prior to the meeting). The existence and nature of the dispensation needs to be recorded in the minutes and will, therefore, have to be disclosed at an appropriate time to the meeting.

Note: Following the adoption of the new Code of Conduct, Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the relevant item (or as soon as the interest becomes apparent). If that interest is a Disclosable Pecuniary or a Deemed Disclosable Pecuniary Interest, the Member must withdraw from the room.

Where a Member has a Disclosable Pecuniary Interest but has received a dispensation from Audit & Standards Committee, that Member may vote and/or speak on the matter (as the case may be) and must disclose the existence of the dispensation and any restrictions placed on it at the time the interest is declared.

Where a Member has a Deemed Disclosable Interest as defined in the Code of Conduct, the Member may address the meeting as a member of the public as set out in the Code.

Note: Council Procedure Rules require Members with Disclosable Pecuniary Interests to withdraw from the meeting unless a dispensation allows them to remain to vote and/or speak on the business giving rise to the interest.

Where a Member has a Deemed Disclosable Interest, the Council's Code of Conduct permits public speaking on the item, after which the Member is required by Council Procedure Rules to withdraw from the meeting.

5. PUBLIC CONSULTATION - Members of the Public will be given the opportunity to speak on specific agenda items or have their submitted statement read by an officer of the Council if notice has been received.
6. ANNUAL AUDIT LETTER FOR NUNEATON AND BEDWORTH BOROUGH COUNCIL a report of the External Auditors – Grant Thornton attached. **(Page 12)**
7. TREASURY MANAGEMENT MONITORING Q2 2021/22– a report of the Head of Financial Services attached. **(Page 26)**
8. DBS CHECKS FOR COUNCILLORS – a briefing note of the Equalities and Safeguarding Officer attached. **(Page 46).**
9. INTERNAL AUDIT REPORT – DELEGATED AUTHORITY 2021/22 – a report of the Director – Finance attached. **(Page 48)**

10. INTERNAL AUDIT REPORT – COMPENSATION PAYMENTS AND COMPROMISE AGREEMENTS 2021/22 – a report of the Director – Finance attached. **(Page 63)**
11. INTERNAL AUDIT REPORT – COMMUNITY GROUPS FUNDING (IN THE LAST TEN YEARS) – 2021/22 – a report of the Director – Finance attached. **(Page 68)**
12. APPOINTMENT OF ELECTORAL REGISTRATION OFFICER (ERO), DEPUTY ERO, DEPUTY ERO AND SCALE OF ELECTION STAFF FEES – a report of the Director – Finance attached. **(Page 86)**
13. REVIEW OF PERFORMANCE MANAGEMENT FRAMEWORK AND RISK MANAGEMENT POLICY AND STRATEGY – report of the Audit and Governance Manager and Governance, Risk Management and Performance Officer attached. **(Page 93)**
14. REVIEW OF THE REGISTER OF MEMBERS’ INTERESTS AND GIFTS AND HOSPITALITY REGISTERS 2019- 2021– a report of the Director – Planning and Regulation attached. **(Page 119)**
15. ANY OTHER ITEMS - which in the opinion of the Chair should be discussed as a matter of urgency because of special circumstances (which must be specified).
16. EXCLUSION OF THE PUBLIC AND PRESS - Under section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item, it being likely that there would be disclosure of exempt information of the description specified in paragraph (i) and (iv) of Part I and II of Schedule 12A to the Act.
17. REFERRAL OF INVESTIGATION – COMPLAINT 5/21– a report of the Deputy Monitoring Officer

NUNEATON AND BEDWORTH BOROUGH COUNCIL

AUDIT & STANDARDS COMMITTEE
2021

28th September

A meeting of the Audit & Standards Committee was held on Tuesday, 28th September 2021 in the Council Chamber, Town Hall, Nuneaton.

Present

Councillor H. Walmsley – Chair

Councillors B. Beetham, T. Cooper, L. Downs, J. Kennaugh, K. Kondakor, S. Markham, N. Phillips (substitute for Councillor Hocking) J. Singh, R. Tromans and Mr G. Sonola

Apologies: Councillor L. Hocking.

PART I – PUBLIC BUSINESS

ASC20 **Minutes**

RESOLVED that the minutes of the Audit and Standards Committee meeting held on 20th July, 2021, be confirmed, and signed by the Chair.

ASC21 **Declarations of Interest**

Councillor Tromans noted that his employment as a Warwickshire County Councillor and Risk and Compliance, AFL, Wellingborough did not appear on the Schedule for Declarations on Interest.

RESOLVED that the Declarations of Interest for this meeting are as set out in the Schedule attached to these minutes with the above amendments.

ASC22 **Treasury Management Monitoring Quarter One 2021/22**

A report of the Head of Financial Services to inform the Committee of the treasury management activities of this authority in accordance with the CIPFA Code of Treasury Management.

RESOLVED that the content of the report be noted.

ASC23 **Local Government Ombudsman's Annual Report for Year Ended 31st March 2021**

A report of the Director – Customer, Revenues and Assurance which provided the Committee with the opportunity to comment on the information received in the Local Government Ombudsman’s annual letter relating to complaints received about the Council, and to comment on The Council’s performance in dealing with these complaints, for the year ended 31st March 2021.

RESOLVED that the content of the report be noted.

ASC24 **Audit and Standards Committee Annual Report 2020-21**

A report of the Director – Democracy, Planning and Public Protection to provide the Committee with the Annual Standards Section Report 2020-21 for approval.

Councillor Beetham moved that a sub-committee of five members be formed to investigate streamlining and improving the complaints procedures and processes. This was seconded by Councillor Downs.

A vote was taken, and the motion was approved. Councillor Kondakor requested that his vote be recorded, this is as follows:
Councillor Kondakor – Against.

RESOLVED that:

- a) the draft 2020/2021 Annual Report as set out in Appendix A of the report be approved;
- b) the report be published as indicated in the report;
- c) a Sub-Committee consisting of five Members be formed to investigate options to streamline and improve the complaints processes.

ASC25 **Any Other Items**

The Chair noted that the Statements of Accounts 2020/21 should have come to the Committee at this meeting. Craig Pugh, the Head of Financial Services, apologised for the delay and informed the Committee that this has been caused by both internal and external issues. However, he did note that there are no changes to the outturn for the HRA and General Fund, as previously reported to Cabinet.

ASC26 **Exclusion of the Public and Press**

RESOLVED that under section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item, it being likely that there would be

disclosure of exempt information of the description specified in paragraph (i) and (iv) of Part I of Schedule 12A to the Act.

ASC27 **Complaints Against Members: 3rd March 2021 – 2nd September 2021**

A report of the Monitoring Officer which provided the Committee with a report of the complaints received from 3rd March 2021 to 2nd September 2021.

RESOLVED that the content of the report be noted.

Chair _____

Audit and Standards Committee - Schedule of Declarations of Interests – 2021/2022

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	B. Beetham	Employed by The George Elliott Hospital; Warwickshire County Council – Camp Hill	Member of the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	T. Cooper	None	Member on the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	L. Downs	River Bars Limited; Coventry Plus Beyond the Plane	NBBC representative on the Armed Forces Covenant Meeting	
	L. Hocking	Employed by Openreach	Member of: <ul style="list-style-type: none"> • Unite the Union • Communication Workers Union 	
	J. Kennaugh	County Councillor W.C.C.	Member of the W.C.C. Regulatory Committee Member of the Conservative	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
		Employed by UK Flooring Direct Ltd.	Party Member of UNITE the Union Nuneaton and Bedworth representative for the Equality and Inclusion Partnership NBBC Representative on Warwickshire Race Equality Partnership	
	K.A. Kondakor	Electronic Design Engineer (self-employed, semi-retired) Statistical data analyst and expert witness (self-employed)	100PERCENTRENEWABLEUK LTD	
	S. Markham	County Councillor – W.C.C.	Member of the following Outside Bodies: • Bedworth Neighbourhood Watch	
	M. Rudkin	Employee of Coventry City Council	Unite the Union	
	J. Singh			
	R. Tromans	RTC, Nuneaton AFL, Wellingborough	Warwickshire County Councillor Member of the following Outside Bodies: • Nuneaton Neighbourhood Watch Committee • Nuneaton Festival of Arts	
	H. Walmsley	Chief of Staff to Julian Knight MP	Chartered Institute of Public Relations Member on the following Outside Bodies: • Friendship Project for Children • West Midlands Combined Authority Audit Group	Dispensation to speak and vote

Audit and Standards Committee - Schedule of Declarations of Interests – 2021/2022

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	B. Beetham	Employed by The George Elliott Hospital; Warwickshire County Council – Camp Hill	Member of the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	T. Cooper	None	Member on the following Outside Bodies: <ul style="list-style-type: none"> • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground 	
	L. Downs	River Bars Limited; Coventry Plus Beyond the Plane	NBBC representative on the Armed Forces Covenant Meeting	
	L. Hocking	Employed by Openreach	Member of: <ul style="list-style-type: none"> • Unite the Union • Communication Workers Union 	
	J. Kennaugh	County Councillor W.C.C.	Member of the W.C.C. Regulatory Committee Member of the Conservative	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
		Employed by UK Flooring Direct Ltd.	Party Member of UNITE the Union Nuneaton and Bedworth representative for the Equality and Inclusion Partnership NBBC Representative on Warwickshire Race Equality Partnership	
	K.A. Kondakor	Electronic Design Engineer (self-employed, semi-retired) Statistical data analyst and expert witness (self-employed)	100PERCENTRENEWABLEUK LTD	
	S. Markham	County Councillor – W.C.C.	Member of the following Outside Bodies: • Bedworth Neighbourhood Watch	
	M. Rudkin	Employee of Coventry City Council	Unite the Union	
	J. Singh			
	R. Tromans	RTC, Nuneaton AFL, Wellingborough	Warwickshire County Councillor Member of the following Outside Bodies: • Nuneaton Neighbourhood Watch Committee • Nuneaton Festival of Arts	
	H. Walmsley	Chief of Staff to Julian Knight MP	Chartered Institute of Public Relations Member on the following Outside Bodies: • Friendship Project for Children • West Midlands Combined Authority Audit Group	Dispensation to speak and vote



The Annual Audit Letter for Nuneaton and Bedworth Borough Council

Year ended 31 March 2020

October 2021



Contents



Your key Grant Thornton
team members are:

Grant Patterson

Key Audit Engagement Lead

T: 0121 232 5296

E: grant.b.patterson@uk.gt.com

Nicola Coombe

Senior Manager

T: 0121 232 5206

E: Nicola.coombe@uk.gt.com

William Guest

Manager

T: 0121 232 5319

E: William.guest@uk.gt.com

Section

1. Executive Summary
2. Audit of the Financial Statements
3. Value for Money conclusion

Page

- 3
4
10

Appendices

- A Reports issued and fees

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Nuneaton and Bedworth Borough Council (the Council) for the year ended 31 March 2020.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit and Standards Committee as those charged with governance in our Audit Findings Report on 19 March 2021.

Our work

Materiality We determined materiality for the audit of the Council's financial statements to be £1,500,000, which is approximately 1.5% of the Council's gross operating expenses.

Financial Statements opinion We gave an unqualified opinion on the Council's financial statements on 19 March 2021.

Whole of Government Accounts (WGA) We completed work on the Council's consolidation return following guidance issued by the NAO.

Use of statutory powers We did not identify any matters which required us to exercise our additional statutory powers in respect to the 2019/20 financial year. We are in the process of finalising our work on an objection raised in a prior year in respect of the Council's arrangements for setting car parking charges. We do note that new charges were set in July 2021 with arrangements taking into account interim feedback from our work in this area.

Value for Money arrangements We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 19 March 2021.

Certificate We are unable to certify that we have completed the audit of the financial statements of Nuneaton and Bedworth Borough Council in accordance with the requirements of the Code of Audit Practice until we have completed our work highlighted in the statutory powers section above.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff .

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Council's financial statements to be £1,500,000, which is 1.5% of the Council's gross operating expenses. We used this benchmark as, in our view, users of the Council's financial statements are most interested in where the Council has spent its revenue in the year.

We also set a lower level of specific materiality for senior officer remuneration.

We set a lower threshold of £25,000, above which we reported errors to the Audit and Standards Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the Statement of Accounts to check it is consistent with our understanding of the Council and with the financial statements included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out on pages 6 to 8 the work we performed in response to these risks and the results of this work.

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 19 March 2021.

Preparation of the financial statements

The Council presented us with draft financial statements on 20 July 2020 in accordance with the agreed timescale. We updated our audit risk assessment to consider the impact of the pandemic on our audit and issued an audit plan addendum on 30 July 2020. In that addendum we reported an additional financial statement level

Restrictions for non-essential travel have meant both Council and audit staff have had to work remotely throughout the audit visit, utilising screen-sharing software in order to gain sufficient assurance over the completeness and accuracy of the data being provided to the audit team.

Management provided draft financial statements for audit on 20 July 2020. We were unable to pick samples for debtors, creditors or PP&E revaluations at this time, as the information was not yet available, and this element of the audit was therefore delayed to late July and early August. On our return in September there were still some areas where evidence and supporting information that had been requested was not available.

Audit of the Financial Statements

Due to the challenges faced by the Council and its officers, as highlighted below and overleaf, responses to our queries were sometimes delayed leading to our audit being concluded after the statutory deadline of 30 November 2020.

We have worked constructively with the finance team to ensure that we jointly managed an unprecedented situation effectively but there were issues that impacted adversely on the efficiency of our accounts audit:

- We agreed our working paper requirements before the start of the audit, but these were not all available when the audit started. The difficulty we faced obtaining appropriate working papers in a timely manner meant that some procedures were delayed.
- The Financial Reporting Council's expectation for auditor's to be able to demonstrate increased scepticism and challenge has meant that the depth of our enquiry has increased and, as a result, the levels of information required from the Council to respond to it has also substantially increased i.e. floor areas of buildings. Whilst the Council does hold these they have not been regularly required for audit and as a result we experienced difficulties in obtaining appropriate working papers in a timely manner which meant that some procedures were delayed. The focus on these areas will continue into future years and it is therefore important that the Council improves its arrangements for recording and retaining information that supports its key assumptions.
- Many of our queries are dealt with and co-ordinated by one member of the finance team. In prior years we have commented upon the 'key person risk' that this presents the Council with but it also creates a significant amount of additional work for that individual in servicing the audit. We would recommend for future years that the Council consider reviewing the arrangements for accounts preparation, including delegating to other members of the finance team, irrespective of the challenges that the Covid-19 pandemic has presented.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council's Audit and Standards Committee on 3 November 2020 and updated on the 16 March 2021.

Annual Governance Statement and Narrative Report

We are also required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website in the Statement of Accounts in line with the national deadlines

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We carried out work in line with instructions provided by the NAO. We issued an assurance statement which confirmed the Council was below the audit threshold on 19 March 2021.

Other statutory powers

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts. We did not identify any matters which required us to exercise our additional statutory powers in respect to the 2019/20 financial year. We are in the process of finalising our work on an objection raised in a prior year in respect of the Council's arrangements for setting car parking charges. We do note that new charges were set in July 2021 with arrangements taking into account interim feedback from our work in this area.

Certificate of closure of the audit

We are unable to certify that we have completed the audit of the financial statements of Nuneaton and Bedworth Borough Council in accordance with the requirements of the Code of Audit Practice until we have completed our work highlighted in the statutory powers section above.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Covid-19</p> <p>The global outbreak of the Covid-19 virus pandemic led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expected circumstances to have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to:</p> <ul style="list-style-type: none"> • Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of financial statements, and the evidence we can obtain through physical observation • Volatility of financial and property markets increased the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates • Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and • Disclosures within the financial statements required significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties. <p>We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We:</p> <ul style="list-style-type: none"> • worked with management to understand the implications the response to the Covid-19 pandemic had on the organisation's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. No changes were made to materiality levels previously reported specifically as a result of Covid-19 but they were revised to reflect the draft gross revenue expenditure. The draft financial statements were provided on 20 July 2020; • liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross-sector responses to issues as and when they arose. Examples include the material uncertainty disclosed by the Council's property valuation expert; • evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic; • evaluated whether sufficient audit evidence could be obtained through remote technology; • evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as assets and the pension fund liability valuations ; • evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment 	<p>The audit has been more challenging for both us and the finance team due to this remote working. There are material uncertainties in the valuation of land and buildings as a result of the pandemic and an increased risk of material estimation uncertainty in the net pension liability. Some disclosures were updated to reflect the impact of Covid-19.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities. We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement. The main mechanism through which this could occur is through the posting of manual journals amending the reported financial performance. We therefore reviewed the controls established relating to manual journals, including those for authorisation of manual journals.</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals; analysed the journals listing and determine the criteria for selecting high risk unusual journals; tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions 	<p>We identified as part of our review of the journals control environment that two users have superuser access. These privileges allow those individuals to log on as other users. From a practical point of view this is necessary as it allows them to assist with any issues that the user may be having but the risk is that activity performed by the superuser while acting as the user is not logged against the correct individual, which impedes the integrity of the audit trail.</p> <p>We brought this to the attention of the Audit & Standards Committee as those charged with governance as it represents a deficiency in the control environment. We considered this as part of our risk assessment in determining which journals to test and from the our sample testing of journals found that all were appropriate, eligible and valid, and could be agreed to supporting evidence.</p>
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> there is little incentive to manipulate revenue recognition. opportunities to manipulate revenue recognition are very limited. the culture and ethical frameworks of local authorities, including the Council, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for Nuneaton and Bedworth Borough Council. We have however:</p> <ul style="list-style-type: none"> evaluated the Council's accounting policy for recognition of revenues for appropriateness performed substantive testing on material revenue streams; and reviewed unusual significant transactions. 	<p>Our audit work has not identified any issues in respect of improper revenue recognition.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of land and buildings The Authority revalues its land and buildings on a rolling five yearly basis, and investment properties every year. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£300 million as at 31 March 2019) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Additionally, management will need to ensure the carrying value in the Authority financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work, which has included the user of our own value to assist with our review and challenge evaluated the competence, capabilities and objectivity of the valuation experts written to the valuers to confirm the basis on which the valuations were carried out tested on a sample basis revaluations of the Council's operational properties, investment properties, and HRA properties during the year to ensure they have been input correctly into the Council's asset register and financial statements challenged the information and assumptions used by the valuers to assess completeness and consistency with our understanding, and evaluated the assumptions made by management for any assets not revalued at 31 March 2020, including those in the HRA, and how management has satisfied themselves that the carrying value of these assets in the balance sheet is not materially different to their current value 	<p>Council Dwellings valuation</p> <p>We have identified one case where a property was found to be in the wrong beacon. We therefore extended our sampling to assess the impact and found a further three cases where a property was found to be in the wrong beacon. The estimated impact of these errors is £341k and is not material.</p> <p>We noted that the valuer's report was light on detail, showing the values of the assets, along with a statement to confirm that the valuation is in line with Royal Institute of Chartered Surveyor's (RICS) guidance, and a signature of the valuer. We recommended that the Council's valuers consider expanding their report for future years to include assumptions and methods applied alongside the actual valuations themselves, such that the detail of the scope, methodology and outcomes of the work are all in one place.</p> <p>Land and Buildings valuation</p> <p>Issues identified from our work are:</p> <ul style="list-style-type: none"> Note 14 in the draft accounts includes an amount of £1.691m accumulated impairment written off to gross carrying amount. £1.206m of this is in relation to an impairment to the Council House prior to year end in anticipation of the additions made in year not adding value. However, upon valuation as at 31 March 2020 the valuer determined the value to have increased: as the accounts show the position as at the balance sheet date, the impairment should not have occurred and will be adjusted for in the updated financial statements. This has no effect on the general fund. A transposition error has occurred in updating the value of Gresham Road depot, such that the revalued amount on the valuer's certificate of £1.778m has been incorrectly transferred in to the accounts as £1.178m. The correction will result in the net book value of land and buildings increasing by £600k. Again, this has no effect on the general fund. An historic construction costs error which impacts the DRC valuations by approximately 2.3% was identified. The error means some assets are overstated whilst others will be understated. The net impact from our testing identified an error of £49.5k. This difference is trivial. The Council has impaired its car parks significantly from a value of circa £16m as at 31 March 2019 to £4m as at 31 March 2020 on the grounds that it is anticipating that reduced cashflows will be generated from them over the coming months than would usually be the case. We have discussed this with the valuer the reasons for this impairment and are satisfied that the valuation of car parks is on the basis of reasonable assumptions. The Council's valuer has prepared their valuations as at 31 March 2020. In their reports, they have confirmed that as a result of the Covid-19 pandemic and the subsequent lockdown and impact on market activity, less certainty – and a higher degree of caution – should be attached to their valuations than would normally be the case. We asked officers to refer to this issue in Note 3 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty. We referred to these material valuation uncertainties in our audit report as an emphasis of matter.

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of net pension liability</p> <p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements. The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£48.9m million as at 31 March 2020 in the Authority's balance sheet) and the sensitivity of the estimate to changes in key assumptions. We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We have:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluate the design of the associated controls • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation • assessed the accuracy and completeness of the information provided to the actuary to estimate the liability • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary • completed procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within that report. 	<p>Our audit work has not identified any issues in respect of the valuation of the pension fund liability.</p> <p>The Covid-19 pandemic has created uncertainty surrounding illiquid asset values. As such, the Council's share of Warwickshire Pension Fund's Property Investment Funds allocations as at 31 March 2020 were difficult to value. Professional valuers had not been actively valuing many similar assets in the market due to the lockdown environment, creating material valuation uncertainty disclosures within valuation reports.</p> <p>Our audit report included an Emphasis of Matter paragraph, highlighting the material uncertainties in pension fund property investment asset valuations stated in the accounts due to the Covid-19 pandemic. This drew attention to this issue and was not a qualification of our audit opinion.</p>

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in April 2020 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work. The risks we identified and the work we performed are set out below and overleaf. As part of our Audit Findings report agreed with the Council in November 2020 and again in March 2021, we agreed recommendations to address our findings.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020.

Risks identified in our audit plan

Financial Sustainability

The Council is currently forecasting that it will outturn for the General Fund a deficit position of £220k, compared to the budgeted contribution to reserves of £30k. The most significant cost pressure related to increased demand for temporary accommodation with the variance expected to be in the region of £600k.

The Council's three-year Financial Plan was developed on the basis that the revenue budget must be sustainable and therefore should not rely on reserves to support the budget on an on-going basis. The CIPFA Financial Resilience Index, which looks at a range of factors that may affect resilience and sustainability, and relies on information on earmarked reserves, shows that the Council are at slightly higher risk compared to its nearest neighbours based on level and use of reserves. The Index also shows that the Council's business rates growth above the baseline is slightly higher than the average of its nearest neighbours, which means the Council is more exposed to the business rates reset expected in 2021. The Council is charging for green waste to meet costs in that area as well looking to explore a joint recycling facility with other local authorities to reduce costs, in addition to increasing opportunities through NABCEL.

The medium term financial planning process is challenging due to the uncertainty over future local government funding arrangements as well as uncertain economic conditions. The longer-term reforms for the local government finance system, including business rates retention and fairer funding have been delayed until 2021/22 and the Council recognises the significant risk that these reforms, including the planned Business Rates Reset, will have a significant effect on the Council's funding level from 2021/22.

Our value for money risk assessment remains in progress. However, given the in-year challenges and those anticipated looking forward (including those raised as the result of Covid-19) we believe a residual VFM risk in respect of planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions remains. We will review the Council's Medium Term Financial Strategy and financial monitoring reports and assess the assumptions used and savings being achieved. We will keep the Audit and Standards Committee updated with our assessment.

Value for Money conclusion continued

Findings and conclusions

In 2019/20 the Council reported a net General Fund revenue overspend position of £306k against an approved budget of £15,848k, the primary cause being the increased demand for temporary (homeless) accommodation noted above. The majority of the costs associated with Covid-19 and loss of income have impacted on the Council post 31 March 2020 and will continue to do so as long as the pandemic persists. The Government's lockdown, announced on 23 March 2020 meant that many business were forced to close, significantly impacting on the local economy, which in turn impacts on the Council's commercial income. Furthermore, the Council has had to put considerable resources into ensuring that rough sleepers are safe during this period and that the most vulnerable are cared for.

As a result the Council was expecting significant losses across many of its streams of income, particularly car parking and planning, which were only expected to achieve 45% and 61% of the income as set out in the approved budget and was forecasting the overall impact of Covid -19 to be in the region of £3.6m. Ultimately £1.5m was received in additional grant funding and monies in the region of £1.3m was expected in relation to the income scheme . The budget for 2020/21 was updated to over-mitigate these pressures by identifying £520k of proposed in-year adjustments. The Council is aware it will need to monitor decisions from the Government with regard to funding and respond accordingly. Generating increased income to address any budget gaps is unlikely to be successful in the current economic climate, so the Council will need to focus efforts on identifying and delivering savings options that are resilient and create long term financial sustainability.

When the Council published its budget for 2021/22 the forecast outturn for the General Fund for 2020/21 was a balanced position, with a contribution to reserves of £18k, in line with the original budget. Spend pressures related to COVID-19 for 2020/21 were estimated at £1.8m, which is largely related to increased homelessness demand, purchase of PPE and increased leisure management costs whilst the income streams have also been impacted, with the estimated loss of income for the year currently standing at £2.5m. There has been additional government support but it has not been sufficient to cover all costs and income losses, with the estimated shortfall being £252k. The Council identified a number of other savings and contributions from reserves through the year to enable it to reach a balanced position in 2020/21 and a £50k transfer to earmarked reserves to provide a resilience reserve for any further COVID pressures in 2021/22.

The Council is forecasting its reserves will reduce significantly by March 2024, mainly due to the use of capital reserves to finance the capital programme and investing in assets to ensure they are fit for purpose, and a forecast reduction in the New Homes Bonus grant. The Council is satisfied that despite the challenges mentioned above, the overall level of reserves is deemed reasonable and prudent when compared to the Council's risk assessment but does note that they are on the very low end of the scale, particularly unallocated balances and that the CIPFA Resilience Index demonstrates that the Council is at higher risk of financial stress than many of its 'nearest neighbours' due to lower levels of reserves. It therefore recognises that the level of savings required to be identified and achieved over the medium term is a challenge and that there will not be sufficient unallocated reserves to support the budget gap, so a savings plan will need to be put in place early in 2021/22.

We therefore issued an unqualified value for money conclusion, but made the following comments:

- While the Council has a level of General Fund reserves that are able to withstand the Covid-19 impact in the short term it is essential the Council continue to consider long-term financial sustainability
- As the Council revisits and refreshes its MTFP it is imperative that any savings plans are robust and explicit and not just savings targets to aim for
- As the full impact of the pandemic becomes known, it is likely the Council will need to consider reducing spend in non-essential services to avoid the need to draw down on reserves.

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan	July 2020
Audit Findings Report	March 2021
Annual Audit Letter	October 2021

Statutory Audit Fees

	2019/20 Planned £	Actual fees £	2018/19 Fees £	2017/18 fees £
Statutory audit	48,586	60,205	45,586	53,358
Total fees	48,586	60,205	45,586	53,358

Audit fee variation

As outlined in our audit plan, the 2019-20 scale fee published by PSAA of £41,086 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table (page 15).

The revised planning fee was agreed with the Council early in July 2020 in advance of the audit. The elements for the audit overrun and Covid The elements for the impact of Covid were flagged in our Audit Findings Report in March 2021 and quantified alongside those related to the audit overrun as part of this letter.

Fee variations are subject to PSAA approval.

Fees for non-audit services

Service	Fees £
Audit related services	
- Housing Benefit subsidy certification	£15,500
- Certification of Housing capital receipts grant	£2,300
Non-Audit related services	
- None	Nil

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.

Final proposed audit fees

The table below shows the proposed variations to the original scale fee for 2019/20 subject to PSAA approval

Audit area	£	Rationale for fee variation
2019/20 Scale fee	41,086	
Raising the bar (increased challenge and depth of work)	2,500	The Financial Reporting Council (FRC) has highlighted that the quality of work by all audit firms needs to improve across local audit. This will require additional supervision and leadership, as well as additional challenge and scepticism in areas such as journals, estimates, financial resilience and information provided by the entity.
PPE Valuation – work of experts	1,750	We have increased the volume and scope of our audit work to ensure an adequate level of audit scrutiny and challenge over the assumptions that underpin PPE valuations.
Pensions – valuation of net pension liabilities under IAS 19	1,750	The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this. Specifically, we have increased the granularity, depth and scope of coverage, with increased levels of sampling, additional levels of challenge and explanations sought, and heightened levels of documentation and reporting.
New standards and developments	1,500	PSAA's original scale fee for this contract was set in March 2018, so any new developments since that time need to be priced in.
Revised planning fee	48,586	
Covid-19	7,288	<p>The current Covid-19 pandemic has had a significant impact on all of our lives, both at work and at home. The impact of Covid-19 on the audit of the financial statements for 2019/20 has been multifaceted. This includes:</p> <ul style="list-style-type: none"> Revisiting planning - we have needed to revisit our planning and refresh risk assessments, materiality and testing levels. This has resulted in the identification of a significant risk at the financial statements level in respect of Covid-19 necessitating the issuing of an addendum to our original audit plan as well as additional work on areas such as going concern and disclosures in accordance with IAS1 particularly in respect to material uncertainties. Management's assumptions and estimates - there is increased uncertainty over many estimates including pension and other investment valuations. Many of these valuations are impacted by the reduction in economic activity and we are required to understand and challenge the assumptions applied by management. Financial resilience assessment – we have been required to consider the financial resilience of audited bodies. Our experience to date indicates that Covid-19 has impacted on the financial resilience of all local government bodies. This has increased the amount of work that we need to undertake on the sustainable resource deployment element of the VFM criteria necessitating enhanced and more detailed reporting in our ISA260. Remote working – the most significant impact in terms of delivery is the move to remote working. We, as other auditors, have experienced delays and inefficiencies as a result of remote working, including the delays in receiving accounts, quality of working papers, and delays in responses. These are understandable and arise from the availability of the relevant information and/or the availability of key staff (due to shielding or other additional Covid-19 related demands). In many instances the delays are caused by our inability to sit with an officer to discuss a query or working paper. Gaining an understanding via Teams or phone is more time-consuming. Remote working has also highlighted the complexity of the Council's underlying financial systems. Certain reports have taken longer to obtain in an appropriate format than would be expected, for example Journal, debtor and creditor reports.
Audit overrun	4,331	<p>It has taken around an additional 12 days of audit inputs in order to complete our work on the 2019/20 financial statements. The key areas have been:</p> <ul style="list-style-type: none"> additional catch up calls with the Council's Finance team which have involved the Engagement Lead, Engagement Manager and Assistant Manager completing audit procedures in respect of auditing PP&E valuations, particularly in obtaining evidence to support floor areas of buildings, details of rental streams and yields underpinning valuations extended sampling on beacons used in council dwelling valuations as the result of errors identified Additional time to obtain sufficient audit assurance through working papers on other account balances, particularly in obtaining cleansed transaction listings to enable testing of debtors, creditors or PP&E revaluations
Total proposed audit fees on completion	60,205	



© 2020 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

AGENDA ITEM NO. 7

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to : Audit & Standards Committee – 9th November 2021

From : Head of Financial Services

Subject : Treasury Management Monitoring Q2 2021/22

1 Purpose of Report

- 1.1 To inform Members of the Committee of the treasury management activities of this authority in accordance with the CIPFA Code of Treasury Management.

2 Recommendations

- 2.1 That the Committee note the report.

3 Economic Summary

- 3.1 The key points for the second quarter of the financial year are:

- Bank rate was maintained at 0.10% throughout the quarter
- There has been a major shift in tone from the minutes of the Monetary Policy Committee in September as there is now indication that some tightening of monetary policy was on the horizon. The MPC will be keeping a close eye on developments in the labour market to ensure that there is a smooth inflow of job uptake and not a steep climb of unemployment. The risk is that labour shortages could push up wage growth prospects and therefore CPI would stay above the 2% target for longer.
- The MPC are also concerned about recent increases in prices, particularly in gas and electricity, with further increases expected in April next year as the price cap increases again. This will also place upward pressure on UK inflation. However, the MPC have reaffirmed that 2% remains the inflation target.
- Financial markets have priced in an early increase in Bank Rate in February 2022, although this looks ambitious as the MPC have been keen to stress that they want to see what happens in the economy, and particularly to employment as furlough ended at the end of September. Therefore a change in February to

Bank Rate would mean that the MPC would have only had data on employment to November, so not providing much information on the direction of travel.

4 Economic Outlook

4.1 The Council's treasury advisor, Link Group, has provided the following forecast as at 29th September 2021 with comparison to their last forecast as at 10th May 2021 .

Link Group Interest Rate View 29.9.21											
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75	
3 month ave eamings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70	
6 month ave eamings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80	
12 month ave eamings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00	
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70	
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60	
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40	

Link Group Interest Rate View 10.5.21												
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.30	0.30	0.30
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.30	0.40	0.40	0.40
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.50	0.50	0.50
5 yr PWLB	1.20	1.20	1.30	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50
10 yr PWLB	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00
25 yr PWLB	2.20	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.40

4.2 The coronavirus outbreak has caused huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

4.3 As shown in the forecast tables above there are now three increases in the Bank Rate factored in to end at 0.75% by March 2024, instead of one to only 0.25%. However, these forecasts may need changing within a relatively short time frame for the following reasons:

- Key supply shortages (e.g. petrol and diesel) will spill over into causing economic activity in some other sectors to take a significant hit.
- Rising gas and electricity prices will deflate consumer spending power without the MPC having to take action on Bank Rate to cool inflation.
- However, consumers are still sitting on around £200bn of excess savings left over from the pandemic so will this be spent and keep inflation high forcing the MPC into taking corrective action?
- COVID19 remains a risk and the impact on the NHS as we approach flu season could depress economic activity.

5 Treasury Management Portfolio & Activity

5.1 **Investments** – The Council’s investment priorities are as follows:

- 1st – Security of capital
- 2nd – Liquidity
- 3rd – Return

5.2 The above priorities are derived from the CIPFA Code on Treasury Management, with security of the principle amount of the deposit being the main priority. However, the Council will also aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity.

5.3 The Council’s investments mostly consist of unspent reserves and balances, 3rd party contributions and unspent capital receipts. The management of the investment portfolio considers the forecast cash flows of the Council to ascertain how much cash will be needed to cover our outgoings and when required.

5.4 Summary portfolio as at 30th September 2021

	as at 31-Mar-21		as at 30-Sep-21	
	Principal Amount	Average Rate	Principal Amount	Average Rate
	£000		£000	
Investments				
Fixed Rate:				
Fixed Term Deposit (365 days or less)	6,000	0.13%	8,000	0.07%
Certificates of Deposit (365 days or less)	3,000	0.26%	10,000	0.14%
Total Fixed Rate	9,000	0.17%	18,000	0.11%
Variable Rate Deposits				
Property Fund	2,000	4.42%	2,000	3.47%
Notice Account	8,000	0.58%	8,000	0.58%
MMFs/ Bank	8,238	0.02%	16,334	0.02%
Total Variable Rate	18,238	0.75%	26,334	0.45%
Total Managed Investments	27,238	0.56%	44,334	0.31%
<i>Bank Rate</i>		0.10%		0.10%
Borrowing				
General Fund:				
PWLB	6,750	4.61%	6,750	4.61%
Market	2,000	4.10%	2,000	4.10%
Total General Fund	8,750	4.49%	8,750	4.49%
Housing Revenue Account:				
PWLB	63,955	2.99%	63,955	2.99%
Total Housing Revenue Account	63,955	2.99%	63,955	2.99%
Total Borrowing	72,705	3.17%	72,705	3.17%
Net Debt	45,467		28,371	

5.5 The full detail of the Council's investment portfolio as at 30th September 2021 is shown below:

<u>Counterparty</u>	<u>Amount Invested</u>	<u>Original Term & Deposit Type</u>	<u>Maturity Date (if applicable)</u>	<u>Interest Rate</u>
Lloyds Current Account	£ 334,831	Instant Access	n/a	0.00%
Federated MMF	£ 8,000,000	Instant Access (MMF)	n/a	0.01%
CCLA MMF	£ 8,000,000	Instant Access (MMF)	n/a	0.02%
Santander UK	£ 8,000,000	180 Day Notice Account	n/a	0.58%
Coventry Building Society	£ 2,000,000	6 Mth Fixed Term Deposit	05 Nov 21	0.07%
Coventry Building Society	£ 2,000,000	6 Mth Fixed Term Deposit	05-Nov-21	0.07%
National Westminster Bank PLC (RFB)	£ 2,000,000	1 Year Certificate of Deposit	24-Nov-21	0.13%
National Westminster Bank PLC (RFB)	£ 2,000,000	6 Mth Certificate of Deposit	01-Dec-21	0.10%
Coventry Building Society	£ 2,000,000	6 Mth Fixed Term Deposit	01-Dec-21	0.07%
Coventry Building Society	£ 2,000,000	6 Mth Fixed Term Deposit	03-Dec-21	0.07%
National Westminster Bank PLC (RFB)	£ 2,000,000	9 Mth Certificate of Deposit	09-Mar-22	0.14%
National Westminster Bank PLC (RFB)	£ 2,000,000	1 Year Certificate of Deposit	18 May 22	0.16%
National Westminster Bank PLC (RFB)	£ 1,000,000	1 Year Certificate of Deposit	10-Jun-22	0.17%
National Westminster Bank PLC (RFB)	£ 1,000,000	1 Year Certificate of Deposit	01 Jul 22	0.16%
CCLA Property Fund	£ 2,000,000	Property Fund Investment	n/a	3.47%
	£ 44,334,831			0.31%

* RFB = Ring Fenced Bank : The largest UK banks are required by UK law to separate core retail banking services from their investment and international banking activities. This is known as ring fencing and is aimed to protect retail banking from shocks originating elsewhere in the group and global financial markets.

5.6 **Appendix A** to this report presents the maturity profile of the investment portfolio (**Chart 1**) and quarterly comparisons for maturity profiles and investments by institution type.

5.7 **Chart 2** of **Appendix A** shows that the liquid cash held at the end of quarter 2 increased to 37% of total portfolio. This was due to a continuation of poor rates being offered in short dated deposits and therefore MMFs have been used to ensure liquidity. However, where suitable counterparties are available and cash flow forecasts allow, we have been placing deposits in the 6 month to 1 year frame to maximise returns whilst also managing risk.

5.8 **Chart 3** of **Appendix A** shows that 36% of the portfolio is placed in AAA rated MMFs and our exposure to the UK banking sector is around 40% of the investment balance. The use of UK Building Societies has been restricted in recent quarters to Coventry Building Society due to counterparty availability and poor rates offered. However, the Treasury Team have recently engaged directly with Nationwide

Building Society to enable direct dealings and this will further expand opportunities for investment placements.

- 5.9 **Borrowings** – The Council operates a two pool approach with individual loans allocated to either the General Fund or the Housing Revenue Account.
- 5.10 Costs for debt rescheduling opportunities remain excessively high and therefore not cost effective. Therefore no debt rescheduling has been undertaken so far in 2021/22.
- 5.11 The maturity profile for our debt portfolio is shown in **Appendix B** to this report.
- 5.12 One of the prudential indicators is to monitor and set limits on our maturity profile of debt to ensure that the Council is not exposed to a refinancing risk over a short period of time. The actual maturity profile and limits can be seen in section 6.1.
- 5.13 The majority of the debt holdings relate to the Housing Revenue Account and were taken as part of the HRA self financing in 2012. The debt strategy is reviewed annually alongside the 30 year HRA Financial Business Plan to ensure that the HRA remains viable.

5.14 Average Balances & Returns:

	2020/21 Full Year		2021/22 to end Sept 2021	
	Weighted Average Principal £000	Average Rate	Weighted Average Principal £000	Average Rate
Investments				
Fixed Rate Deposits:				
Fixed Rate 364 days or less	7,677	0.26%	8,350	0.08%
Certificates of Deposit 364 days or less	6,184	0.64%	7,536	0.16%
Total Fixed Rate	13,861	0.43%	15,886	0.12%
Variable Rate Deposits				
Property Fund	2,000	4.01%	2,000	3.52%
Bank / MMFs	15,050	0.09%	12,226	0.01%
Notice Account	8,000	0.63%	8,000	0.58%
Total Variable Rate	25,050	0.58%	22,226	0.53%
Total Managed Investments	38,911	0.52%	38,112	0.36%
<i>average Bank Rate</i>		0.10%		0.10%
<i>average 3 month LIBID (benchmark)</i>		0.02%		-0.05%
<i>average 6 month LIBID (benchmark)</i>		0.07%		-0.02%
Borrowing (All Fixed Rate)				
Long Term				
PWLB	72,294	3.15%	70,705	3.15%
Market	2,000	4.10%	2,000	4.10%
Total Borrowing	74,294	3.18%	72,705	3.18%
Pool Analysis of Long Term Debt:				
			2021/22	
			Weighted	Average
			Average	Rate
			Principal	
			£000	
General Fund				
PWLB			6,750	4.61%
Market			2,000	4.10%
Total General Fund			8,750	4.49%
Housing Revenue Account				
PWLB			63,955	2.99%
Total Housing Revenue Account			63,955	2.99%

5.15 **Property Fund** - Funds placed into this pooled investment vehicle are combined with other contributor's deposits and the CCLA fund managers then utilise these resources to purchase and maintain a pool of properties for let. The properties within the portfolio include warehouses, offices, industrial and some retail. Income

from these lettings (less a small management fee) generates a yield to the investors and is distributed via a dividend on a quarterly basis.

- 5.16 Deposits placed are subject to an entry free to include management charges and statutory costs due to these being property investments (e.g. stamp duty land tax).

Each month end, the value of the assets are revalued with the potential for capital growth (or a loss) in the value of the funds placed.

- 5.17 £2m is now held within the property fund and is in line with the strategy and approved limits.

- 5.18 The table below shows the return and movements in the property fund deposit by financial period and returns since inception:

<u>Period</u>	<u>Deposit</u> £000	<u>Entry</u> <u>Charges</u> £000	<u>Capital</u> <u>Growth/</u> <u>(Loss)</u> £000	<u>Closing</u> <u>Value</u> £000	<u>Quarterly</u> <u>Yield (against</u> <u>deposit)</u>	<u>Financial</u> <u>Year</u> <u>Average</u> <u>Return</u>	<u>Return</u> <u>(since</u> <u>inception)</u>
2015/16	1,000	(54)	10	956	4.26% - 4.81%	4.59%	4.12%
2016/17	0	0	(15)	941	4.17% - 4.52%	4.30%	
2017/18	0	0	45	986	4.25% - 4.88%	4.47%	
2018/19	1,000	(63)	26	1,949	3.99% - 4.27%	4.15%	
2019/20	0	0	(70)	1,879	4.01% - 4.35%	4.14%	
2020/21	0	0	(13)	1,866	3.57% - 4.72%	4.01%	
2021/22 - Q1	0	0	64	1,930	3.65%	3.52%	
2021/22 - Q2	0	0	66	1,996	3.39%		

- 5.19 As can be seen from the table above the capital value of the investment has seen large capital growth in the first two quarters of this financial year as we move into economic recovery post pandemic and has more than reversed the losses suffered due to Brexit and Covid19. However, yields (i.e. rental income on the assets held within the fund) have dropped marginally. Full reasons for this slight decline are not yet available at the time of writing this report but an update will be provided at a future date. Nevertheless, the yield of 3.52% year to date on the fund remains significantly ahead of long dated fixed term deposits in the general investment markets.

- 5.20 This deposit remains a long term strategic investment and there is no intention to sell the shares purchased in the property fund in the short term.

- 5.21 From 2018/19 financial year, there was a change to the accounting treatment for certain investments, including Property Funds. The revised regulations require councils to charge capital gains and losses plus other charges through their Surplus or Deficit on Provision of Services within the Comprehensive Income & Expenditure Statement (CIES). Previously, gains and losses were held on the balance sheet until the investment was withdrawn and any gains or losses crystallised.

5.22 DLUHC have issued a statutory override for 5 years commencing 2018/19 which allows councils to reverse any gain or loss through the Movement in Reserves Statement, thereby negating any impact on balances. Once this 5 year period ends, any gains or losses will impact revenue balances, unless there is either an extension to the transitional arrangements or the override is made permanent.

5.23 Although this is a substantial change to the accounting treatment of these types of investments, this does not change the view of officers with regards to utilising these types of funds to ensure that there is sufficient spread across investment types and institutions to manage risk.

5.24 The table below shows the property fund returns for 2021/22 to Q2 before and after the statutory override:

				£000	Return (based on deposit amount)
Property Fund Dividends Received				35	
Capital Gains / (Losses)				130	
Net Return				165	16.50%
Statutory Override				(130)	
Return as reflected in the accounts of NBBC				35	3.52%

5.25 The table above shows that the gain on the capital value during the first quarter would have impacted on the overall return of the property fund with the net return being over 16% (identical to previous quarter). However, as regulations currently allow for changes in capital value to be held outside of the revenue account the gains are reversed to leave the dividend receipts of £35k reflected in the treasury returns (a return of 3.52%).

5.26 **Investment Activity** to 30th September 2021:

Investment Activity (all figures in £000)					
Opening Balance 1st April 2021					27,238
Q1 Summary					
Treasury Deposits				50,000	
Treasury Maturities				(40,000)	
Net Increase/(Decrease) in Bank				<u>(2,761)</u>	7,239
Investment Balance at end Q1					34,477
Q2 Activity					
Fixed Term Deposits					
Counterparty	From	Term	Rate	Amount	
no activity					
Certificates of Deposit					
Counterparty	From	Term	Rate	Amount	
National Westminster Bank (RFB)	05-Jul-21	01-Jul-22	0.16%	<u>1,000</u>	
				1,000	
Maturities				<u>-</u>	1,000
Money Market Fund					
Deposits				15,500	
Withdrawals				<u>(6,500)</u>	9,000
Instant Access Account (Bank Account)					
Net decrease in cash					(143)
Closing Deposits 30th June 2021					44,334

5.27 **Debt Activity:** There has been no movement in the debt portfolio during the first quarter of the financial year.

5.28 **Capital Finance Requirement:** The Council's Capital Financing Requirement (CFR) is the amount of expenditure (historic and current) that has been financed by borrowing, but has still to be charged to revenue through the Minimum Revenue Provision (MRP).

The Council is currently £22m under-borrowed (CFR less actual debt) at the end of the second quarter. The CFR is also forecast to increase substantially in both the General Fund and the HRA by the end of the year as the regeneration programme commences and the HRA new build programme continues. The under-borrowed level is monitored to ensure that the position is sustainable in the short term and the Council not exposed to an interest rate risk. The table below details the under-borrowed position by fund:

	General Fund	Housing Revenue Account	Total
	£000	£000	£000
Debt Holdings as at as at 30-Sep-21	8,750	63,955	72,705
CFR at 30 Sep 21	15,806	79,111	94,917
(Under) / Over Borrowing Position	(7,056)	(15,156)	(22,212)
Forecast CFR at 31 Mar 22	35,226	87,111	122,337
(Under) / Over Borrowing Position end of financial year if no new debt taken	(26,476)	(23,156)	(49,632)

It is proposed that we remain in an under-borrowed position whilst cash balances are high enough to maintain this strategy thereby avoiding a 'cost of carry'. Cost of carry can be described as cost of financing debt being higher than the return on investment and therefore incurs a net cost to the Council. However, as can be seen from the forecast CFR and under-borrowed position (assuming no new debt is taken) the estimated position of almost £50m cannot be serviced and therefore it is physical debt will be required to be taken during this year. This actual level of debt will depend on delivery of the capital projects that require some element of financing through borrowing and the timing of spend on these schemes.

5.29 As the HRA is now fully self financed a local indicator is now included to inform Members of the HRA debt against the number of dwellings. The following table provides this information updated to account for the movement in stock count during the year:

	Actual 31-Mar-21	Actual 30-Sep-21
Number Dwellings	5,708	5,690
HRA CFR	£79,110,782	£79,110,782
CFR (Debt) per dwellings	£13,860	£13,903

	Actual 2020/21	Actual 2021/22 (to end Q2)
Average number of dwellings held	5,706	5,699
HRA cost of debt (debt cost plus cost of underborrowed position)	£2,016,039	£1,996,775
Cost per dwelling per annum	£353	£350
Cost per dwelling per week (52 weeks)	£7	£7

5.30 Revenue Position 2021/22.

The table below shows the 2021/22 forecast outturn for treasury management budgets:

	<i>Actual to Q2</i>	Forecast Outturn	Full Year Budget	Forecast Variance
	<i>£000</i>	£000	£000	£000
<u>General Fund</u>				
Treasury Investment Income	(64)	(127)	(100)	(27)
Debt Interest	197	393	468	(75)
Subtotal	133	266	368	(102)
Minimum Revenue Provision	242	483	478	5
Total	374	749	846	(97)
<u>Housing Revenue Account</u>				
Treasury Investment Income	(5)	(9)	(7)	(2)
Debt Interest	959	1,914	2,086	(172)
Total	954	1,905	2,079	(174)

- 5.31 Investment income is now forecast to be marginally improved from original budget estimates as rates at the longer end of our investments have increased as markets are beginning to price in increases in Bank Rate (i.e. periods 6 months to 1 year).
- 5.32 Debt interest forecasts are also improved to budget estimates as we have deferred new borrowing whilst we can maintain the current under-borrowed position plus there will be a proposed change in accounting policy to capitalise debt interest on capital projects up to the point of the asset being created becoming operational. This is fully allowable under the CIPFA Code and interest capitalised would get written off to revenue over the life of the asset per the Minimum Revenue Provision Policy.

6 Prudential/ Treasury Indicators

6.1 A summary of the prudential & treasury indicators are detailed in the following table:

	2021/22 Indicator (updated February 2021)	2021/22 Forecast	
Estimated Closing Capital Financing Requirement (CFR)	GF £34.35m GF Commercial £1.89m HRA £88.23m Total £124.47m	GF £33.34m GF Commercial £1.89m HRA £87.11m Total £122.34m	😊
Estimated Capital Expenditure	GF £38.56m GF Commercial £0.00m HRA £25.06m Total £63.62m	GF £41.77m GF Commercial £0.00m HRA £26.88m Total £68.65m	😐
Authorised Limit for External Borrowing	£140.47m	Maximum to end Sept 21 £72.71m	😊
Operational Boundary for External Borrowing	£124.47m		😊
Principal sums invested > 365 days (at inception)	£7.00m	Maximum to end Sept 21 £2.00m	😊

	2020/21 Approved Indicator	2020/21 on existing portfolio			
Maturity Structure of Borrowing (<i>maximum principal due to mature in period</i>):		<i>as at end March 2022</i>			
		<i>GF</i>	<i>HRA</i>	<i>NBBC</i>	
Under 12 months	20%	-	13%	12%	😊
12 months – 2 years	25%	-	12%	10%	😊
2 – 5 years	50%	23%	47%	44%	😊
5 – 10 years	75%	20%	23%	23%	😊
10 – 20 years	100%	11%	5%	5%	😊
20 – 30 years	100%	-	-	-	😊
30 – 40 years	100%	23%	-	3%	😊
Over 40 years	100%	23%	-	3%	😊

6.2 The forecast capital expenditure indicator for the General Fund is predicting to be above the current approved indicator. This is due to the inclusion of a number of new schemes at a previous Cabinet meeting including the Towns Fund, Bedworth Cycle Hub and Green Homes projects. The indicator will be updated as part of the

mid-year review report which will be submitted to Cabinet and Council later this year and forecast spend is in line with approved budgets.

- 6.3 **Investment Counterparty Limits** – The investment policy as approved at Council in February, contains limits for financial deposits per institution. No limits were breached in the financial year and all treasury maturities were repaid in line with contractual arrangements.

7 Conclusion

- 7.1 Security of the principal amount deposited will continue to remain the primary objective when placing deposits, however, we will continue to investigate the markets to identify any opportunities that may provide us with improved returns whilst remaining within the confines of our approved treasury strategy and counterparty selection criteria.
- 7.2 Furthermore, the Treasury Management team, with the assistance of Link Group, will continue to monitor investment counterparty creditworthiness and manage the debt and investment portfolio to allow us to react to changes in interest rates, rate forecasts and the capital and investment markets.

CRAIG PUGH

Chart 1 – Investment Maturity Profile as at 30th September 2021

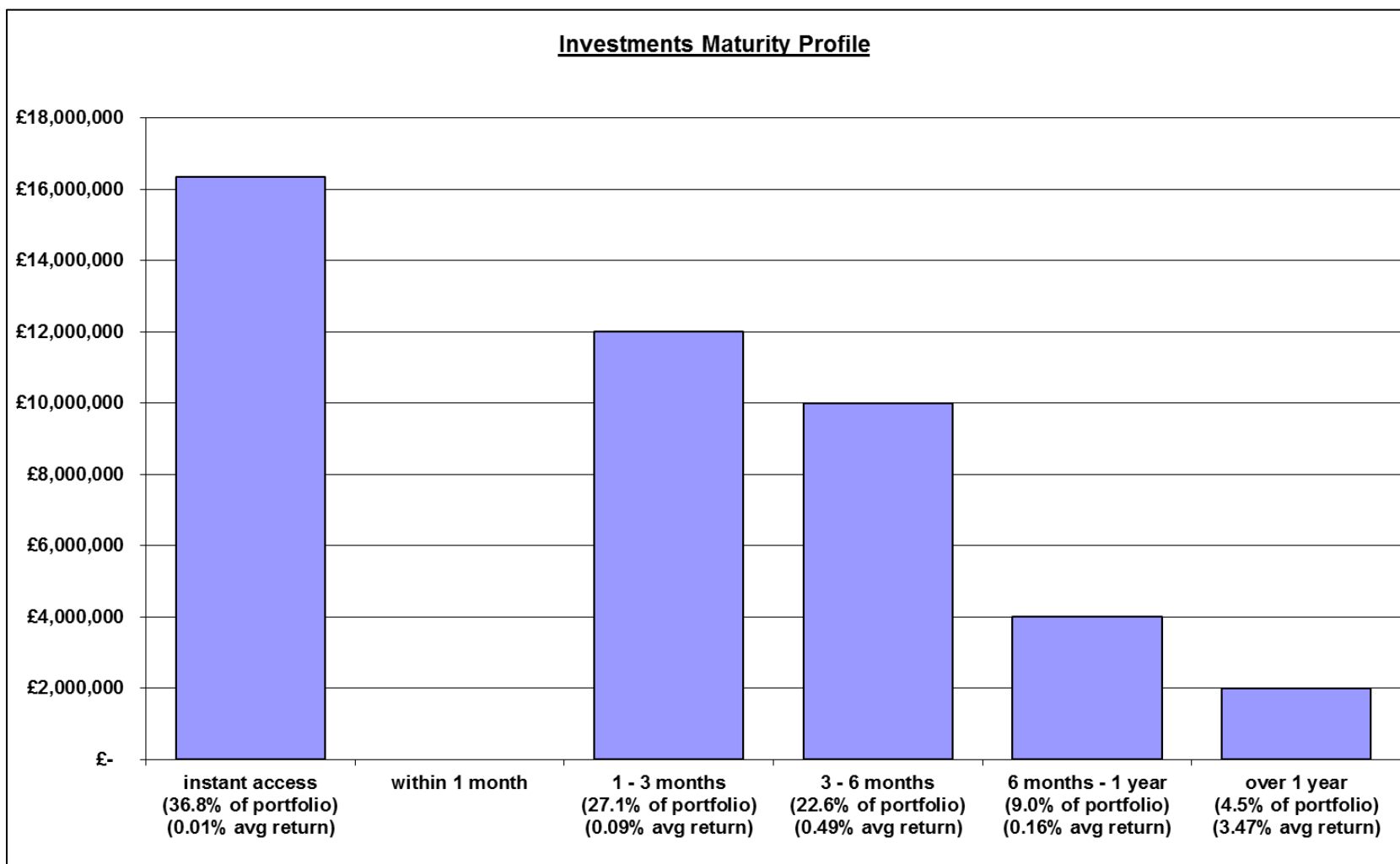


Chart 2 – Quarterly Analysis of Portfolio Maturity Profile

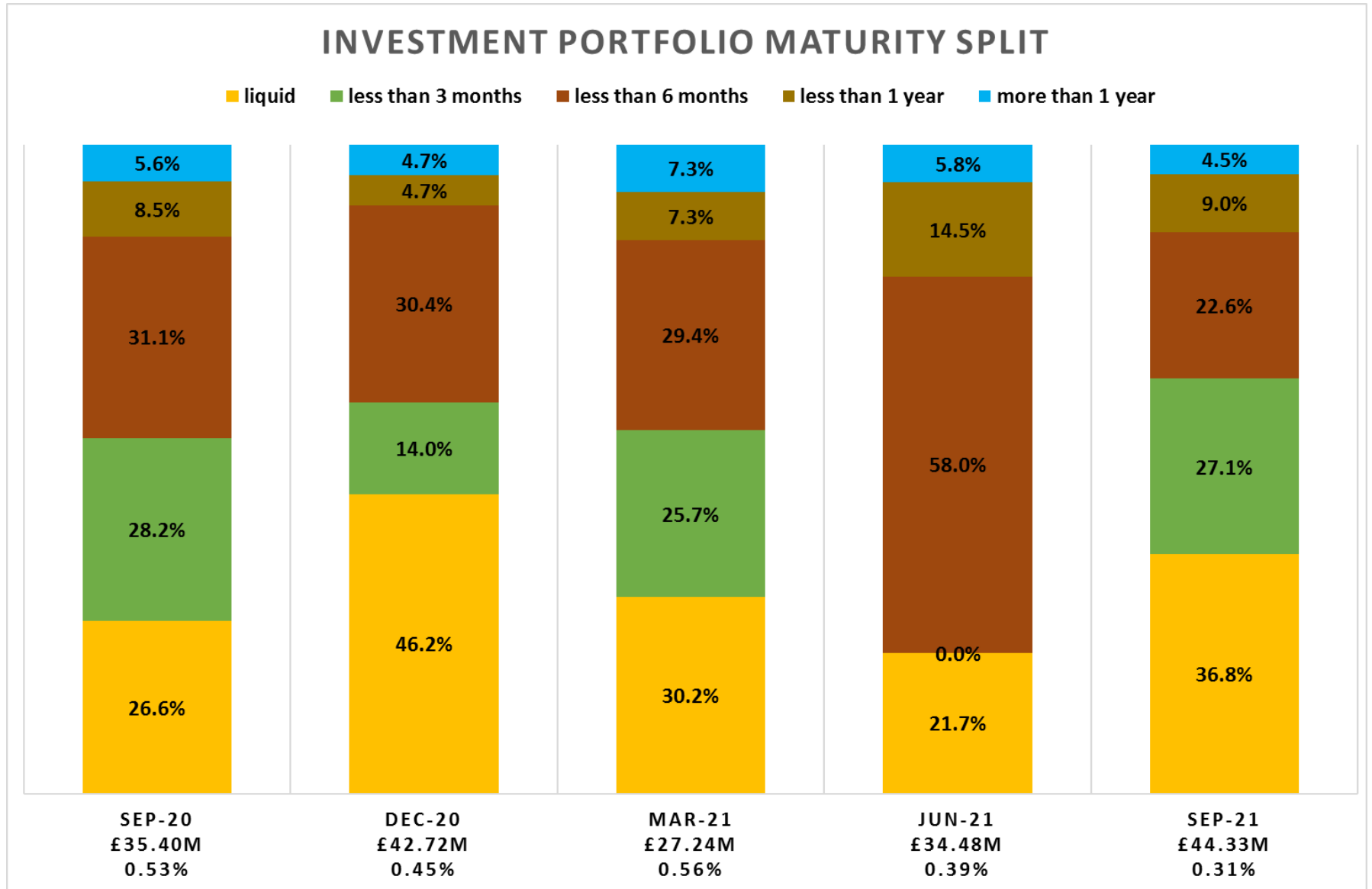
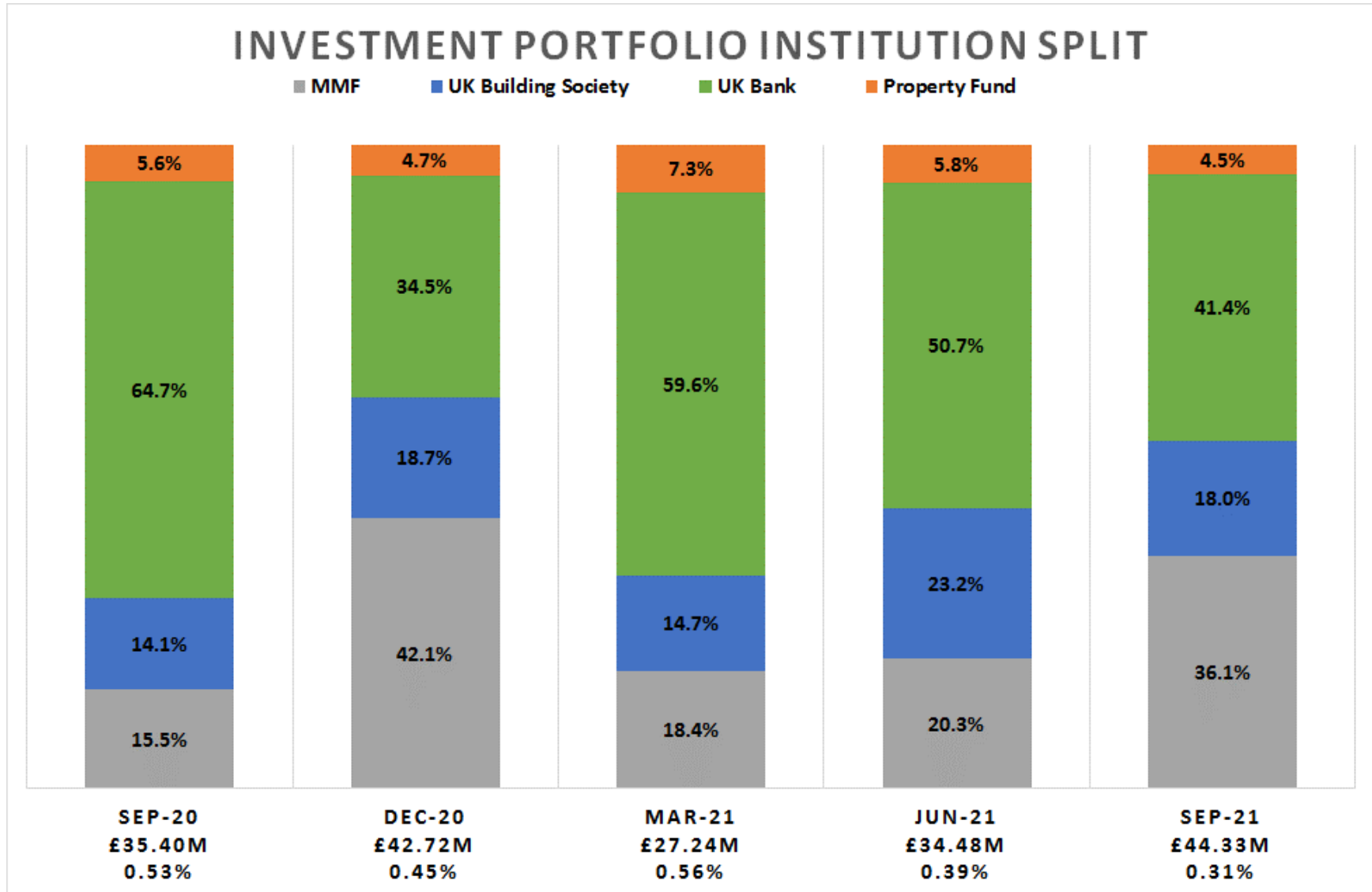
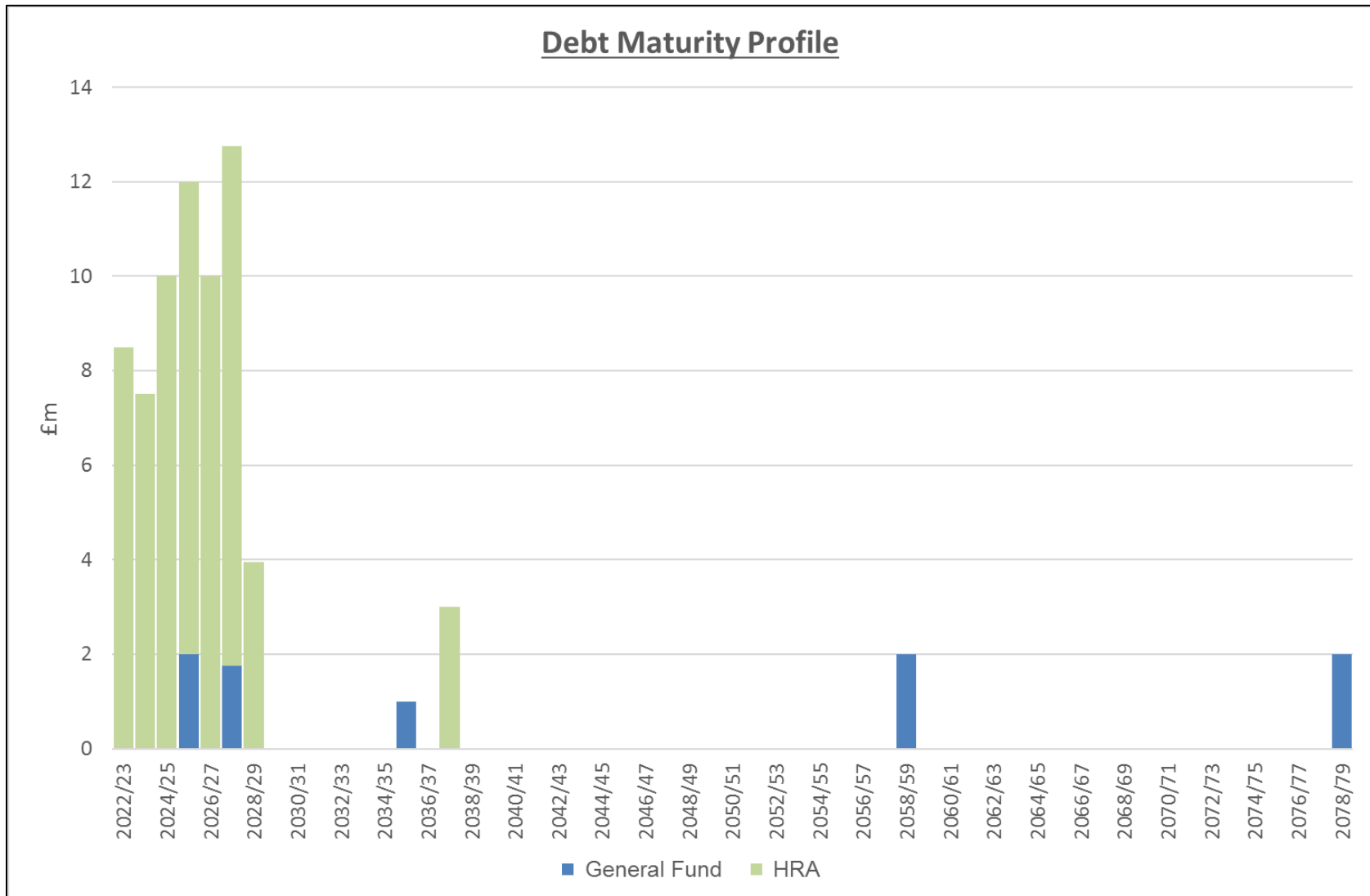


Chart 3 – Quarterly Analysis of Deposits by Institution Type





Appendix C

Glossary of Treasury Management Terminology

<u>Term</u>	<u>Description</u>
Authorised Limit for External Debt	Legal maximum external borrowing that this council is allowed to incur. This amount of debt, whilst unaffordable in the long term, is set to allow for events that deem the need for short term borrowing to maintain the day to day financing of Council activities.
Capital Financing Requirement (CFR)	The amount of capital expenditure (historic and current) that has been financed by borrowing and has yet to be charged to revenue through the Minimum Revenue Provision (MRP)
Certificate of Deposit	A fixed rate deposit instrument for a defined period that can be traded on a secondary market before maturity.
Counterparty	External institution for placing investments.
Fixed Term Deposit	Investment placed with an institution for a specified time period. No withdrawals are allowed before the specified contract end date.
Liquid Cash	Amounts of cash invested that can be withdrawn with no notice period.
Long Term Debt/ Investments	Transaction is for periods of greater than 365 days
Minimum Revenue Provision (MRP)	An amount charged to revenue (Council Tax/ Rents) and set aside for the future repayment of the principle amount of debt.
Money Market Fund (MMF)	An investment product of high creditworthiness where deposits placed are pooled with other depositors to allow the MMF to diversify their investments across a large number of institutions.
Operational Boundary for External Debt	The expected level of external borrowings for the financial year.
Public Works Loans Board (PWLB)	A branch of the Government Debt Management Office which issues debt to local authorities.

<u>Term</u>	<u>Description</u>
Short Term Debt/ Investments	Transaction is for a term of 365 days or less
Weighted Average Rate of Return	The effective combined interest rate of the portfolio/ investment instruments.



Elected Member Information

July 2021

Disclosure and Barring Checks

Disclosure and Barring Checks (formerly known as CRB checks) are the mechanism to check a person's criminal history should they be working in or applying to work in certain jobs with children or adults. There are 3 levels of checks:

Basic: All posts can be subject to a basic DBS check (depending on the requirements of the service). This check lists unspent convictions and conditional cautions

Standard: Posts which are listed in the Exception Order 1975 of the Rehabilitation of Offenders Act 1974 will be subject to a standard check. These details spent and unspent convictions, cautions, final warnings and reprimands

Examples of these positions include Solicitors, Barristers, Vets, Accountants, Individuals working in the gambling industry, Locksmiths, Security guards

There are currently no Council posts which require a standard DBS check.

Enhanced: An enhanced check will be carried out on a post holder should the activity of an employee be in regulated activity with either children and/or adults. This type of check returns information on spent and unspent convictions, cautions, final warnings and reprimands, plus any information held by local Police that's considered relevant to the potential candidate's role.

The criteria for enhanced checks is known as regulated activity.

Regulated activity for children is:

- Unsupervised activities: teach, train, instruct, care for or supervise children, or provide advice/guidance on well-being, or drive a vehicle only for children;
- Work for a limited range of establishments ('specified places'), with opportunity for contact e.g. schools, children's homes, childcare premises. This does not include work by supervised volunteers
- Relevant health/personal care involving hands-on physical assistance, for example washing or dressing, eating, drinking and toileting, prompting and supervising a child with any of these tasks because of their age, illness or disability or teaching someone to do one of these tasks; or health care by or supervised by a professional;
- Registered childminding; and foster-carers

The activities above need to be carried out on a frequent basis. This is defined as once a week (or more often), or four or more days in a 30-day period.

If activity is overnight between 2am and 6am, it only needs to be carried out once for it to be deemed regulated activity

Regulated activity for adults is:

Legislation no longer labels adults as being 'vulnerable'. The definition focuses on the activities which, if the adult requires them, could lead that adult to being considered vulnerable at that particular time.

There are six categories below which fall within the new definition of regulated activity. Unlike regulated activity with children, there is no frequency or number of times that a person has to do the activity/activities before they are engaging in regulated activity. So performing one of these tasks below once would put a person into regulated activity.

- Healthcare for adults provided by, or under the direction or supervision of a regulated health care professional
- Personal care for adults involving hands-on physical assistance with washing and dressing, eating, drinking and toileting; prompting and supervising an adult with any of these tasks because of their age, illness or disability; or teaching someone to do one of these tasks
- Social work – provision by a social care worker of social work which is required in connection with any health services or social services
- Assistance with an adults cash, bills or shopping because of their age, illness or disability arranged via a third party
- Assisting in the conduct of an adults own affairs under a formal appointment
- Conveying adults for reasons or age, illness or disability to, from, or between places, where they receive healthcare, personal care or social work arranged via a third party

The Council has a policy in place for Disclosure and Barring Checks. It covers all the requirements for who should be checked and how this is administered within the Council.

In line with the definitions of regulated activity for children and adults, the Council has a list of post which are subject to an enhanced DBS check.

Costs

Basic: £23

Enhanced: £40

Further contact Information:	Linda Downes
	<u>Audit and Governance Manager</u>
	Ruth Bartlett
	<u>Human Resources Officer</u>
	Craig Dicken
	<u>Equality and Safeguarding Officer</u>

Internal Audit Report

Delegated Authority 2021 - 22

Issued to:

Name	Title
Brent Davis	Chief Executive
Stephen Fitzgerald	Interim Director of Finance (IDF)
Philip Richardson	Director - Planning and Regulation (DPR)
Dawn Dawson	Director - Regeneration & Housing (DRH)
Tom Shardlow	Director - Customer and Corporate Services (DCCS)
Kevin Hollis	Director - Public Services (DPS)
Les Snowdon	Head of Estates and Emergency Planning (HEEP)
Ashley Baldwin	Head of Planning (HP)

Report status: Final

Report date: 18th October 2021

Prepared by: Sophie Pavier-Smith

SECTION 1: EXECUTIVE SUMMARY

1. Introduction

This audit was requested by the Audit & Standards Committee, and forms part of the revised Audit Plan 2021 – 22.

2. Audit Scope

The audit work was structured to confirm the effectiveness of the controls in place to mitigate the key risks to the Officer Delegated Authority (ODA) arrangements.

Objectives

The purpose of the audit was to ensure that:

- The Officer Schemes of Delegation (OSD's) are documented, up to date and made available to all relevant Officers to ensure that they are aware of their delegated and statutory responsibilities;
- The OSDs are held by the Monitoring Officer (MO) and available for public inspection at all time;
- Decisions are made with appropriate delegated authority and in line with the OSD;
- Consultation has been undertaken with the relevant elected members (where appropriate) prior to the ODA decision being taken;
- The relevant ODA form has been completed, signed and dated by the Officer making the decision, and provided to the Committee Services Team (CST) for recording; and
- all ODA decisions have been published in line with the Openness of Local Government Bodies Regulations 2014.

Key potential risks

The following key risks were considered when undertaking the review:

- Non-compliance with relevant regulations/Council's policies and procedures.

3. Summary of Findings

OVERALL AUDIT OPINION

Overall, Internal Audit can give '**Satisfactory**' assurance on the controls in place for the ODA arrangements.

Detailed findings are set out in Section 3.

The key controls have been assessed as follows:

Key Controls	Assurance	No. Of Recs			
		Priority			
		1	2	3	4
1) The OSD's are documented, up to date and made available to all relevant Officers....	Limited (Also link to out of date Constitution & SD)	-	1	-	-
2) The OSD's are held by the MO, and available for public inspection at all time;	Limited (at time of testing)	-	-	-	-
3) Decisions are made with appropriate delegated authority and in line with the current OSD;	Satisfactory			1	
3) Consultation has been undertaken with the relevant elected members (where appropriate);	Satisfactory	-	1	-	-
4) The relevant ODA form has been completed, signed and dated by the Officer making the decision,	Significant	-	-	-	-
5) All ODA decisions have been published on the Council's website	Satisfactory			1	
Total			2	2	

Assurance Level	Definition		
Significant	There is a sound system of internal controls that are being consistently applied	Limited	There are some weaknesses in the adequacy of the internal control system and/or the level of non-compliance puts some of the systems objectives at risk.
Satisfactory	There is basically a sound system of internal controls although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor systems objectives at risk.	No Assurance	Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

SECTION 2: DETAILED REPORT

Key Audit Contacts: Legal Services and Committee Services Team (CST)

Audit start date: 16th August 2021

Date of Last Review and Opinion: N/A

1. Background

- 1.1 The Local Government Act (LGA) 2000 changes the basis of decision making in local authorities significantly. It requires the Council to ensure that all decisions and actions taken by it and its officers have lawful authority. The Council must record and keep up to date details of who has responsibility of which decisions, and to make this available to the public. The decision making process, the Scheme of Delegation (SD) arrangements and process on how the agreed SD can be amended are detailed within Nuneaton and Bedworth Borough Council (NBBC/the Council)'s Constitution.
- 1.2 Review of the SD takes place annually and the revised Scheme is included in the Core Programme and approved by Council at their Annual Meeting. For example, the last update to the SD was made and approved on 19th May 2021. The Constitution and SD are public documents, and the latest versions are available on the Council's website.
- 1.3 The powers specified in the Cabinet's SD recorded in Part 3 of the Constitution are delegated to Officers of the Council. The Officer Scheme of Delegation (OSD) for the powers delegated to any Officer is required to be maintained, and held by the Monitoring Officer (MO) and made available at all times for public inspection.
- 1.4 An Officer delegated authority (ODA) decision form is required to be completed for each decision taken under DA power, stating the background, authority reference, and reason for the decision. The impacts of the decision and any consultation undertaken must also be recorded. The Officer making the decision must sign/date the form, and the completed form is required to be provided to the Committee Services Team (CST) for recording and publishing on the Council's website, in line with the Openness of Local Government Bodies Regulations 2014.
- 1.5 This review covered the DA decisions made by Officers in the twelve months period, during 1st August 2020 to 31st July 2021. The range of decisions has been summarised in the table below:

Category	Quantity	%
To consider the purchase of a property (residential and commercial) in Nuneaton	4	7
Revised Cabinet & Committee Membership; Committee Timetable; virtual meeting protocol; rescinding of approval of absence etc.	6	9
To approve a revised version of the IT protocol for Members	1	1
To agree a request by tenant to defer rent payment & change to monthly rented payments (impact of Covid-19 lockdown restrictions)	1	1
Issue of Certificate of Proposed Lawful Development	25	36
Refusal of Application for Certificate of Lawful Use -	1	1

Covid-19 Test & Trace Support Payments – Scheme Policies; Covid-19 Local Restrictions Grant Policy and other related Covid-19 Grant Policies etc.	6	10
To consider acceptance of “Getting Building Fund” Grant funding to support the refurbishment of Queens Road property	1	1
To approve the Council Tax base (2020/21 & 2021/22), NNDR returns (2020/21 & 2021/22) to MHCLG	4	7
To approve the invitation to tender for the project to update NBBC’s Gypsy, Traveller and Travelling Showpeople’s Accommodation Assessment	1	1
Tenants Home Contents Insurance Scheme re-tender	1	1
The Licence agreement for use of the Civic Hall Bedworth as NHS Covid-19 Vaccination centre; and other locations in the Borough	3	4
To enter into the Agreement with the Hotel Operator (Abbey Street Development)	1	1
To approve the Revised Senior Management Team Structure (effective date; 01/04/21); and other departmental restructures...	3	4
To move the project of construct & operate a Sub-Regional Materials Recycling Facility (MRF) into the construction phase	1	1
Enforcement Notice – Inappropriate and unauthorised development in the Green Belt	2	3
To approve the Resettlement of Afghan Locally Employed Staff (LES)	1	1
Others	8	11
Total	70	100

2. Executive Summary

- 2.1 Our overall audit opinion is ‘**Satisfactory**’ assurance. Generally, controls are sound; however, there are a number of areas for improvement, particularly in relation to the maintenance of the Constitution and OSD’s, and DA reference used in a small number of decisions reviewed (i.e., 3 of 70 (4%)).
- 2.2 At the time of testing, the Constitution was last updated in June 2019, and therefore, did not reflect the structural changes made within the Council. The majority of the OSD’s were also out of date, and only one out of the seven schemes was held by the MO; therefore, the Council was not complying with the relevant regulations and or SD’s requirement. However, it is appreciated that there were some mitigating circumstances (for example, the impacts of the Covid-19 restrictions on Officers’ workload priorities, and various senior management/ departmental restructures (following the departures of a number of key Officers within the Council) in the last 18 months, which presented some difficulty for the Management in keeping these documents up to date.
- 2.3 Due to Covid-19 pandemic, to ensure that the business of the Council could continue and support provided to the community, a total of 14 ODA decisions (of the 70 reviewed) were exercised using special urgency decisions and the Executive Director’s emergency power. Of these, three did not appear to have been reported to the next meeting of the Cabinet/Council as required by the SD; although, in one case it was noted (from the record) that consultation with the relevant Elected Members and the Borough Council had been undertaken.
- 2.4 The SD for the Executive functions is the responsibility of the Leader of the Council and Cabinet. Any proposals for amending the existing SD/OSD

arrangements can be submitted to them for consideration, and any changes made will need to be reported to the Full Council.

- 2.5 Our overall 'Satisfactory' assurance opinion given above reflects the issues highlighted at the time of the audit testing. However, it is acknowledged that some of the main issues identified have now been addressed (e.g., the updating/publishing of the Constitution and SD on 14th September 21). Although the OSD's have now been provided to the MO, these still need to be brought up to date to reflect the current Management structure and arrangements. Therefore, there is an opportunity for the opinion to be improved to 'Significant' assurance when we complete a follow up audit in 6 – 12 months' time.

3. **Audit findings**

3.1 The main observations and issues arising are as follows: -

- The Constitution was out of date at the time testing. However, it is acknowledged that this document has now been revised/published on the Council's website on 14/09/2021;
- Majority of the ODS's were out of date;
- Only one out of seven OSD's was held by the MO, which clearly in breach of the SD and relevant regulations, which require all such schemes to be held by the MO and available at all times for public inspection;
- A defunct DA power reference (i.e., 3.53 (9)) was used in 2 of 70 ODA decisions reviewed (i.e., DO19/2020 (LS) and DO42/2020 (LS)) due to a lack of up to date OSD for this area;
- The DA power reference (Part 3E. 1e) used in one decision (DO/58/2021 (BD)) did not appear appropriate/relevant to the subject matter of the decision;
- All 70 ODA decision forms were appropriately completed by the relevant Officers; however, seven (10%) were not held by CST, therefore, they were not published on the Council's website. All the missing records that we have obtained from the relevant Officers during the course of the audit have been provided to CST. It is acknowledged that CST has updated their records and the documents have now been published.
- Consultation with relevant Elected Member(s) did not appear to have been undertaken in three (4%) cases, as there was no detail of this recorded on each of the decision form; and
- Three of a total of fourteen ODA decisions exercised under special urgency decisions and the Executive Directors' emergency powers did not appear to have been reported to the next meeting of the Cabinet/Council as required by the OSD, although in one case (DO/58/2021 (BD)), it was recorded on the decision form that the relevant Elected Members and Borough Council have been consulted in the decision making process.

All issues arising and corresponding recommendations can be found in more detail in the action plan below.

Acknowledgement

We would like to take this opportunity to thank all Officers involved for their assistance during the course of this audit.

SECTION 3: ACTION PLAN

Key Risks:						
<ul style="list-style-type: none"> • Failure to comply with the relevant regulations and Council’s rules and procedures • Reputational damage to the Council. 						
Control: The Council has policies and procedures in place, and the arrangement is monitored to ensure compliance						
	Observation(s)	Priority	Recommendation(s)	Management Action(s)	Person Responsible	Action Date
1	At the time of testing, it was found that the Council’s Constitution was out of date as it was last updated in June 2019. Therefore, it did not reflect the most up to date Council’s structure and arrangements.		It is acknowledged that the Constitution and SD have been revised, approved by Council and published (on 14/09/2021).			
2	<p>A review of the OSD document retention/maintenance arrangement shows that off the seven schemes (prior to the new Management structure came into effect on 1st Oct 2021):-</p> <ul style="list-style-type: none"> • There was no current OSD in place in the following five areas: <ul style="list-style-type: none"> - Operations; - Resources; - Regenerations, Economy & Assets, - Customers, Revenues & Assurance (formerly Business Improvement & Customer Services); and - Planning 	2	<p>(i) The OSD should be maintained up to date/updated as timely as possible.</p> <p>(ii) Consideration should be given to setting up a shared folder on CM for all OSD’s, for ease of access and location by the MO and all relevant Officers.</p>	<p>(i) Agreed</p> <p>(ii) Actioned</p>	Chief Executive/ All Directors/ Head of Planning	<p>On-going</p> <p>01/10/2021</p>

	<p>;</p> <ul style="list-style-type: none"> The OSD's were not held in a central shared folder for easy access by the relevant Officers when needed. Therefore, there is a risk that Officers may not be aware of their delegated and statutory responsibilities; and Only one of the seven OSD's was held by the MO. There is a risk of on-compliance with the SD and relevant regulations. 				
3	<p>A total of 70 ODA decisions were recorded as taken during the twelve months period of 01/08/2020 to 31/07/2021. These were reviewed and our findings showed that of the 70 ODA decisions;</p> <p>(i) A defunct DA power reference (3.53 (9) was used by the Head of Estates & Emergency Planning (HEEP) in two cases, as there is no current OSD for their area. The two decisions affected are;</p> <ul style="list-style-type: none"> DO19/2020 (To consider a request from a Tenant, to defer rent payment etc. (decision date: 30/09/2020), 		(i) See Point 2		

	<ul style="list-style-type: none"> • DO42/2020 (To consider the licence agreement for use of the Abbey Street Car Park, Nuneaton to support residents in getting access to the Covid Walk In test facility (decision date: 14/01/2021). <p>(ii) The DA power reference number (i.e., Part 3E. 1e) quoted in one decision by the Executive Director – Operations did not appear appropriate for the decision’s subject matter. The ODA decision in question relates to DO/58/2021(BD) (decision date: 26/03/2021) on the subject of the ‘Sub Regional Materials Recycling Facility (MRF) – kerbside collection materials supply service level agreement and commercial loan agreement. The reason for the DA decision was to ‘Move the project construct and Operate a Sub Regional MRF into construction phase from 01/04/2021’. However, the DA power under Part 3E. 1e (in the June 19 Constitution) is stated as to ‘Make any necessary and consequential changes to the Council’s Scheme of Delegations to Officers to give</p>	3	(ii) Care should be taken to ensure that the DA power reference used for each decision is valid/ appropriate.	Agreed	Chief Executive/ All Directors/ Head of Planning Building Control/ relevant Officers	On-going
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	---------------------------------------------------------------------------------------------------------------	--------	--------------------------------------------------------------------------------------	----------

	<p>effect to any changes in personnel, legislation, or the structure of the Council, to ensure its efficient and effective operation...’.</p> <p>(iii) Consultation with the relevant Elected Member(s) did not appear to have been undertaken in four decisions, three of which were made under the special urgency decisions and Executive Director’s emergency power. These were:</p> <p>(a) DO/56/2021(SH) 15/03/2021 ‘To approve the Council National Non-Domestic Rates Discretionary Retail Discount Policy 2021/22’;</p> <p>(b) DO/57/2021(BD) 23/03/2021 ‘Restructure of Environmental Health and Safety Function’.</p> <p>The ODA decision was made using Part 3E. 1 (e), which gave the Head of Paid Service – Executive Director – Operations DA power to ‘make changes to the structure as necessary, to ensure its efficient and effective operation, in</p>	<p>2</p>	<p>(iii) Officers should ensure that appropriate consultation with Elected Member(s) is undertaken prior to exercising the DA decision.</p> <p>Any ODA decision taking under the emergency power provision should be reported to the next meeting of the Cabinet/ Council (where appropriate) in accordance with the requirement of the SD.</p>	<p>Agreed</p>	<p>As above</p>	<p>On-going</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------	-----------------	-----------------

	<p>consultation with the Leader of the Council.’ It is possible that the Leader has been consulted in this case; however, the detail is not recorded on the decision form;</p> <p>(c) DO68/2021(SH) 06/05/2021 ‘To update the Policy for Members Protocol for the use of IT.’</p> <p>The original Protocol was last updated in July 2017 and approved via an Individual Cabinet Member Decision (ICMD). However, due to the urgent timescale, this decision was taken by the (former) Executive Director – Resources under Part 3E. 4 (g) – Urgent. There is a requirement for ODA decision made under emergency power to be reported to the next Ordinary meeting of the Cabinet/or Council as appropriate; however, we have not been able to locate the evidence that this has been done;</p> <p>(d) DO69/2021(SH) 10/05/2021 ‘To enter into a side letter with the Secretary of State</p>					
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	--	--

	<p>for Business, Energy and Industry Strategy and the Coventry & Warwickshire Reinvestment Trust (CWRT). To ensure that CWRT remains an accredited the lender of the Coronavirus Business Interruption Loan Scheme and the new Recovery Loan Scheme.'</p> <p>The Council's Legal Team received an urgent request from CWRT on 29/04/21, asking for the CBILS documents to be signed and returned to them by 04/05/21. This was a very tight timescale given the fact the legal implications for signing such letter needed to be fully considered/ understood and appropriate legal advice obtained.</p> <p>Following consultation with the Director – DPPP and appropriate legal advice obtained, the Executive Director – Resources gave the permission for the CBILS documents to be signed and returned to CWRT, using their DA emergency power under Part 3E. 4 (g).</p>					
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	--	--

	<p>However, there was no detail of consultation undertaken with Elected Member(s) recorded on the form, and the item did not appear to have been reported to Cabinet/Council under 'Special urgency decision'.</p> <p>(iv) The relevant ODA decision form was completed by the Officer in all cases; however, at the time of testing, seven were not published on the Council's website, because CST either did not receive them or the documents have not been placed in the relevant folder. These were;</p> <p>DO17/2020 (PR) – 18/08/2020 DO19/2020 (LS) – 30/09/2020 DO27/2020 (SH) - 29/10/2020 DO28/2020 (SH) – 29/10/2020 DO40/2020 (KH) – 08/01/2021 DO42/2021 (LS) – 14/01/2021, and DO03/2021 (KH) – 28/05/2021</p> <p>All the missing records obtained from the relevant Officers during audit testing have been provided to CST. It is acknowledged that CST has updated their record and the</p>	<p>3</p>	<p>(iv) CST should ensure that the ODA register/index is complete, and any gaps identified should be followed up with the relevant Officer timely, to ensure that there is no significant delay in the publication of the DA decision form.</p>	<p>Agreed</p>	<p>CST</p>	<p>On-going</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------	------------	-----------------

	documents have now been published.					
--	------------------------------------	--	--	--	--	--

Observations with priority 5 (these observations are for the attention of management as recommended best practice and do not require a formal management response)

	Observation(s)
	None
	Recommended best practice(s)

Definition of Priority ratings:

Priority	Definition
1	Priority 1: Serious weakness in the design of controls or consistent non-compliance with controls that could lead to a significant loss or damage to the Authority's assets, information or reputation that requires immediate action.
2	Priority 2: Fundamental weakness in the design of controls or consistent non-compliance with controls that could lead to a significant loss or damage to the Authority's assets, information or reputation.
3	Priority 3: Weakness in the design of controls or inconsistency in compliance with controls that could cause limited loss of assets or information or adverse publicity or embarrassment.
4	Priority 4: Minor weakness in the design of controls or inconsistency in compliance with controls that could result in inefficiencies
5	Priority 5: Recommended best practice only.



Internal Audit Report

Compensation Payments & Compromise Agreements

2021 - 22

Issued to:

Name	Title
Tom Shardlow	Director – Customers, Revenues & Assurance
Stephen Fitzgerald	Director – Finance & Procurement (Interim)
Ruth Bartlett	HR Business Partner

Report status: Final

Report date: 22nd September 2021

Prepared by: Nafeesa Shaikh

SECTION 1: EXECUTIVE SUMMARY

1.1 Introduction

1.1.1 At the Audit & Standards Committee (ASC) meeting of 22nd June 2021 a request was made by Members for a review of compensation claims including compromise agreements in the last ten years. This assignment is supplementary to the agreed 2021-22 Audit Plan and a report of the findings is to be presented at the November ASC meeting.

1.2 Audit Review

1.2.1 The scope of the review concentrated on collating potential data listed on the General Ledger and from the transaction narrative, establish the rationale of the payments. The ten year review period is considered as dating from to 2012/13 to the current period 2021/22-Sept.

SECTION 2: DETAILED REPORT

2.1 Background

2.1.1 Compensation payments are generally approved in the following circumstances:

- Decisions on individual cases of redundancy or efficiency of the service
- Failure in its repairing obligations as a landlord or has failed to meet a repairs deadline.
- There has been a loss or damage to persons, or personal property where liability is not in dispute.

2.1.2 Compromise or settlement agreements are generally reached to mutually terminate employment in the following broad cases:

- Risk of legal claims – where there is a perceived risk to the Council of a successful tribunal or court claim as a result of flaws in procedures, inadequate grounds for a dismissal, or unjustifiable treatment and breach of contract.
- Efficiency- cases where Management consider it is desirable for an employee to leave the organisation where there are not sufficient grounds to pursue a fair dismissal.
- Alternative to dismissal – Management has reasonable case to pursue through formal procedures but an early agreement between the parties is decided due the perceived lengthy timeframes, resources and cost that will be associated.

2.1.3 The agreements are legal binding with a confidentiality clause between the employer and employee which prohibits both parties from disclosing the case content including events leading up to the agreement.

2.2 Executive Summary

2.2.1 The Council has paid compensation payments in relation to local settlements via the Ombudsman; costs payable pursuant to an unreasonable refusal of planning permission; breach of landlord obligations; insurance claims or slips; trips and falls; payments to NBBC contractors, resolution of Single Status equal pay claims agreed through the Advisory, Conciliation and Arbitration Service (ACAS) , payments made in lieu of notice on staff exit, salary compensation for a change/reduction in pay under salary protection. In addition, compensation has also been paid to affected parties for exercising compulsory purchase orders i.e., Pride In Camp Hill (PINCH) Regeneration Scheme.

2.2.2 The Council has when appropriate made payments in relation to compromise or settlement agreements. The Council's approach to settlement agreements is not policy set and each matter is considered on a case by case basis. All cases are dealt with by Human Resources with input from Legal Services and Directors where relevant.

3 Audit Findings

3.1.1 From the General Ledger transaction report 20 budget codes were highlighted where the transaction narrative included the text word 'compensation' or 'compromise' within transactions.

3.1.2 Further analysis was performed to establish the total value of payments posted on these account code, the last transaction date along with a brief description of the reason for the transaction. The following two tables provides details of applicable transactions:

<u>Transaction narrative includes 'Compensation'</u>				
<u>Account code</u>	<u>Account (T)</u>	<u>Total Value</u>	<u>Last transaction date</u>	<u>Reasons for use of account code</u>
0002	Employee Related Allocations	£3,500	22/03/13	Payments made in lieu of notice
0111	Monthly Salaries	£9,500	16/11/14	Redundancy non-taxable compensation
0719	Employee Tribunal Costs	£8,500	27/01/14	<u>HR Confidentiality clause</u> • Compensation payment
0720	Restructure – Redundancy etc Expenses	£1,514.05	16/04/15	• Change in contract
0721	Cost of Backpay	£599,688.59	31/03/15	<u>HR Confidentiality clause</u> • Equal pay/ backpay as a result of the resolution agreed through ACAS, following the implementation of the Single Status Agreement in 2012.
1016	R&M External Contractors	£11,487.78	05/07/21	Compensation: • 'Right to Compensation for Tenants Improvements Scheme' (legislation criteria to be met) • Right to repair Scheme where tenants compensated for repairs that have not been completed within prescribed timescales, • Decision by Ombudsman after maladministration investigations. • Damage caused during our works • Loss of tenant items during demolition of sheds/garages • Settlement of complaints
3098	Purchase of Properties	£31,140.64	07/03/14	Home Loss (Camphill)

3401	Services – General	£1,240.00	02/05/13	Compensation: • Tree case • Revs & Bens Ombudsman
3451	Services – Court Costs	£1530.00	21/04/20	Compensation for demolition (Housing)
3455	External Valuation	£25,000.00	21/04/20	NDR Compensation as agreed by ED – Operations
3456	Disturbance Payment	£1,898.50	29/01/21	Loss of tree
3458	Home Loss Payments	£4700.00	12/12/13	Home Loss (Camphill)
3462	Compensation payment	£1,402.00	18/11/19	Compensation: • Decision by Ombudsman after maladministration investigations. • Damage caused during our HRA repairs
3792	Council – Mandatory Grants	£166.67	19/12/18	Heating used during adaptations
3801	Misc Expenses	£3115.00	19/02/18	Compensation: • Loss of accommodation • distress/ inconvenience • damage to property
3849	Insurance Claims – recharges	£2,875.00	05/02/19	Compensation: • Damage caused during HRA repairs • Damage caused on garage structure by Refuse – approved by ED- Operations
4418	Cost of Collection	£1,950.00	06/03/13	Decision by Local Gov Ombudsman
4479	Consultancy	£1,550.00	19/04/17	Compensation: • Boiler faults • Garage Repairs • HRA repairs
6047	Compensation Provisions	£8,500	05/08/14	Compensation for 38 Fir tree Grove

Transaction narrative includes: 'Compromise'				
<u>Acc code</u>	<u>Account (T)</u>	<u>Total Value</u>	<u>Last transaction date</u>	<u>Reasons for use of account code</u>
0700	Employee Ex Gratia Payments	£188,379.15	02/08/16	Compensation: • Death in Service • Gratuity • Holiday Pay • Warden Emergency Call out standby payments HR Confidentiality clause • Settlements Payments • Compromise Agreement
0720	Restructure – Redundancy etc Expenses	£3,221.78	16/04/15	• Change in contract

- 3.1.3 A cursory check was also conducted to identify any potential transactions that may have been miscoded to other revenue expenditure accounts codes. Our checks identified that all transactions appeared to be reasonable, re-enforcing the firm financial control of the monthly budget monitoring between the budget holder and Accountants
- 3.1.4 The analysis shows that HR budget code 0700 – Employee Ex Gratia Payments which includes compromise and settlement agreements and budget code 0721 – Cost of Backpay had the highest expenditure.
- 3.1.5 HR Services have confirmed that all agreements are indeed classified, however were able to disclose the number of cases and total value paid annually in the past ten years, and these are outlined in the below table:

Financial Year	Total Cases	Total paid
2011/12	1	£28,000
2012/13	1	£3,500
2013/14 (from Jan 2013)	0	£0
2014/15	3	£47,500
2015/16	1	£2,961.96
2016/17	12	£75,500
2017/18	5	£104,193
2018/19	1	£2,000
2019/20	0	0
2020/21	1	£8,500

Acknowledgement

We would like to take this opportunity to thank all Officers involved for their assistance during the course of this review.

Internal Audit Report

Community Groups Funding (in the last 10 years)

2021/22

Issued to:

Name	Title
Brent Davis	Chief Executive
Stephen Fitzgerald	Interim Director of Finance (IDF)
Kevin Hollis	Director – Public Services (PS)
Dawn Dawson	Director – Regeneration & Housing (RH)
Abu Malek	Head of Economic Development & Communities (HEDC)
Katie Memetovic-Bye	Leisure & Health Manager (LHM)
Amanda Campbell-Barker	Sport & Physical Activity Officer (SPO)

Report status: Final Report

Report date: 20th October 2021

Prepared by: Sophie Pavier-Smith

SECTION 1: EXECUTIVE SUMMARY

1. Introduction

This audit was requested by the Audit and Standard Committee and forms part of the revised audit plan for 2021 - 22.

2. Audit Scope

The audit work was structured to establish the effectiveness of the controls in place to mitigate the key risks to the following Community Groups Funding arrangements:

- Bulkington Village Centre (BVC);
- Local Ethnic Minority Advisory Council (LEMAC);
- Nuneaton Harriers Community Association (NHCA) Ltd;
- Stockingford (Vale View) Community Centre (SCC); and
- Warwickshire Community & Voluntary Action (WCVA).

Objectives

The audit covered the following objectives:

- All applications are assessed for risk, where appropriate;
- Relevant Member's approval has been sought for the grant funding;
- Valid SLA/contract is in place and the terms and conditions for use are clearly stated within the agreement;
- Adequate monitoring arrangements are in place, where relevant, to ensure that the terms and conditions for use have been complied with; and
- relevant documentation relating to each grant/funding has been obtained/ retained in accordance with the Council's document retention policy.

Key potential risks

The key risks considered were;

- Poor accountability of Council's finance;
- Poor value for money; and
- Reputational damage to the Council.

3. Summary of Findings

OVERALL AUDIT OPINION
Overall, Internal Audit can give ' Limited Assurance ' on the controls in place for the Community Groups Funding arrangements.

Detailed findings are set out in Section 3.

The key controls have been assessed as follows:

Key Controls	Assurance	No. Of Recs			
		Priority			
		1	2	3	4
1) All applications are assessed for risk,	Limited		1	1	
2) Relevant Member's approval has been sought for the grant funding;	Limited Satisfactory (LEMAC)		1		
3) Valid SLA/contract is in place, the terms and conditions for use are clearly stated within the agreement;	Satisfactory (NHCA and WCAVA) Limited (BVC & SCC)		1		
4) Adequate monitoring arrangements are in place, where relevant, to ensure that the terms and conditions for use have been complied with.	Limited (NHCA, BVC and SCC) Satisfactory (WCAVA)		1	1	
5) Relevant documentation relating to each grant/ funding has been obtained /retained in accordance with the document retention policy.	Satisfactory (WCAVA) Limited (BVC, SCC & NHCA)		1		
Total			5	3	

Assurance Level	Definition
Significant	There is a sound system of internal controls that are being consistently applied
Satisfactory	There is basically a sound system of internal controls although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor systems objectives at risk.
*Limited	There are some weaknesses in the adequacy of the internal control system and/or the level of non-compliance puts some of the systems objectives at risk.
*No Assurance	Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.
<p><i>*A copy of the final report with 'Limited' or 'No Assurance' opinion will also be issued to the Management Team (MT). The responsible manager will be required to attend an MT meeting, to give an update on the actions they intend to take, and or have taken, to improve controls.</i></p>	

SECTION 2: DETAILED REPORT

Key Audit Contacts: Abu Malek (HEDC) and Amanda Campbell-Barker (SPAO)

Date of Last Review and Opinion: June 2014 – Satisfactory Assurance

Audit start date: 20th September 2021

1. Background

- 1.1 Nuneaton and Bedworth Borough Council (NBBC) has provided financial support via Grants and Contributions to a range of Third Sector organisations for a number of years to enhance the delivery of support services to the community. These groups/agencies provide a wide range of services including volunteer development support to Voluntary and Community groups and advice and guidance around a whole range of issues.
- 1.2 At county-wide level, the development of voluntary sector services in Warwickshire was reflected through a strategy called One Organisational Plan 2020; however, Warwickshire County Council (WCC) have introduced a 'Connecting Communities: Voluntary and Community Sector Strategy 2020 – 2025', which sets out their visions, aims and objectives to support the sector to help them achieve their vision of making Warwickshire the best it can be. At a local level, NBBC has not developed a separate strategy in this area. It was working to the 'Corporate Plan/Community Plan (CP) 2007 – 2021 as a strategy for the third sector services; however, the CP was replaced by the Delivery Our Future (DoF) 2019 – 22 in 2019/20. It is understood that a new corporate strategy is currently being developed by the Council, which will replace the DoF, and this may provide more details on the Council's aims, objectives and approach to the connecting of communities, through the involvement of third sector organisations. However, all the community support and cohesion work done at the local level essentially feeds into the county-wide strategy.
- 1.3 The organisations that NBBC provide grant/contribute funding to, and the amounts of contribution made in the last ten years (2011/12 to 2020-21) are summarised in the table in Appendix A (on page 18 of this report). As this review focused mainly on the grants/funding made to the local community groups, only five of the seventeen groups listed fell under this scope, and these are:
 - Bulkington Village Centre (BVC)
 - Stockingford Community Centre (SCC)
 - Local Ethnic Minority Advisory Council (LEMAC)
 - Nuneaton Harriers Community Association (NHCA) Ltd.
 - Warwickshire Community and Voluntary Action (WCAVA)

Community Centres

- 1.4 The BVC and SCC venues are vital community resources. It is understood that these centres are very distinct in that they facilitate a variety of community activities with no similar venues in the local area. These grants have traditionally been provided as a means of assistance and a tool to leverage in additional funds, for each centre the overall running costs are understood to be significantly higher than the funds provided, and both centres have a good track record in terms of financial sustainability. In addition to the grant, the Council also provides 0.81 full time equivalent (FTE) staffing to SCC to support the day to day administration of the

centre, and an allocated liaison officer to act in an advisory capacity to the MC of BVC in terms of Council policy and practice and to provide communication link between BVC and the Council.

- 1.5 In our last audit undertaken in June 2014, we raised a concern over the continual financial support provided to SCC (a Council owned asset) because at the time of the review the SCC Management Committee's Financial Statement (as at 31/03/2013) showed that the MC held a substantial surplus cash balance. In the case of BVC, a concern was raised over the system of awarding the grant funding to non-council owned community centre(s) which may not be fair and or transparent, as there is no grant bidding application process involved.

Voluntary and Community

- 1.6 Some of the funding that used to be provided to the Warwickshire Race Equality Partnership (WREP) to engage with the communities and develop a range of activities was used in 2010/11 to develop specific projects alongside BME (Black, Minority Ethnic) organisations, of which LEMAC was one.
- 1.7 In order to fulfil the Council's objectives under the former CP 2007 – 2021 (now DoF 2019 – 2022) (Theme 1: Transformation – Priority 2 – People – promoting skills and improving health within our communities...., and Priority 3: Housing and Communities) the Council has been commissioning WCAVA (as well as several other Third Sector organisations) on an annual basis, to provide flexible service to support the needs of the community and voluntary organisations in the Borough. The quarterly and annual performance reports and audited accounts for WCAVA have been received and checked by the Economic Development & Communities Team (EDCT), and outcomes reported to the Finance & Public Services Overview & Scrutiny Panel (FPS-OSP) quarterly for review.

Pingles Athletics Track (AT)/Stadium

- 1.8 As part of the changes in the Leisure Contract (LC) Cabinet approved (on 02/04/2014) the removal of the Pingles AT from the scope and specification of the LC procurement exercise, and the Nuneaton Harriers undertaking its management and operation. The then Director – Assets and Street Services was given delegated authority to conclude negotiations with the Nuneaton Harriers Athletics Club (NHAC) and Nuneaton Harriers Community Association (NHCA) Limited, in relation to a long term lease and Service Level Agreement (SLA) for the future operation of the Pingles AT.
- 1.9 The new delivery arrangement was financially assessed as providing 'value for money' for the Council, as the grant that would need to be paid even in the early years of the arrangement, will result in a reduction in the net costs met by the Council for the operation of the Pingles AT, compared to the previous arrangements with Nuneaton and Bedworth Leisure Trust (NBLT). From a wider view than monetary cost it was envisaged that the NHCA will proactively encourage the use of the Athletics Track, as it is their core business, and in so doing increase the numbers of the borough's residents of all ages taking regular exercise.
- 1.10 The NHCA Limited was formed in May 2014 to take on the management of the Pingles AT on behalf of the Council in partnership with NHAC and Nuneaton Griff Football Club (NGFC), and has expanded in recent years to form a partnership with Wembrook Primary School (WPC) to manage the community use of the 3G Sports Pitch facilities. The Council has an SLA with NHCA since 2013/14 and this is

renewed annually, and last year NHCA has taken over ownership of the facility from the Council with a 40 year lease, to further develop both the facility and the services they offer for the local and wider community.

- 1.11 Due to the hard work and development of the site and partnership, the Pingles AT has grown significantly and invested in the last few years. For example, the Track was re-surfaced in 2020. In 2019 NHAC invested their funds along with a successful Sport England Lottery bid to install new electronic timing equipment, display screen and officials' facilities to meet the future event delivery in the region of £30,000. This equipment and well organised events team has put the facility on the forefront of delivering athletics events at this venue.
- 1.12 The Pingles AT facility is recognised as being unique in the borough and of key importance in leisure and recreational facilities to support health, wellbeing, enjoyment for all users. It has hosted various events including the Midland Track & Field championships, Leicestershire & Warwickshire County Championships, FA Vase 5th Round, Sunday League Cup Finals and Brownlee Foundation Triathlon Series. NHCA has worked with the governing body to become one of the first facilities in the country to host pilot athletics competitions, which became very successful and put both Nuneaton and the Pingles Stadium into the athletics spotlight nationally. It was awarded the England Athletics/West Midlands Regional Council Club/facility of the Year 2020, and only just missed out on the national award.
- 1.13 The two competitive athletics events (that occur over two days) that the Harriers now deliver, with regional, national and GB events provide (and will continue to provide) positive financial economic impact for the locality, as they draw in athletes, their families, supporters and visitors to the Borough and surrounding areas, and utilise facilities such as hotels, B&B's, bars, restaurants, cafes and shops etc. Therefore, the social and economic value of the NHCA partnership delivery is considered achieved.

2. **Executive Summary**

- 2.1 Our overall audit opinion is '**Limited**' Assurance. There are a number of areas that require strengthening to enable the arrangements to be more effective, particularly in relation to the Member's approval of funding, the audit/review of the local groups' performance statistics and financial data and document retention.

3. **Observations**

The main findings and issues arising are as follows: -

LEMAC

- Under the Race Equality framework/Community Cohesion Strategy 2011/13, due to a lack of WREP's presence in the BME community in the Borough, the Council commissioned LEMAC in 2011/12 to introduce and maintain Reporting Points for 3rd party Reporting of Discrimination (Hate Crime), liaising and providing an advocacy service for the BME community. The amount of £7,000 allocated to LEMAC (using some of the funding normally allocated to WREP) was approved via Individual Cabinet Member Decision (ICMD) on 04/07/2011, though the total expenditure for this work appeared to reach £9,000 over a two year period. As the funding was made 10 years ago, and therefore outside of the 6 years (plus current year) document retention period, we were unable to assess the

effectiveness of the funding arrangement; however, we can confirm that the project was commissioned by the Council (to meet its Race Equality obligations) and the original funding amount was approved via ICMD.

BVC, SCC, NHCA and WCAVA

- There was no valid SLA in place for the funding provided to BVC and SCC for 2019/20, 2020/21, and current year (2021/22).
- Member's approval for the funding made to BVC, SCC, NHCA and WCAVA did not appear to have been obtained in recent years. Although we appreciate that the expenditure was included in the relevant budget for the service provisions at the budget setting process and approved by Cabinet/Council annually, the details of the expenditure are not obvious and easily identified by Members.
- The reviews of the BVC, SCC and NHCA performance reports, statistics, financial statements etc., to ensure that each group has complied with the funding's terms and conditions (T's&C's) of use, did not appear to have been undertaken as effectively as should be. However, it is appreciated that during 2020 and early 2021, the Covid-19 pandemic and lockdown restrictions, which resulted in changes to the community centres/groups' (as well as the Council's) service provisions, priorities and working practices etc., have impacted on the effectiveness of the monitoring arrangements.
- We understand that prior to the Covid-19 pandemic BVC and SCC had provided the Council with their performance data, financial information/annual reports etc. in paper format; however, these were unable to be located/ provided for this review.

All issues arising and corresponding recommendations can be found in more detail in the action plan below.

Acknowledgement

We would like to take this opportunity to thank all the Officers involved for their assistance during the course of this audit.

SECTION 3: ACTION PLAN

Key Risk: Poor accountability of Council's finance						
Controls:						
(i) Valid Service Level Agreements are in place, with the terms and conditions of use clearly stated within the agreement.						
(ii) Adequate monitoring arrangements are in place, where relevant, to ensure that the terms and conditions of use have been complied with.;						
(iii) Performance statistics/outcomes are reported to the relevant OSP for review, where relevant.						
	Observation(s)	Priority	Recommendation(s)	Management Action(s)	Person Responsible	Action Date
	BVC and SCC					
1	<p>A standard SLA template is used for BVC and SCC (and WCAVA), with some adjustments to the T's&C's of use to fit each group's model. Generally, as there is little or no change to the T's&C's each year, the document is rolled over and date amended to reflect the new funding year.</p> <p>Our findings showed that there was no valid/current SLA between the Council and BVC or SCC in place for 2019/20, 2020/21, and 2021/22.</p> <p>It is understood that during the Covid-19 lockdown restrictions, the service provisions at both centres changed from the normal activities to responding to and distributing</p>	2	<p>The EDCT needs to ensure that there is a valid and current SLA in place for BVC and SCC.</p> <p>Any changes to the centres' service provisions that may affect the funding's T's&C's should be discussed with/ reported to the relevant Portfolio holder and decision documented.</p>	<p>Agreed/In progress</p> <p>The SLA's for BVC and SCC for 2021 -22 are now in progress, and will be in place shortly.</p>	HEDC	29/10/2021

NBBC Internal Audit Report – Community Groups Funding (in the last 10 years) 2021/22

	<p>emergency food supplies, PPE, Covid-19 testing kits etc. to the most vulnerable and those in need within the community. To ensure that BVC and SCC were able to stay open/operate, we understand a decision was taken to continue providing the financial support to both centres without having an SLA in place. There is no documented evidence to indicate that appropriate consultation with Members was undertaken/or approval sought for this decision; however, it is appreciated that during Covid-19 pandemic EDCT (as the rest of the Council) was operating in an unprecedented time.</p>					
2	<p>The Council has been providing a grant of approximately £5,140 and administrative support (in a form of a part-time Centre Administrator (0.81 FTE) to the MC of SCC for a number of years. Due to a long, un-resolved issue regarding the unsigned lease agreement, the Council has been liable for the full NDR payment (currently approximately £9,100) and for the general repair and maintenance costs of the building.</p>	2	<p>Prior to making a grant funding award at each renewal period, both BVC's and SCC's MC's previous year's audited accounts should be obtained and reviewed, and the cash asset should be taken into consideration.</p>	<p>Agreed</p> <p>Will tighten up existing procedures to ensure effective monitoring arrangement going forward.</p>	HEDC	<p>31/12/2021 and on-going</p>

	<p>The original purpose of the grant was to assist the newly set-up MC in meeting their revenue costs, including heating, lighting, staff costs, pension, accommodation, rates (NDR) etc., though the four latter costs are paid for by the Council and not the MC.</p> <p>At our last audit in 2014, we reported that review of Trading Accounts and Financial Statements for the year ended 31st March 2013, showed that the Centre made a surplus of £2,396 in 2012/13. The total Bank Balance as at 31st March 2013 was £23,380. However, we have no current financial information available to determine the SCC's MC's finance position, as the documents provided to EDCT pre-Covid-19 were unable to be located, and the financial statements or performance reports relating to 2019/20 and 2020/21 period have not been submitted, due to the impact of the Covid-19 pandemic.</p> <p>Therefore, the Council may not have sufficient information to inform its grant award decision, which presents a risk that the</p>				
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	--

NBBC Internal Audit Report – Community Groups Funding (in the last 10 years) 2021/22

	<p>Council’s limited funds are being given to organisations who do not need them.</p> <p>However, we appreciate that this is a long-standing issue, and that the SCC’s has proven effective/has good track record of providing a wide range of valuable services to the community.</p>					
3	<p>In the same 2014 audit report, we also raised the issue that the merit/rational for awarding the grant to BCC may now also applies to other community centres within the Borough; however, currently they are not given the same opportunity to apply/bid for the grant annually, through an application process. Therefore, the current practice may present a risk of potential unfairness of treatment of community centres.</p> <p>However, it is understood that BCC is unique in its service offers in comparison to other community centres and that it has a robust financial standing. The current amount of grant provided to BCC is approximately £2,600.</p>	3	<p>The existing system of providing grant funding to community centres should be reviewed, to ensure that the practice is fair and transparent.</p>	<p>Given the value of the grant made to BVC, it may be impractical to introduce a bidding/application process. However, the issue will be raised/discussed with the Portfolio holder to find an equitable way forward, if possible.</p>	HEDC	End Feb. 22

NBBC Internal Audit Report – Community Groups Funding (in the last 10 years) 2021/22

4	<p>The most current ICMD for the approval of the grants to BVC and SCC was on 11/07/2016, for the expenditure period 2016/17; however, Member's approval did not appear to have been obtained in subsequent years to date. Though it is appreciated that the expenditure was included in the relevant budget for the service provisions and approved by Cabinet/Council annually at the budget setting process, the details of the funding may not be obvious and easy identified by Members.</p>	2	<p>The Management needs to ensure that relevant Member's approval has been obtained for the funding provided to BVC and SCC.</p>	<p>Agreed</p> <p>ICMD to be undertaken in 2022 – 23, to confirm the details of the SLA's and continual funding</p> <p>(see also Point 3)</p>	<p>Director – Regeneration & Housing (RH)/ HEDC</p>	<p>January 2022</p>
5	<p>The BVC's and SCC's performance statistics/delivery outcomes are not required to be reported to the OSP as in the case of WCAVA.</p> <p>Although it is understood that the BVC and SCC have provided hard copies/folder of the required sets of performance statistics, audited Accounts, invoices etc. and that these have been received and checked by the EDCT prior to the Covid-19 pandemic, the relevant folders/documents were unable to be located. Therefore, it has not been possible to provide an assessment/opinion on the</p>	2	<p>The relevant documents received in hard copy should be scanned and retained electronically and stored in a secured location for each funded organisation/group, and retained in accordance with the document retention period.</p> <p>Record should be made of any check/review undertaken by EDCT of these documents, verified and confirmed that they are satisfied that the T&C's of use have been met.</p>	<p>Agreed</p>	<p>HEDC/EDCT</p>	<p>On-going</p>

NBBC Internal Audit Report – Community Groups Funding (in the last 10 years) 2021/22

	compliance with T&C's and or the effectiveness of the monitoring and review arrangements.					
	HNCA					
6	<p>The budget, financial statements, performance statistics and reports were not always obtained from NHCA and reviewed to ensure that the T&C's of the funding have been complied with. Therefore, there is a risk of poor value for money/delivery outcomes.</p> <p>We understand that a development plan (DP), with a total of 21 objectives and specific and measurable targets for delivery) was introduced in 2020/21; however due to the impact of the Covid-19 lockdown restrictions, it was not relevant due to the limited delivery. The HNCA's delivery for 2020/21 was outlined in their Annual Report, although this was with limited data of usage (e.g., specific number of users etc.)</p> <p>A signed SLA is in place for 2021/22.</p>	2	SDT should ensure that effective performance monitoring is undertaken, and the delivery outcomes assessed for effectiveness and compliance with the SLA's T&C's of use.	Agreed	Director – PS/ Leisure & Health Manager (LHM)/SPAO	On-going
7	A review of the DP 2021-22 shows that one of the objectives of the DP is to:	3	SDT should liaise with NHCA to request a Trading Statement (Income & Expenditure Statement) to be	Agreed The issue has now been discussed with NHCA.	Director – PS/LHM/ SPAO	On-going

	<p>'Improve income generation to assist the site to become more financially sustainable and robust', through ensuring that a robust business plan is in place, which enable the company to become more financially sound, and potentially reduce the management fee from NBBC by agreed review date', which is set at 5 years.</p> <p>The initial financial support to NHCA for 2014 – 15 was £20,178. The funding was reduced the following year (2015/16) to £18,990 (-£1,188 or -6%) and the remains at the same level annually to date.</p> <p>A review of the last five years' annual statement of accounts filed by NHCA Limited at the Companies House shows that the company only files a basic statement of accounts, containing only the total net assets position, as it is a micro-entity.</p> <p>In order for the SDT to be able to assess NHCA Limited's profitability to inform their future funding decision, NHCA would need to prepare a Trading Account (Income and Expenditure</p>		<p>prepared and submitted to them for annually assessment.</p>			
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	----------------------------------------------------------------	--	--	--

NBBC Internal Audit Report – Community Groups Funding (in the last 10 years) 2021/22

	statement) and submit this, along with the relevant copy of invoices, to SDT annually, to assist with this process.					
8	<p>Our findings show that a loan of £5,560 was made by the Council in 2020/21 to NHCA Limited to assist them in purchasing their own grounds maintenance equipment now that they have taken over the management of the grounds maintenance of the site themselves.</p> <p>The loan repayable term is 5 years, with £556 repayment deducted from each of the grant payment to NHCA (the grant is payable to HNCA in two parts annually). As the loan repayment element has not been properly treated/recognised under the grant expenditure code, this gives the impression that the funding to NHCA is £1,112 less (than the actual sum) each year.</p>	3	This issue has been discussed with the Head of Financial Services (HFS), who will liaise with the Director – PS and Finance Business Partner (FBP) on this matter and correct the accounting treatment for the loan and repayments.	Noted	SDT/FFS/FBP	
9	Although there is a Cabinet approval/delegated authority decision for this funding in April 2014, Member's approval did not appear to have been sought in recent times.		Link to Point 4 recommendation.	<p>Agreed.</p> <p>ICMD will be undertaken in 2022/23, to confirm details and SLA for the continual arrangements with NHCA,</p>	Director – PS/ Leisure & Health Manager (LHM)/SPAO	On-going

				subject to their satisfactory performance of the contract.		
	WCAVA					
10	It is not clear whether current Member's approval has been sought for this funding. The EDCT has not been able to confirm this.		Link to Point 4 recommendation. The EDCT should ensure that relevant Member's approval has been sought for each award period for the grant awarded to each community group/ organisation	Agreed	Director – RH/HEDC	On-going

Observations with priority 5 (these observations are for the attention of management as recommended best practice and do not require a formal management response)

	Observation(s)
	Recommended best practice(s)

Definition of Priority ratings:

Priority	Definition
1	Priority 1: Serious weakness in the design of controls or consistent non-compliance with controls that could lead to a significant loss or damage to the Authority's assets, information or reputation that requires immediate action.
2	Priority 2: Fundamental weakness in the design of controls or consistent non-compliance with controls that could lead to a significant loss or damage to the Authority's assets, information or reputation.

3	Priority 3: Weakness in the design of controls or inconsistency in compliance with controls that could cause limited loss of assets or information or adverse publicity or embarrassment.
4	Priority 4: Minor weakness in the design of controls or inconsistency in compliance with controls that could result in inefficiencies
5	Priority 5: Recommended best practice only.

NBBC Internal Audit Report – Community Groups Funding (in the last 10 years) 2021/22

Appendix A: The number of grants/contributions provided to Voluntary Organisations & Community Groups in the last ten years (2011/12 to 2020-21)

Name of Organisation/Group	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Age UK		£ -	£ -	£ 924	£ 307	£ 98	£ 57				
Hartshill & Nuneaton Recreation Ground	£ -	£ -	£ -	£ -	£ -	£ 8,235	£ 8,293	£ 8,459	£ 8,789	£ 9,079	£ 9,269
Nuneaton & Bedworth Citizen's Advice Bureau (CAB)	£ 92,000	£ 82,800	£ 82,800	£ 82,800	£ 101,120	£ 95,920	£ 95,520	£ 90,000	£ 90,068	£ 85,312	£ 95,315
Bedworth CAB rent contribution	£ 21,000	£ 21,000	£ 21,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
*Nuneaton and Bedworth Community Enterprises Ltd (NABCEL)	£ -	£ -	£ -	£ -	£ 10,000	£ -	£ -	£ -	£ -	£ -	£ -
Nuneaton & Bedworth Volunteer Bureau	£ 10,000	£ 9,000	£ 9,000	£ 9,000	£ 8,100	£ 8,100	£ 2,025	£ 5,709	£ 9,313	£ 7,240	£ 7,640
Nuneaton & Bedworth Sports Forum	£ 5,330	£ 5,330	£ 5,330	£ 5,330	£ 5,330	£ 5,330	£ 5,330	£ 5,330	£ 7,330	£ 7,330	£ 3,165
NBBC Healthy Living Network		£ -	£ -	£ -	£ 10,973	£ 5,993	£ 6,914	£ 11,984	£ 10,963		
Public Service Board	£ 9,000										
Warwickshire Employment Rights (Advice Rights)	£ 42,500	£ 38,250	£ 38,250	£ 38,250	£ 34,430	£ 34,430	£ 34,430	£ 32,444	£ -	£ -	£ -
Warwickshire Race Equality Partnership	£ 15,260	£ 8,000	£ 10,000	£ 2,500	£ -	£ -	£ 6,800	£ 6,800	£ -	£ 6,880	£ -
Warwickshire Safeguarding Children's Board	£ -	£ -	£ 2,052	£ 2,052	£ 4,104	£ 4,865	£ 2,108	£ 2,052	£ -	£ -	£ -
SUB-TOTAL	£ 195,090	£ 164,380	£ 168,432	£ 140,856	£ 174,364	£ 162,971	£ 161,477	£ 162,778	£ 126,463	£ 115,841	£ 115,389
LOCAL COMMUNITY GROUPS											
Bulkington Village Centre (BVC)	£ 5,890	£ 5,890	£ 5,890	£ 6,030	£ 6,110	£ 6,170	£ 6,170	£ 6,290	£ 2,555	£ 2,580	£ 2,610
Local Ethnic Minority Advisory Council (LEMAC)	£ -	£ 5,000	£ 4,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Nuneaton Harriers Community Association (NHCA) Ltd	£ -	£ -	£ -	£ -	£ 20,178	£ 18,990	£ 18,990	£ 18,990	£ 18,990	£ 18,990	£ 17,878
Stockingford Community Centre (SCC)	£ 5,000	£ 5,000	£ 5,000	£ 5,140	£ 5,140	£ 5,140	£ 6,118	£ 5,140	£ 5,140	£ 5,140	£ 5,140
Warwickshire Community & Voluntary Action (WCAVA)	£ 46,000	£ 41,400	£ 41,400	£ 41,400	£ 37,260	£ 37,260	£ 42,660	£ 35,360	£ 35,360	£ 33,284	£ 53,370
SUB-TOTAL	£ 56,890	£ 57,290	£ 56,290	£ 52,570	£ 68,688	£ 67,560	£ 73,938	£ 65,780	£ 62,045	£ 59,994	£ 78,998
ANNUAL EXPENDITURE TOTAL	£ 251,980	£ 221,670	£ 224,722	£ 193,426	£ 243,052	£ 230,531	£ 235,415	£ 228,558	£ 188,508	£ 175,835	£ 194,387

*The Council created a wholly owned subsidiary in 2013 - Nuneaton & Bedworth Community Enterprises Ltd (NABCEL), with the purpose of operating commercially and generating an income stream to support the General Fund in future years. The Council paid NABCEL a £10k start-up grant in 2014/15.

AGENDA ITEM NO.12

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee - 9th November 2021

From: Director of Finance

Subject: Appointment of Electoral Registration Officer (ERO), Deputy ERO, Deputy ERO and Scale of Election staff fees

Portfolio: Finance and Corporate (Cllr S Croft)

1. Purpose of Report

This report proposes that the Chief Executive be appointed as Electoral Registration Officer for Nuneaton and Bedworth. It also proposed that the Head of Elections be appointed as a Deputy Electoral Registration Officer and Deputy Returning Officer. Finally, this report sets out the proposed scale of fees to be used by election staff, including the Returning Officer at Borough and other elections.

2. Recommendations

1. **That Audit and Standards Committee recommend to Council that:**
 - (a) **The Chief Executive is appointed as Electoral Registration Officer**
 - (b) **That the Head of Elections is appointed as Deputy Electoral Registration Officer and Deputy Returning Officer**
2. **That the proposed scale of fees attached at Appendix A to this report is approved.**
3. **That the Chief Executive is given delegated authority to make minor amendments to the attached fees to reflect the National Joint Council Local Government Pay Award;**

3. Background

The Council must appoint an officer of the Council to the office of Electoral Registration Officer (ERO), to oversee the registration of electors for the Borough and undertake specific duties under the Representation of the People Act 1983. Following the recent change in management structure, it is now necessary to appoint to this role. This role is usually undertaken by the Head of Paid Service, who Council appointed in September 2021.

The Council is required to establish the fees payable to persons employed by the Returning Officer at its elections held every four years and at any by

election held in between. These fees include those paid to Presiding Officers, other polling station staff, count staff and others employed by the Returning officer.

4. Appointment of Electoral Registration Officer

Under S 8 (2). of the Representation of the People Act 1983, Council must appoint an Electoral Registration officer to undertake the following duties:

- Take steps to ensure those who are eligible to be registered to vote are so registered.
- To take steps to ensure those who are not eligible are not registered.
- To act as Acting Returning Officer for the Nuneaton Constituency at UK Parliamentary General Elections.
- To undertake the Annual Canvass yearly.
- To comply with the Electoral Commission's Performance Standards for EROs.

The appointment as ERO is independent of the Council, it is a personal appointment, and the holder is liable to the courts should they fail to exercise their official duties.

In order to manage operational electoral registration matters, it is considered best practice, and recommended by the Electoral Commission that a senior officer (other than the ERO/RO) also be appointed as Deputy ERO and Deputy Returning Officer (DRO) by the Council.

This provides additional resilience as well as gives the officers managing the day to day processes the necessary powers to undertake their duties.

It is therefore thought prudent to appoint the Head of Elections as Deputy ERO and DRO to undertake the necessary operational duties.

Review of Scale of Fees for elections staff

The Council must on occasion review the fees that are paid to those staff working at elections. This has not been done at NBBC for some time, and so ahead of the May 2022 elections it is felt prudent to review these fees, as set out in Appendix A to the report.

The scale of fees also sets the fees that the Returning Officer (and any deputies) would receive for their duties. The Returning Officer is personally liable for the conduct of the election, including any subsequent legal challenge. The scale of fees also sets out the amounts paid to polling station and count staff.

These fees have been benchmarked against those set at other Warwickshire Authorities and a similar set of fees was agreed by North Warwickshire Borough Council in September 2021.

5. Conclusion

The Audit and Standards Committee is asked to approve the scale of fees at Appendix A to this report and recommend to Council that the Chief Executive is appointed as ERO and the Head of Elections appointed as Deputy ERO and DRO.

6. Appendices

Appendix A – Scale of fees for elections staff 2021/2022

7. Background Papers (if none, state none)

None

BOROUGH, COUNTY AND OTHER ELECTIONS
SCALE OF ELECTION FEES AND EXPENSES

PART 1 - Returning Officer's Fee

<u>CONTESTED ELECTIONS</u>	<u>FEE</u>
1. BOROUGH COUNCIL ELECTIONS (where election is for Borough Councillor only - for each ward)	
(a) For the first 1000 local government electors in a Ward:	£115
b) For each 500 electors or fraction thereof, above	£24
<u>UNCONTESTED ELECTIONS</u>	<u>FEE</u>
4. BOROUGH ELECTIONS - for each Ward:	£48
DEPUTY RETURNING OFFICER(S)	
Payment of one third of the Returning Officer's fee, as calculated above for contested and uncontested elections	

PART 2 - Disbursements

1. POSTAL VOTES - for the remuneration of persons employed in connection with the issue and the receipt of ballot papers for electors entitled to vote by post:	<u>FEE</u>
(a) CLERK per session for Issue and receipt/opening	£11 per hour
(b) CLERK per session for the issue management of postal voter signature and dates of birth on postal voting statements.	£11 per hour
2. PRESIDING OFFICERS - for each PO (to include all expenses other than travelling expenses)	
(a) BOROUGH/COUNTY election only	£241
(b) Combined BOROUGH and other election:	£267.50
3. POLL CLERK - for each PC (to include all expenses other than travelling expenses)	
(a) BOROUGH/COUNTY Election only	£157
(b) Combined BOROUGH and other election:	£184
4. POLLING STAFF TRAINING FEE - for the remuneration of persons employed as Presiding Officer, Poll Clerk & Polling station Inspectors to attend an official training session prior to election day. (includes all travelling expenses)	£10/15/30 depending on training type
5. POLLING STATION INSPECTOR - for the remuneration of persons employed in visiting and collection of Postal Votes handed in at polling stations by electors (to include all expenses other than travelling expenses)	£265
6. COUNT* - for all remuneration of persons employed in counting the votes	
(b) Count Table Leader:	£120
(c) Counting Assistant -	£90
(d) Ballot Box Runner	£75

* Discretion to Returning Officer to add a supplement if the Count is extremely lengthy.

ADMINISTRATIVE DUTIES	FEE
1. For the Receipt of Nomination Papers for Borough/County/other elections	29.14 for the 1 st contested Election and £14.56 thereafter
2. For the remuneration of persons employed (on each such occasion) in connection with the staffing of the elections office on polling day:	£300
3. For the additional hours undertaken by employees in the administration and preparation for the election:	overtime payment calculated at 1.5x the employees' hourly rate

*records should be kept by persons employed by the Returning Officer on such occasions of the hours worked on Election duties.

5. **TRAVELLING EXPENSES** of Returning Officer, Deputy Returning Officer, clerical and other Assistants, Presiding Officers, Poll Clerks and Count Assistants engaged in the conduct of the election, are to be paid 45p per mile.
6. **MOBILE PHONE CALLS** – staff employed on polling duties (Presiding Officers. Poll Clerks & Polling Station Inspectors) £2.50 is included in fee to cover calls made in connection with Election duties on Election Day.

PART 3 - Actual and Necessary Costs

- Clerical and other assistance employed by the Returning Officer
- Delegating responsibility fees as agreed by the Returning Officer (e.g., for the management of the counting of votes)
- Fees paid to those for the Training of polling and counting staff
- Hire and fitting up of polling stations, expenses of heating, lighting and cleaning any building for such purposes and for making good any damage arising from such use.
- Hire and fitting up of rooms for counting the votes.
- Provision of voting compartments and conveyance thereof to polling stations.
- Printing and providing official poll cards.
- Preparation and issue of official poll cards.
- Printing and providing ballot papers.
- Printing and providing notices, nomination forms and other forms and documents.
- Posting of Notices.
- Stationery and sundries required at each polling station and at the counting of the votes.
- Miscellaneous stationary, postage, telephone calls etc.

Appendix B – Comparison to previous year’s election fees for staff

Area		May 2018	May 2021
1. Postal Votes	Clerk - opening	10	10
	Clerk - scanning	10	10
2. Presiding Officers	Stand-alone	225	250
	Combined Poll	n/a	285
3. Poll Clerk	Stand-alone	130	150
	Combined Poll	n/a	180
4. Polling staff training fee	all elections	30	30
5. Polling Station inspector	all elections	250	285
6. Count			
	Count table leader	125	140
	Counting assistant	90	90
	Ballot Box Runner	50	60
Admin Duties	Nominations	29.14 + 14.56	29.14 + 14.56
	Election admin	285	300

Note:

For May 2021, fees were agreed across Warwickshire ROs to reflect increases in inflation and to provide consistency across the County.

The May 2021 fees were also subject to approval by the County Council, as the Borough Returning Officer held the County elections on their behalf.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 9th November 2021

From: Audit and Governance Manager and Governance, Risk Management and Performance Officer

Subject: Review of Performance Management Framework and Risk Management Policy and Strategy

1. Purpose of Report

To provide the Audit and Standards Committee with the reviewed Performance Management Framework and Risk Management Policy and Strategy documents for approval.

2. Recommendation

That the revised Performance Management Framework and Risk Management Policy and Strategy documents are approved.

3. Review Process

The Performance Management Framework (October 2021) and Risk Management Policy and Strategy (October 2021) are subject to review every two years unless significant changes are identified in the interim period. Approval of reviews are required by this committee if significant changes are identified. Please note that the review of the documents was delayed by a couple of months to take account of the approval of the Council's new organisational structure implemented from 1st October 2021.

4. Change in Political Leadership

This report relates to scheduled reviews of both documents, but only minor changes have been identified (as shown below) which would not normally need the review and approval of this committee. However, as there has been a change in political leadership of the authority since the last review, it has been deemed appropriate to present both the documents to the committee on this occasion.

5. Details of Changes

Performance Management Framework –now refers to OSP Panel(s) not the Internal OSP and the job title, not the responsible officer's name, is shown at Appendix D of the document. Current dates added for document control purposes .

Risk Management Policy and Strategy - all changes relate to section 4 of the Document: new organisational structure changes (“Executive Directors” replaced by “Management Team”, “Audit and Governance Manager” changed to “Head of Audit and Governance”) / now reads “Audit and Standards Committee” (not “Audit Committee”) / clarification of the review process of the document by this committee. Current dates added for document control purposes .

For ease of reference, the changes from the previous versions are highlighted on both documents shown at **APPENDIX A** and **APPENDIX B** of this report.

LINDA DOWNES
STEVE GORE



Nuneaton and Bedworth Borough Council

Performance Management Framework

October 2021

Index

1. Introduction
2. Priorities
3. Managing Performance
4. Data Quality
5. Risk Management

Appendices

- A. Determining Our Priorities – Systematic Approach
- B. Performance Management Cycle – Overview
- C. Performance Management Cycle – Performance Indicators
- D. Action Plan from **2021** Performance Management framework Review

1. Introduction

- 1.1 The purpose of this performance management framework is to improve performance management arrangements across the Council and service delivery for the communities of Nuneaton and Bedworth.
- 1.2 Good performance management is essential to achieve the Council's aims and objectives, based on a clear vision with realistic targets to support the achievement of these goals.
- 1.3 This vision needs to be clearly communicated to all Elected Members and employees in order that individuals have a good understanding of their work priorities and can see how these contribute to broader corporate targets and priorities.
- 1.4 Performance Management requires clarity about who is responsible for delivering particular objectives. The Council needs to ensure that these individuals have the required resources and support and are empowered to do the necessary work to achieve goals. The resulting outcomes need to be clearly communicated to residents to gauge how well the Council is performing on their behalf.
- 1.5 Key elements of performance include: a clear organisational vision, values, customer-focused objectives, target setting process (where appropriate), benchmarking, regular assessment and review and performance-related annual (employee) development review.
- 1.6 Benefits of an effective Performance Management Framework include:
 - Improved service delivery and outcomes for customers.
 - Demonstrating success or failure.
 - Effective use of resources.
 - Identifying potential improvements / cost savings.
 - Improved audit / inspection results.
 - Linking financial / non-financial data to provide a balanced picture of the organisation.
 - Informing the debate on future priorities.
 - More effective partnership working.

2. Themes and Priorities

2.1 Determining Our Themes and Priorities

The Council aims to have the top priorities established in the Delivering Our Future (DOF) 2019-31 (formerly the Corporate Plan) translated into priorities at individual level using the systematic approach detailed at Appendix A.

2.2 The Council's long-term themes and priorities have been drawn from a variety of sources including:

- National data
- Strategic Assessment for community safety
- General indices of multiple deprivation
- Borough Plan
- Economic, housing and social data

2.3 Service Priorities

Each Director applies the themes and priorities from the DOF 2019-31 to set out their part in their delivery. They are supplemented by service-specific priorities based on service demand, performance and response to changes in service/ operational environment. This is the mechanism through which the Council's long-term vision and aims will be progressed and achieved through annual targets and milestones. This is measured by DOF Delivery Plans (3 year plans which are monitored on a quarterly basis and reviewed annually - these show clear links to service activities.

2.4 Individual Priorities

Completing the performance management cycle is the Council's Annual Development Review scheme that reinforces the organisation's values as well as the importance of performance and achievement. Documentation formalises the review discussion. The review process is consistently applied to focus on outcomes and all employees have an action plan which identifies performance measures, targets and service improvements against which they will be appraised. The Council recognises that individuals (Members and employees) may need training and support to achieve their full potential. The training plan included as part of the review process is geared towards meeting Council objectives by improving individual skills and knowledge.

2.5 Corporate Employee Values

The Council's employee values support the effective delivery of performance outcomes. They are:

- **SERVICE FOR OUR CUSTOMERS** – We put our customers first in everything we do
- **INTEGRITY IN OUR ACTIONS** – We are open, honest and fair, communicate accurately and keep our promises. We act within the law and the Council's Constitution and policies
- **ACCOUNTABILITY FOR OUR PERFORMANCE** – We accept personal responsibility, not seeking to blame others and apologise if we get things wrong
- **CO-OPERATION WITH COUNCILLORS, COLLEAGUES AND PARTNERS** – We share ideas, knowledge and resources, we are friendly towards, listen to and respect each other, and work in teams to deliver excellence
- **OBJECTIVITY IN OUR DECISIONS** – We base our decisions on evidence, welcome challenge and take account of alternative opinions and the wider picture
- **EFFICIENCY TO KEEP OVERALL COSTS DOWN** – We constantly improve our value for money, learning from good practice, eliminating waste, and making the most of our assets
- **CONFIDENCE TO TRY THINGS OUT** – We give our people encouragement, authority and support to be creative and flexible in how they deliver services, learning from things that go wrong when we experiment

3. Managing Performance (see Appendices B and C)

3.1 Targets / Measures

Once priorities are identified, targets for performance indicators are set or measures established (no target) which are monitored and reported according to importance. Targets are set by reference to current performance, organisational aims / capacity and benchmarking data. Meeting the priorities set at various levels involves the achievement of a target / milestone, completion of a task or measurable improvements in performance.

As services go through system lean reviews, traditional targets will be replaced by a measure of improvement. This will show as: green (improved), amber (stayed the same) or red (declined) for reporting purposes. A rolling mean for end to end times will be used to measure improvements.

3.2 Measurement / Reporting

Monitoring progress in relation to performance takes place at a number of levels:

- Strategic Performance Reporting to Management Team on a monthly basis and Cabinet at a quarterly frequency. This is an overview of the Council's position relating to: Finance, People and Service Delivery, Processes and Improvement.
- We have developed a corporate database using the 'TEN' performance management system which provides links for all Performance Indicators /

Measures to a Director, Portfolio Holder, Service and individual responsible. Each indicator / measure is assigned a collection frequency - monthly, quarterly, annually etc. Any appropriate comments or remedial actions relating to under-performance are recorded against the relevant month/quarter when entering data. Officers / Elected Members access the TEN system via the intranet (DASH) facility which is updated in real time. Members of the public can access the TEN system on the Council's website (this information is updated on a monthly basis). A review of indicators / measures included on TEN is carried out on an annual basis.

- An integrated performance management report linking finance, performance and risk data is produced quarterly for **Overview and Scrutiny Panel(s)** with progress updates on service improvement plans reported at half year. The format links finance / performance data on the key service areas based on expenditure / income. Details on performance of smaller service areas within the remit of the panel are reported by exception (i.e. if there is adverse performance). Further development is on-going to establish any available comparative (benchmarking) data on good practice / performance to enhance the scrutiny process (see also Appendix D action plan).
- Service objectives and targets are set out within service areas. These include performance indicators / measures and are used to plan and monitor the work within service areas to meet the requirements of the DOF Delivery Plan.
- Reporting by exception is the general rule applied to advising Management Team / Cabinet of under-performance in key areas (see also 3.3).

3.3 Under- performance and Remedial Action

Senior managers are responsible for monitoring performance and taking appropriate action to address issues affecting results in their service area. Management Team may seek information and assurances from a Senior Manager at any time. However, there may be instances where an indicator is below target or a measure declines in performance for two consecutive periods (month or quarter) and management corrective actions taken have not improved the situation. In such cases, the relevant Director will review and, if necessary, take to the Management Team. Where a Director escalates a performance issue, Management Team will:

- Review issues contributing to the under-performance of the indicator / measure.
- Address the failure of remedial action(s).
- Reallocate resources, if necessary.
- Propose alternative solutions, if appropriate.

- Instigate monitoring of the effectiveness of any further corrective actions taken.
- Record details / outcome(s) in Management Team meeting minutes.

Scrutiny Panel Reporting

Integrated Performance Reports to Overview and Scrutiny Panel(s) include appropriate comments on under-performance for Elected Members in order to explain issues and / or corrective action(s) instigated. However, the panel may still request that the appropriate Portfolio Holder and / or manager attend the panel meeting to provide further clarification / information.

3.4 Improvement

The need to improve is fundamental to the Council's approach to managing performance. This will be achieved by:

- sharing and comparing information with other authorities, partners and agencies with a view to establishing better ways of delivering services;
- liaising with other performance managers / sharing resources and ideas to become more effective, as appropriate.
- Regular review (every two years, unless significant changes occur in the interim period) of this Performance Management Framework

4. **Data Quality**

We recognise that reliable data quality is key to all aspects of the provision of services. It is important to ensure that accurate information is available to enable informed decision making and to assure the integrity of published data. Clear audit trails must be in place. We are therefore committed to provide data quality of a consistently high standard within available resources.

4.1 Data should be:

- **Accurate** – sufficiently accurate for its intended purpose.
- **Valid** – collected in compliance with agreed requirements / definitions.
- **Reliable** – reflecting consistent collection processes and time periods.
- **Relevant** – to the purposes for which it is used.
- **Complete** – incomplete or invalid records can indicate poor data quality and / or problems with recording processes.

An annual internal audit sample review is carried out to test data quality.

4.2 Responsibilities

Management Team – overall strategic responsibility for promoting and co-ordinating data quality management.

Managers – operational responsibility for ensuring data quality in their service area including provision of training and regular sampling of information processed. Responsible for ensuring that definitions are in place for all indicators/ measures (as recorded on the TEN system) and officers responsible for collating data comply with the definition.

Employees – data quality is the responsibility of every employee entering, extracting or analysing information from any of the Council's information systems. All employees share a responsibility for ensuring that information they produce, receive, act upon or process is accurate. This should be emphasised in training provided, along with how lapses can have an adverse effect on the integrity of the data provided and, consequently, the Council's reputation.

5. Risk Management

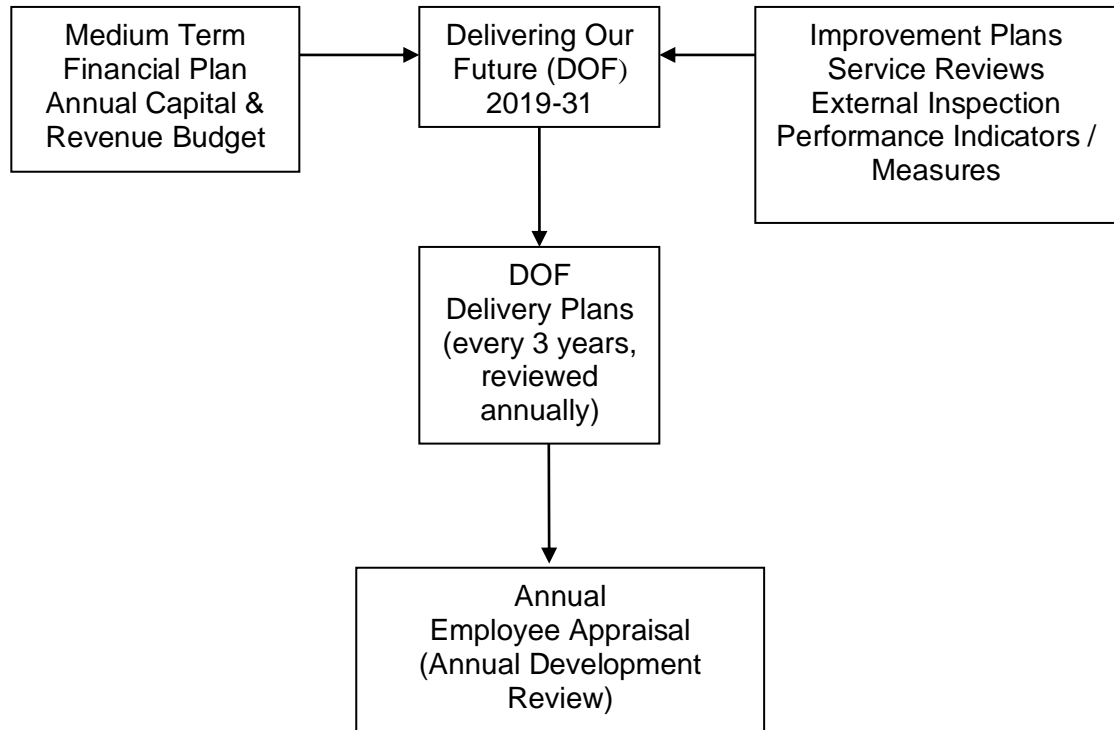
In line with the Council's obligations to ensure that strategic and operational risks are fully assessed and managed, risk management is also an important element of the Performance Management Framework. A review of both corporate and operational risks is incorporated into the performance management cycle. All managers will assess and take account of the key risks to be managed in delivering their objectives and targets. Overview and Scrutiny Panel(s) will receive a current summary status of the Strategic Risk Register with a link to the full version of the document.

6. Action Plan

An action plan relating to areas identified from the latest review of this framework is shown at Appendix D.

Appendix A

Determining Our Priorities – Systematic Approach



Performance Management Cycle – Overview

January	Quarterly review of Strategic Risk Register Quarterly assessment of Delivering Our Future (DOF) Delivery Plan
January-December	Annual Development Review process Operational Risk Registers reviewed by Corporate Governance Group
March	Review of indicators and measures on the TEN Performance Management System
April	Quarterly review of Strategic Risk Register Quarterly assessment of DOF Delivery Plan
July	Quarterly review of Strategic Risk Register Quarterly assessment of DOF Delivery Plan
October	Quarterly review of Strategic Risk Register Quarterly assessment of DOF Delivery Plan
October - February	Budgets - establish allocation of resources for the forthcoming year against identified priorities in the DOF
December - March	Annual review of DOF Delivery Plan

Performance Management Cycle – Performance Indicators /Measures

January	Monthly Strategic Performance Report to Management Team (Including quarterly assessment of DOF Delivery Plan)
	Quarterly Integrated Finance/Performance/Risk Report (third quarter) to Overview and Scrutiny Panel(s)
February	Monthly Strategic Performance Report to Management Team
	Quarterly Strategic Performance Report to Cabinet
March	Monthly Strategic Performance Report to Management Team
April	Monthly Strategic Performance Report to Management Team (Including quarterly assessment of DOF Delivery Plan)
May	Monthly Strategic Performance Report to Management Team
	Quarterly Integrated Finance/Performance/Risk Report (end of year) to Overview and Scrutiny Panel(s) - late May / early June
	Quarterly Strategic Performance Report to Cabinet
June	Monthly Strategic Performance Report to Management Team
July	Monthly Strategic Performance Report to Management Team (Including quarterly assessment of DOF Delivery Plan)
	Quarterly Integrated Finance/Performance/Risk Report (first quarter) to Overview and Scrutiny Panel(s)
August	Monthly Strategic Performance Report to Management Team
	Quarterly Strategic Performance Report to Cabinet
September	Monthly Strategic Performance Report to Management Team
October	Monthly Strategic Performance Report to Management Team (Including quarterly assessment of DOF Delivery Plan)
	Quarterly Integrated Finance/Performance/Risk Report (second quarter) to Overview and Scrutiny Panel(s)
November	Monthly Strategic Performance Report to Management Team
	Quarterly Strategic Performance Report to Cabinet
December	Monthly Strategic Performance Report to Management Team

Areas for Improvement – Action Plan from 2021 Performance Management Framework Review

REF.	ACTION	OFFICER RESPONSIBLE	WHEN
1	Establish any comparative (benchmarking) data on good practice / performance to enhance scrutiny panel reporting	Governance, Risk Management and Performance Officer	On-going
2.	Annual review of indicators included on the TEN performance management system	Governance, Risk Management and Performance Officer	Annually in March
3.	Carry out audit to test data quality	Governance, Risk Management and Performance Officer	Annually in January



Risk Management Policy and Strategy

October 2021

Document Control

Organisation	Nuneaton and Bedworth Borough Council
Title	Risk Management Policy and Strategy
Filename	DOC16/75813
Owner	Governance, Risk Management and Performance Officer
Subject	Risk Management Policy and Strategy
Next Review Date	October 2023

Revision History

Revision Date	Reviser	Previous Version	Description of Revision
02/01/2014	Linda Downes	V2.0	V3.0
07/10/2016	Steve Gore	V3.0	V4.0
07/04/2017	Steve Gore	V4.0	Risk descriptors update.
27/08/2019	Steve Gore	V5.0	New organisational structure.
October 2021	Steve Gore	V6.0	Scheduled review.

Document Approvals

This document requires the following approvals

Name	Date
Audit Standards Committee	Approved 9/11/21

Risk Management Policy

1. Nuneaton and Bedworth Borough Council (NBBC) recognises that it has a responsibility to manage risks, both internal and external. It is therefore committed to maintaining robust risk management and business continuity arrangements that make a positive contribution towards the achievement of the Council's corporate aims and priorities and maximise the opportunities to achieve its vision.
2. It is good business practice that risk management processes should be:
 - Supportive rather than unduly restrictive.
 - Embedded in the Council's culture and in its decision-making, planning and management functions; and
 - Embraced by all Members and employees.
3. The Council's aims with respect to risk management are as follows:-
 - To embed risk management into the culture of the Council
 - To adopt an effective and transparent corporate approach to risk management, which also applies to the Council's work with external partners and contractors
 - To work with partners and stakeholders to identify and exploit opportunities that will contribute to corporate aims and priorities
 - To integrate risk management into the operational and management practices of the Council
 - To promote risk awareness throughout the Council and among our contractors and key partners
 - To be responsive to changing social, environmental and legislative requirements, whilst effectively managing the related risks and opportunities.
 - To undertake an annual review of the effectiveness of the risk management arrangements to support the Council's Annual Governance Statement
4. These aims will be achieved through the Council's Risk Management Strategy, which details the roles, responsibilities and actions necessary for successful implementation.

Risk Management Strategy

1. Introduction

- 1.1 This strategy sets out the processes to ensure that risks to the Council's services, objectives, employees, assets, contractors and partnerships are identified, recorded, assessed, prioritised and then mitigated, transferred or eliminated, to achieve an acceptable level of exposure.
- 1.2 The Risk Management Framework states how the Council manages risks and maximises opportunities in achieving its aims and priorities and this strategy forms part of that process.

2. Definitions

2.1 Corporate Governance

Corporate governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions and lead and control their functions to achieve their objectives. The effectiveness of corporate governance arrangements has a significant impact on how well an organisation meets its aims. Its purpose is to ensure that the right thing is done, in the right way, by the right people, in an open, honest and timely manner.

2.2 Risk and Risk Appetite

“Risk” can be defined as “The possibility that an event will occur and adversely affect achievement of objectives”.

Therefore, “risk management” is the process by which risks are identified, analysed, controlled and monitored. Resources for managing risk are finite, therefore risks are prioritised in accordance with an evaluation system. The level of risk tolerated is the “risk appetite”.

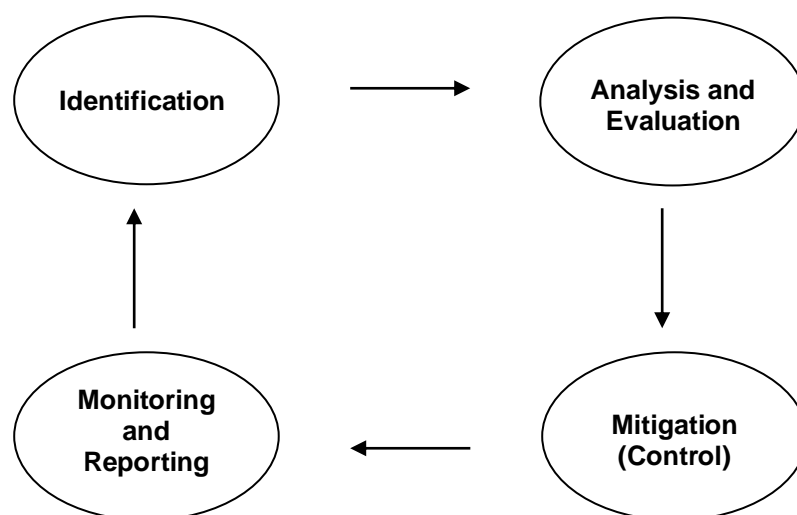
2.3 Partnership

A partnership is an agreement between the Council and one or more independent legal bodies, organisations or individuals to work collectively to achieve a common purpose with specified aims and objectives. More detailed guidance on managing partnerships and the associated risks is available in the Council's Partnership Framework document.

3. Risk Management Process

Risk management involves the following four processes:-

- Identification of risk
- Analysis and evaluation
- Mitigation
- Monitoring and reporting



3.1 Step 1 - Identification of Risk

A systematic approach needs to be applied if all significant risks are to be identified and managed effectively. By identifying areas of risk before an event or loss occurs, steps can be taken to reduce the likelihood of occurrences and/or to minimise the cost to the Council if they do happen. Reacting to events only after they have occurred can be very costly.

Risks can be identified in a number of ways, for example:-

- Through discussions with colleagues, stakeholders, Members, contractors, partners, insurance brokers, insurers, risk advisers and external auditors
- Looking at trends, accident reports, complaints, new agendas, legislation and regulations

The table below lists some categories of risk which may have an impact on aims and priorities:-

Risk Category	Examples of issues to consider
Political	Local and national political issues. Stability of the political situation.
Economic	State of the local economy. Interest rates, inflation and related key assumptions. Labour market effects on recruitment and retention.
Social and Employee-Related	Demographic profile of the workforce and population. The consequent effect on demand for services and/or stakeholder expectations.
Technological and Information-Related	Capacity to respond to technological changes or opportunities arising from technological developments. Current use of or reliance on technology. Quality and security of information. Accessibility of key documents. Resilience and IT/Communications recovery capacity.

Risk Category	Examples of issues to consider
Legislative /Regulatory	Preparedness for new legislation and regulations, e.g. health and safety, planning or employment law.
Environmental	Use, acquisition &/or disposal of land &/or premises. Waste, disposal and recycling arrangements.
Competitive	Competitiveness of service delivery in terms of cost and quality. Ability to deliver value for money.
Customer/ Citizen	Extent, nature and effectiveness of consultation and involvement with the community. Ability to meet current and future needs. Service delivery feedback. Reputation.
Professional	Organisational and individual competency levels and capacity to deliver objectives. Staff recruitment and retention. Skill and knowledge levels. Opportunities for networking and continuing professional development.
Financial	Level of reserves. Adequacy of funding. Financial planning and control. Fraud.
Legal	Possible legal challenges and claims.
Partnership/ Contractual	Key strategic partners. Procurement arrangements. Contractual arrangements. Partners' governance arrangements.
Physical	Security and protection of assets. Maintenance practices. Protection, security, health, safety and wellbeing of the workforce and population.

There are two key elements to each risk description – **cause and consequence**. To effectively manage risks, both of these elements need to be identified. An example is as follows:-

NBBC's failure to maintain a sound budgetary and financial control environment (**cause**), resulting in the Council having insufficient financial resources to achieve the key priorities (**consequence**).

When identified, significant risks should be recorded in a risk register. NBBC have both strategic and operational risk registers (including some which are specific to individual projects or partnerships). The Strategic Register addresses cross-cutting corporate risks. Operational registers address risks that could impact upon service delivery.

Both follow the same format and record the following information for each risk:-

- A risk reference number
- The risk description (in terms of cause and consequence)
- A gross risk score (the score before effective mitigation controls are in place)
- The mitigation controls (identifying whether 'existing' / 'ongoing' or 'planned')
- The mitigation owner(s). These could be different for each control
- The net risk status – red, amber or green (after effective mitigation controls are in place)
- Sources of assurance i.e. how the risk is monitored / relevant documents; and
- The risk owner

3.2 Step 2 - Analysis of Risk

Having identified the risks, they need to be analysed. This process requires managers to make an assessment of:-

- The probability (likelihood) of a risk occurring; and
- The severity (impact) of the consequences should it do so.

The matrix below indicates risk levels

Likelihood	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
		1	2	3	4
		Impact			

Key

	Green (acceptable)
	Amber (tolerable)
	Red (unacceptable)

The Council's likelihood and impact descriptors are as follows:-

Likelihood

4: **Very High** – occurrence is most likely or has already happened and will do so again if control measures are not introduced

3: **High** – occurrence is anticipated within the next 12 months

2: **Significant** – occurrence is probable in the next 3 years

1: **Low** – foreseeable but not probable in the next 3 years

	Level of Impact	Service Delivery	Financial / Legal	Reputation / Community
4	Major	<ul style="list-style-type: none"> • A service delivery failure causes significant hardship to people for a period of 3 to 4 weeks or more or 1 week for anyone that is vulnerable, or failure to meet a nationally-mandated deadline • Loss of major stakeholder/partner. • Adverse outcome of a serious regulatory enquiry 	<ul style="list-style-type: none"> • Financial loss over £400,000. • Serious risk of legal challenge 	<ul style="list-style-type: none"> • Sustained adverse TV/radio coverage • Borough wide loss of public confidence • Major damage to local environment, health and economy • Multiple loss of life
3	Serious	<ul style="list-style-type: none"> • A service delivery failure causes significant hardship for a period of 2 to 3 weeks or 3 to 7 calendar days for vulnerable people • Formal regulatory inquiry • Loss of a key partner or other partners 	<ul style="list-style-type: none"> • Financial loss between £200K and £399K • High risk of successful legal challenge 	<ul style="list-style-type: none"> • Significant adverse coverage in national press or equivalent low national TV coverage • Serious damage to local environment, health and economy • Extensive or multiple injuries &/or a fatality
2	Moderate	<ul style="list-style-type: none"> • A service delivery failure causes significant hardship for 1 to 2 weeks or 1 -2 calendar days for vulnerable people • Loss of a significant non-key partner • Legal concerns raised • Loss of employees has moderate effect on service provision 	<ul style="list-style-type: none"> • Financial loss between £50K and £199K • Informal regulatory enquiry 	<ul style="list-style-type: none"> • Significant adverse coverage in local press or regional TV • Large number of customer complaints. • Moderate damage to local environment, health and economy • Moderate injuries to an individual
1	Low	<ul style="list-style-type: none"> • Disruption to services for up to 1 week • Minor legal implications • Loss of employees not significantly affecting service provision 	<ul style="list-style-type: none"> • Financial loss up to £49K 	<ul style="list-style-type: none"> • Minor adverse media coverage. • Minor environmental, health and economy damage • Minor increase in number of customer complaints • One or more minor injuries to an individual

3.3 Step 3 - Control of Risks

Having identified and prioritised the risks, each one needs to be assessed to determine the appropriate action required for it to be mitigated. There are four options:-

Terminate	Stop the activity or remove the physical cause
Transfer	As far as possible, pass the risk on to another party, e.g. contractually or by insuring it
Treat	Set up control (mitigation) measures &/or improve existing ones. Examples: <ul style="list-style-type: none"> • Use of password, barrier, temperature or other controls. • Installation or upgrade of alarms. • Implement new or revised procedures, requirements &/or management arrangements
Tolerate	Do nothing, live with the risk as it stands

The mitigation owner also needs to be identified, this being the individual specified as responsible for putting the stated control(s) into action &/or ensuring it remains in operation. Ownership of a control measure should rest with a single individual, even if more than one person is needed to carry it out.

The level of risk remaining after the internal control measure is in place is the residual or net risk. This should be at a level which is within NBBC's risk appetite. That is (except for any risk identified as "Outside the Council's control because of external factors"), the level of residual risk is acceptable to the authority.

3.4 Step 4 - Monitoring and Review of Risks

As key management tools, Risk Registers must be used effectively to ensure that:

- They comprehensively address all recognised significant risks
- Mitigation measures/controls are adequate to minimise the likelihood and/or impact of each risk
- Any significant risks identified and remedial actions are sufficiently monitored

To establish whether they are being adequately managed, the following criteria will be used:

Red – Less than 60% of the identified risks are being satisfactorily managed

Amber – 60%-80% of the identified risks are being satisfactorily managed

Green – Over 80% of the identified risks are being satisfactorily managed

Percentages relate to the proportion of the identified risks that are net green.

4. Roles and Responsibilities

Management Team

- To ensure the Council adopts an effective risk management strategy and that risks are fully considered in all strategic decision making processes
- Responsible for health and safety in relation to Council activities, for establishing a positive health and safety culture and for actively encouraging ownership and accountability at all levels
- To ensure that effective business continuity plans are maintained and are regularly tested
- To regularly monitor the Strategic Risk Register

Audit and Standards Committee

- To monitor the effective development and operation of risk management and corporate governance across the Council
- To seek and obtain assurance that appropriate action has been taken on risk related issues identified by internal and/or external audit
- To ensure that the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it
- To monitor the Strategic Risk Register
- To consider and approve the Risk Management Policy and Strategy following bi-annual review if significant changes are identified or if significant changes are necessary in the interim period between scheduled reviews

Members

- To oversee the effective management of risk by the Council's officers, particularly when considering reports and proposals from officers

Senior Information Risk Owner (SIRO)

- To oversee the development of an Information Risk Policy, and a Strategy for implementing the policy within the existing Information Governance Framework
- To take ownership of the risk assessment process for information risk, including review of the annual information risk assessment to support and inform the Annual Governance Statement
- To review and agree an action plan in respect of identified information risks
- To ensure that the Council's approach to information risk is effective in terms of resource, commitment and execution and that this is communicated to all staff
- To provide a focal point for the resolution and/or discussion of information risk issues
- To ensure the Corporate Information Governance Group (CIGG) is adequately briefed on information risk issues
- To advise the Executive Directors and the CIGG on information risk management strategies and provide periodic reports and briefings on programme progress

Directors

- To adopt the Risk Management Policy and Strategy
- To ensure that all significant risks are identified and are effectively controlled through the process of risk assessment and mitigation within their respective services (maintain effective directorate Operational Risk Register)
- To establish a positive health and safety culture within their service units and actively encourage ownership and accountability at all levels
- To develop and maintain a current business continuity plan (including updated contact information), ensuring appropriate officers understand their respective roles in relation to it

The Corporate Governance Group (CGG) including CIGG responsibility (see below)

- To monitor current and planned expenditure and income and to highlight any emerging issues that could have an impact on the Council's finances
- To develop and co-ordinate excellent governance arrangements across the Council, including those relating to risk management
- To fulfil the role of the Corporate Information Governance Group (CIGG) on behalf of the Council providing strategic advice and assurance to the Authority on all matters concerning information management and governance
- To report to Management Team any issues that require its attention.
- To review directorate Operational Risk Registers on an annual basis (one register every two months)

The Information Management Group (IMG)

- To monitor and appraise the information and data needs of the Council and ensure that the Council delivers quality customer interaction and delivers services efficiently
- To facilitate information audits within each functional area and review them on a regular basis
- To provide assistance to the Information Asset Owners, (IAO) in carrying out their duties
- To monitor and appraise the outstanding FOI/DP cases. To identify any outstanding actions, liaise and co-ordinate with the relevant service areas to ensure that the requests are completed within the relevant timescales. If necessary, escalating the requests to the CIGG
- To promote and raise awareness of retention and disposal policies and procedures for all documents and records
- To ensure that information and data is treated as a corporate asset, shared by all. Develop any relevant policies and procedures to be presented to CIGG for approval, ensuring that NBBC is complying with relevant legislation
- To promote Information Management as a key corporate activity, essential to the provision of excellent customer interaction and efficiently delivered, high quality services

Head of Audit and Governance

- To support the Council and its services in the effective development, implementation, monitoring and review of the Council's risk management policy, strategy and process
- To promote risk management and the process of business risk assessment throughout the Council and in relation to the Council's partnerships.
- To develop and implement Audit Plans using a risk-based approach.
- To support and promote risk management guidance and training for employees, contractors and members and to encourage the sharing of good practice
- To report to the Audit Committee on risk management activities and any issues arising
- To ensure that strategic, operational and partnership risks are suitably reflected within risk registers and that appropriate mitigating controls are in place and are adequately monitored and controlled
- To review the Risk Management Policy & Strategy at least bi-annually and to update it as required
- To report to the Corporate Governance Group on risk management activities and any issues arising

The Governance, Risk Management and Performance Officer

- To administer the Council's insurance of certain risks
- To provide risk management information & advice, both proactively & reactively in relation to strategic, operational and partnership risks
- To work with the owners of operational risks as required to identify and manage those risks and to maximise opportunities
- Liaising with appropriate Directors / officers, to review and update all risks in the Strategic Risk Register in accordance with agreed frequencies, prioritised according to individual risk scores
- To provide quarterly Strategic Risk Register reports, identifying what proportion of the risks are being satisfactorily managed (Clause 3.4 of this document refers)
- To review and propose changes as required to the Risk Management Policy & Strategy, to risk registers and to other corporate risk management related documents

The Health & Safety Manager

- To promote an effective, healthy and safe organisational culture by developing, implementing and monitoring health & safety policies and procedures

Employees (including agency and casual)

- To maintain an awareness of risks in their own areas of work and contribute to the control process as appropriate
- To recognise their legal responsibility for the health, safety and welfare of themselves and others who may be affected by their work activities

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 9 November 2021

From: Director – Planning and Regulation, Management Team

Subject: Review of the Register of Members’ Interests and Gifts and Hospitality Registers 2019- 2021

1. Purpose of Report

1.1 To review the registration of Members’ Interests and, Gifts and Hospitality by Members and Officers for the period 31st October 2019 to 20th October 2021

2. Recommendation

2.1 That the contents of the register of Members’ Interests between 31st October 2019 and 20th October 2021 be considered; and

2.2 That the contents of the registers of Gifts and Hospitality for Members and Officers between 31st October 2019 and 20th October 2021, as set out in Appendix A, be considered.

3. Background

Members’ Interests

3.1 The Localism Act 2011 (‘the Act’) abolished the concepts of personal and prejudicial interests and replaced them with “Disclosable Pecuniary Interests” (DPIs).

3.2 In order to comply with the Act and the Council’s Code of Conduct, the Monitoring Officer is required to prepare and maintain a register of Member’s interests, which must be available for public inspection and available on the Council’s website.

Gifts and Hospitality

3.3 The Council, in the interest of openness and transparency, maintains a schedule of Gifts & Hospitality. This is seen as best practice and also meets the requirements of the bribery Act 2010. Similarly, Officers are required to make declarations under the Local Government Act 1972.

3.4 The Gifts and Hospitality policy for Officers and Members was reviewed and updated in 2021. The policy was approved by Council on 21st April 2021.

- 3.5 Provision for the review of the registration of Members' Interests and Gifts and Hospitality by members and officers, was made in the Committee work plan for 2021/2022

4. Information

Members' Interests

- 4.1 The Council complies with the Act by maintaining a register of interests. The register is available on the Council's website and for inspection at the Town Hall, Nuneaton on request. The On-line version does not however replace the paper version of the Members Register of Interests held by the Monitoring Officer.
- 4.2 The public version of the register of Members' Interests will be available for inspection at the meeting.

Gifts and Hospitality

- 4.3 The Gifts and Hospitality registers for Officers and Members are kept at the Town Hall, Nuneaton and are available for public inspection on request. The Gifts and Hospitality registers are also published in typewritten format on the Council's website, achieving greater transparency and public accountability.
- 4.4 Appendix A attached to this report, shows the register of Gifts and Hospitality of Members and Officers between 31st October 2019 and 20th October 2021.
- 4.5 Committee is asked to review the register and to consider whether there are any issues that need addressing. One key issue would be whether the committee felt that there were omissions from the register. These may be difficult to identify, although some members may be aware of events that officers and members have attended in some capacity, which ought to be recorded.
- 4.6 As a matter of good practice, it is also recommended that the Monitoring Officer write to all Members and Officers to remind them of the importance of keeping the registers up to date and accurate. This is seen as a benchmark of openness and transparency and ensures that the public can have confidence in the Council's governance arrangements.

PHILIP RICHARDSON

Nuneaton & Bedworth Borough Council
Register of gifts and hospitality - officers and members

Appendix A

Date informed of gift or hospitality	Date gift or hospitality received	Recipient	Person or company offering gift or hospitality	Brief details of gift or hospitality	Approximate value of gift or hospitality	Reason for accepting gift or hospitality	Has this been received before
06/12/2019	06/12/2019	Chris Lawes - Economic Development	Coventry & Warwickshire Chamber of Commerce	Annual Branch Luncheon - working lunch	£15 approx	Working Lunch	No
13/12/2019	13/12/2019	Sarah Howard - Museum	Visitor	Whisky	£15 approx	Thank you for finding lost car keys	No
20/12/2019	20/12/2019	Charlie Rivers - Housing	A Client	Mcvities Biscuit selection Box, Tin of Sainsburys Shortbread, Lush Bath Bomb	£16	Thank you	No
23/12/2019	23/12/2019	Annu Kumar - Legal	Nuneaton Sameday Couriers	Diary and Pen	£5 approx	Promotional	No
23/12/2019	23/12/2019	Jagtar Punia - Housing	AMAFHH Properties Ltd	4 Boxes Family Circle Biscuits	£12 approx	Thank you	No
14/12/2020	14/12/2020	Carol Ingleston - Housing	SE Properties, Nuneaton	Bottle of white wine to be donated to the Mayor's Charity	£6	Christmas	Yes
24/12/2020	21/12/2020	Elaine Newborough, Lesley Rowland-Jones, Sarah Richardson - Admin/Cemeteries/ Parks & rec	J. E. Hacketts	One bottle of wine each, small box of chocolates and company named diary	Three separate gifts of £10 each (approx)	Thank you	Yes
23/12/2020	23/12/2020	Lorraine Allen - Markets and Town Centre	Les Peacock	Bottle of Prosecco	£10 approx	Christmas	No
20/04/2021	20/04/2021	Clare Leeson	Daniel Stanock	Flowers and card	£15 approx	Helping a friend with their homeless application	No
28/08/2021	28/08/2021	Councillor R. Tromans	The Egg Free Cake Box Store	A cake	Not known,	Donated for the Mayor's Appeal	No