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Tuesday, 19 September 2023

**Chairman: Councillor P Harris
Vice-Chairman: Councillor S Forde**

Members of the Committee:

**Councillor R Cozens
Councillor S Crosby
Councillor A Freeman
Councillor S Haynes
Councillor J Kellas
Councillor J Lee
Councillor S Michael
Councillor C Penny
Councillor M Shakeshaft
Councillor T Thompson**

MEETING: Audit and Governance Committee

DATE: Wednesday, 27 September 2023 at 6.00 pm

**VENUE: Civic Suite, Castle House, Great North Road,
Newark, NG24 1BY**

You are hereby requested to attend the above Meeting to be held at the time/place and on the date mentioned above for the purpose of transacting the business on the Agenda as overleaf.

If you have any queries please contact Karen Langford on Karen.Langford@newark-sherwooddc.gov.uk.

Any questions relating to the agenda items should be submitted to Nick Wilson- Business Manager - Financial Services, at least 24 hours prior to the meeting in order that a full response can be provided.

AGENDA

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1. Apologies for Absence
2. Declarations of Interest from Members and Officers
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11. Annual External Audit Strategy Memorandum 2022/23 67 - 99
12. Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2024 as at 30 June 2023 100 - 117
13. Audit & Governance Committee Work Plan 118 - 121
14. LGA Newark and Sherwood District Council Cyber 360 Report 122 - 124
15. Exclusion of the Press and Public

To consider resolving that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.
16. LGA Newark and Sherwood District Council Cyber 360 Report Appendices A and B 125 - 152
17. Date of Next Meeting - Wednesday 22 November 2023

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit and Governance Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Wednesday, 14 June 2023 at 6.00 pm.

PRESENT: Councillor S Forde (Vice-Chairman)

Councillor S Crosby, Councillor S Haynes, Councillor J Kellas, Councillor J Lee, Councillor S Michael, Councillor C Penny, Councillor M Shakeshaft and Councillor T Thompson and Mr C Richardson (Non-Voting Co-Optee)

APOLOGIES FOR ABSENCE: Councillor P Harris (Chairman), Councillor R Cozens (Committee Member) and Councillor A Freeman (Committee Member)

1 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

That no Member or Officer declared any interest pursuant to any statutory requirement in any matter discussed or voted upon at the meeting.

2 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

Other than the Council recording in accordance with usual practice, there were no declarations of intention to record the meeting.

3 MINUTES OF THE MEETING HELD ON 6 APRIL 2023

AGREED that the minutes of the meeting held on 6 April 2023 be approved as a correct record and signed by the Chairman.

4 ANNUAL INTERNAL AUDIT REPORT

The Committee considered the report from Internal Audit (Assurance Lincolnshire) to provide a summary of Internal Audit work undertaken during 2022/23 and to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk, financial and internal control environment.

The representative from Assurance Lincolnshire highlighted to Members that the opinion on the area of Financial Control and Risk remained as performing well, whilst the opinion on Governance remained performing adequately, the three being consistent with the 2021/22 financial year. The opinion on Internal Control had improved from performing adequately to performing well.

AGREED (unanimously) that Members considered and commented upon the annual internal audit report and noted its content.

5 TREASURY MANAGEMENT OUTTURN REPORT 2022/23

The Committee considered the report from the Assistant Business Manager for Financial Services to give Members the opportunity to review the Annual Treasury

Outturn report, to be presented to Council on 18 July 2023.

The report explained that the Treasury Management Strategy Statement for 2022/23 was approved by Full Council on 8 March 2022, and the Outturn report is the last report for the financial year, as required by the Code. It had been prepared based on the draft final accounts, which appear elsewhere on the agenda. If it is found that there are significant changes resulting from the audit of the accounts, they will be reported at the next meeting of this Committee.

AGREED (unanimously) that the Treasury Outturn position for 2022/23 be noted.

6 UNAUDITED STATEMENT OF ACCOUNTS 2022/23

The Committee considered the report from the Business Manager for Financial Services for Members to review the Council's draft Statutory Accounts for the financial year ended 31 March 2023.

The report confirmed that the unaudited Statement of Accounts were on the Council's website having met the publishing deadline of 31 May 2023.

The Committee Members are to attend an End of Year Statement of Accounts training session in order to gain an understanding of the financial statements and notes to the accounts, in order to be able to objectively challenge the information in the accounts.

AGREED (unanimously) that:

- a) Members noted the Annual Governance Statement for the financial year ended 31 March 2023; and
- b) Members noted the draft Statement of Accounts for the financial year ended 31 March 2023 and agreed to them being submitted to the external auditor (Mazars) for audit and certification.

7 FRAUD RISK ASSESSMENT

The Committee considered the report from the Business Manager for Financial Services informing Members of the update of the Fraud Risk Register undertaken during April 2023.

The report explained how the fraud risk assessment was first undertaken in June 2014, a fraud risk register produced and presented to the Committee then known as Audit and Accounts. The fraud risks are then assessed annually and the register updated.

Councillor Lee queried why none of the Councillors were listed, the Business Manager for Financial Services responded and would be able to expand an existing list. The Assistant Business Manager for Financial Services confirmed that the Councillors allowances were published on the website.

Councillor Shakeshaft queried inconsistencies in the document which the Business

Manager for Financial Services would take away and double check with officers, any changes would be brought to the next meeting.

AGREED (unanimously) that Members noted the content of the report.

8 COUNTER-FRAUD ACTIVITIES FROM 1 OCTOBER 2022 TO 31 MARCH 2023

The Committee considered the report from the Business Manager for Financial Services informing Members of counter-fraud activity undertaken since the last update reported on 23 November 2022.

The report explained how an element of the Audit and Governance Committee was to provide assurance to the Council that its anti-fraud arrangements were operating effectively. Therefore counter-fraud activity reports are brought to the Committee twice a year showing the number of cases detected, amounts lost, the outcome of cases and amounts recovered, as well as any other counter-fraud that has taken place.

It was noted that an error on the first page of the report had stated the last update occurred on 1 December 2021, this was rectified to the most recent update on 23 November 2022.

AGREED (unanimously) that Members noted the report.

9 CODE OF CONDUCT ANNUAL REPORT FOR THE PERIOD 1 APRIL 2022 - 31 MARCH 2023

The Committee considered the report from the Assistant Director Legal and Democratic Services to consider the Code of Conduct Annual Report for the Period 1 April 2022 – 31 March 2023.

The report explained how the Committee has responsibility for promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council. As well as being responsible for maintaining an overview of the Member Code of Conduct including arrangements for dealing with complaints.

The Committee noted that the Monitoring Officer has received 13 formal complaints during this period. The Committee were informed that no formal investigations or Code of Conduct Hearings were required in the period 1 April 2022 to 31 March 2023.

AGREED (unanimously) that:

- a) the annual report be noted; and
- b) a review of the process for dealing with Code of Conduct Complaints be added to the Committee's work programme, including a review of the role of the Independent Persons.

10 COMMITTEE MEMBER TRAINING

The Committee considered the report from the Business Manager for Financial

Services proposing a training programme for Members of the Committee for the 2023/24 financial year.

AGREED (unanimously) that Members noted the training programme suggested.

11 ANNUAL REPORT DETAILING EXEMPT REPORTS CONSIDERED BY THE AUDIT & GOVERNANCE COMMITTEE

The Committee considered the report providing one report of exempt business considered by the Committee for the period 1 March 2022 to date. Members had the opportunity to review the exempt report and request further information. The rule is defined in paragraph 18 of the Constitution entitled 'Right of Members to Request a Review of Exempt Information'.

The Business Manager for Financial Services advised that the 27 July 2022 report 'Fraud Risk Assessment – Appendix A Exempt' should remain exempt.

AGREED (unanimously) that Members noted the contents of the report.

12 AUDIT & GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the Audit & Governance Committee Work Plan.

AGREED (unanimously) that the Audit & Governance Committee Work Plan be approved.

13 DATE OF NEXT MEETING

The next Audit & Governance Committee meeting to be held on Wednesday 26 July 2023.

14 EXCLUSION OF THE PRESS AND PUBLIC

Agreed (unanimously) that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of this item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

15 FRAUD RISK ASSESSMENT APPENDIX A EXEMPT

The Committee considered the exempt report with regard to the Fraud Risk Assessment.

(Summary provided in accordance with Section 100C(2) of the Local Government Act 1972).

Meeting closed at 7.25 pm.

Chairman

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted



Report to: Audit & Governance Committee Meeting
27 September 2023

Director or Business Manager Lead: Suzanne Shead - Director Housing, Health, and Wellbeing 01636 655520

Lead Officer: Jill Baker - Business Manager Customer Services
01636 655210

Report Summary	
Report Title	Housing Ombudsman Investigation Outcome
Purpose of Report	The purpose of this report is to update Members of the outcome of a recent Housing Ombudsman investigation
Recommendations	That Members note the findings of the report
Reason for Recommendation	There is a requirement from the Ombudsman that the outcome of their investigations is shared with Members

1.0 Background

- 1.1 The Council recognises the importance of listening to the views of its residents about the services it delivers. Our customer complaints and feedback policy provides the opportunity to capture, investigate, respond and learn from customer feedback to assist with the delivery and shaping of Council services.
- 1.2 The Council has a two stage complaints process. If after receiving the stage two response, the complainant is still unhappy with the outcome, they can refer their case to either the Local Government and Social Care Ombudsman or the Housing Ombudsman Service.
- 1.3 The Housing Ombudsman provides support to tenants and landlords and investigates complaints for disputes involving the tenants and leaseholders of social housing landlords. The Council is required to complete an annual self-assessment against the Code for Effective Complaints Handling which sets out how complaints should be managed including promoting the role of the Housing Ombudsman.

- 1.4 The results of any investigations carried out by either of the Ombudsman are shared with the Audit and Governance Committee and the local ward member(s).
- 1.5 In October 2022, the Council received details of a complaint from the Housing Ombudsman. The key issues of the complaint were about the council's handling of:
- A request to be rehoused and
 - Adaptations following occupational therapist assessments.

2.0 Ombudsman Decision

- 2.1 The Housing Ombudsman carried out a detailed investigation and notified the Council of its decision on 31 May 2023. It found that there was no maladministration.
- 2.2 It stated that the Council acted appropriately and in accordance with its policy which gave it discretion as to whether it would carry out complex adaptations or seek suitable alternative accommodation.
- 2.3 The Housing Ombudsman recommended that the Council should consider reviewing its complaint responses in this case. It stated "complaint responses should focus on responding to the issues raised and should not be used to highlight other issues such as resident behaviour. Such issues should be raised separately under the relevant procedures".
- 2.4 The Council recognised the above, however in this case, felt the additional issues included in the complaint responses were relevant to the complaint investigation.
- 2.5 The Housing Ombudsman publishes anonymised decisions on its website, three months after the final decision date. [Decisions Archive - Housing Ombudsman \(housing-ombudsman.org.uk\)](https://www.housing-ombudsman.org.uk)

3.0 Learning from Complaints

- 3.1 The Council understands the importance of learning from complaints to drive forward service improvements. All staff who respond to complaints are undertaking training which includes responding to and learning from complaints.
- 3.2 Complaints data is reported monthly within the Housing Directorate and included in the quarterly monitoring reports. Themes and learning from housing complaints are presented to the Tenant Engagement Board quarterly with an annual review. Changes made to housing service practice are shared in the Tenant Annual Report to highlight the impact of the tenants voice and that the Council is listening.

4.0 Implications

In writing this report and in putting forward recommendation's officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and

Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications – FIN23-24/2692

- 4.1 There are no financial implications arising from this report, however, there is a budget within the Housing Revenue Account where cases have been determined that the Council need to compensate a tenant.

Background Papers

The investigation report is attached at Appendix 1

Housing

Ombudsman Service

REPORT

COMPLAINT 202205089

Newark and Sherwood District Council

30 May 2023

Our approach

The Housing Ombudsman's approach to investigating and determining complaints is to decide what is fair in all the circumstances of the case. This is set out in the Housing Act 1996 and the Housing Ombudsman Scheme (the Scheme). The Ombudsman considers the evidence and looks to see if there has been any 'maladministration', for example whether the landlord has failed to keep to the law, followed proper procedure, followed good practice or behaved in a reasonable and competent manner.

Both the resident and the landlord have submitted information to the Ombudsman and this has been carefully considered. Their accounts of what has happened are summarised below. This report is not an exhaustive description of all the events that have occurred in relation to this case, but an outline of the key issues as a background to the investigation's findings.

The complaint

1. The complaint is about the landlord's handling of:
 - a. Adaptations following occupational therapist (OT) assessments;
 - b. A rehousing request.

Jurisdiction

2. What we can and cannot consider is called the Ombudsman's jurisdiction. This is governed by the Housing Ombudsman Scheme. When a complaint is brought to the Ombudsman, we must consider all the circumstances of the case as there are sometimes reasons why a complaint will not be investigated.
3. After carefully considering all the evidence, in accordance with paragraph 42 of the Housing Ombudsman Scheme, the following aspect of the complaint is outside of the Ombudsman's jurisdiction:
 - a. Rehousing request.
4. Paragraph 42(k) of the Scheme says the Ombudsman will not investigate complaints which, in the Ombudsman's opinion, "fall properly within the jurisdiction of another ombudsman, regulator or complaint-handling body".
5. The resident wants to be permanently moved to alternative accommodation. The information seen suggests her request is based on health/welfare grounds.
6. Part 6 of the Housing Act (1996) governs the allocation of local authority housing stock in England. It sets out the circumstances where reasonable preference must be given to certain applicants, when making decisions about offers of

property. The reasonable preference criteria include applicants living in unsuitable conditions and applicants who need to move on medical or welfare grounds.

7. The Housing Ombudsman can only consider complaints about transfer applications that are outside of Part 6 of the Housing Act (1996). The Local Government and Social Care Ombudsman (LGSCO) can review complaints about applications for rehousing that fall under Part 6. This includes complaints concerning applications for rehousing that meet the reasonable preference criteria and the assessment of such applications.
8. Since the resident's rehousing request falls within Part 6 of the Housing Act (1996), it cannot be reviewed by the Housing Ombudsman. As a result, this aspect of the complaint is better suited to the LGSCO. This Service can consider the resident's other concerns.

Background and summary of events

9. The resident is a secure tenant and the tenancy began in January 2019. The property is a three bedroom semi-detached house with a garden. He occupied the property with his partner and two children. He is in the process of separating with his partner and moving to separate accommodation
10. The landlord's aids and adaptations policy says:
 - a. On receipt of a major adaptation referral, it will determine whether there is 'under occupation at the property... If the decision is made that it is not reasonable and practicable to carry out a recommended adaptation... [the local authority] will endeavour to offer suitable alternative accommodation that meets a customer's needs as soon as reasonably possible'.
 - b. A complex adaptation includes where 'costly structural works' are needed to meet the needs of the person.
 - c. Factors in determining whether the landlord would undertake extensive adaptations include: 'the extent to which the property is capable of being adapted...availability of suitable alternative accommodation... the degree of occupation in the premises... the extent to which the tenant is complying with the tenancy agreement'.
 - d. Major adaptations are generally defined as works costing £350 or over in value.

Summary of events

11. On 19 September 2018, prior to the start of the tenancy, an initial occupational therapist attended the property and completed an assessment in relation to the resident's needs. They said:
 - a. The resident and family should have a four bedroom property, but a three bedroom property with two rooms downstairs would also be acceptable.
 - b. A ground floor toilet was a minimum requirement.
 - c. A shower over the bath would be acceptable.
12. The landlord deemed the property to comply with the OT's assessment of the resident's needs.
13. There is a gap in the timeline until 20 May 2020 when the OT responded to a major adaptations referral for the resident's partner. They recommended:
 - a. Widening the front door.
 - b. Ramp access to front door.
 - c. Replacing the stair lift.
 - d. Providing vehicle 'hard standing' to front/side of the property.
14. The landlord wrote to the resident on 31 July 2020. It said that following the OT's recommendation, it was evident that "complex adaptation work" was required to meet the resident's needs. In the first instance it would look for suitable accommodation that met these needs or could be easily adapted. The case would be reviewed regularly until the end of the year, when the resident would be updated. It offered to install the stairlift in the interim.
15. The landlord wrote to the resident on 7 September 2020 and said the "installation of a driveway, crossover and ramp" was completed the previous week; a new stairlift had been ordered; a replacement front door had been ordered and would be installed in approximately three weeks. Further, that it would not be carrying out any further adaptations as the family composition had changed, with only one child living with the resident and his partner. As a result rehousing could be more appropriate.
16. Notes from the landlord's internal systems recorded the stair lift as replaced on 2 October "albeit the existing one was in full working order", and the door also fitted in October 2020.
17. From October 2020 to August 2021 the landlord's internal email records show frequent communication with the resident, usually on the phone or in person. The contact covered a range of issues, including boundaries and fencing, parking, fly tipping, abandoned vehicles, pest control, exterior works to outhouses and

reports of repairs needed to the adaptations carried out. The repairs were completed by the landlord.

18. An internal email from the landlord on 28 September 2021 said it had been decided that it would only be carrying out essential repairs at the property due to the resident's "constant harassment" of the landlord and its contractors. Internal emails record numerous instances where the resident had shouted at, or been abusive to, the landlord and its contractors.
19. The OT provided a major adaptations referral for the resident's partner on 28 September 2021. They acknowledged some administrative delays at the council. They said they were awaiting further medical information to "advise on longer term prognosis and wheelchair use". They recommended:
 - a. Level access to an appropriate ground floor toilet.
 - b. Provision of a level access shower facility.
 - c. Level access to rear garden.
 - d. Replacement of window in dining room to be replaced with a door.
20. The OT emailed the landlord on 1 November 2021. They said:
 - a. They had emailed the resident's partner's doctor for medical information that she was going to become a fulltime wheelchair user as the family said they required "full ground floor access and facilities...there is currently no evidence to support this view".
 - b. A significant amount of work has been done to this property already and that unless additional works were minor, it may be more realistic to review whether this a suitable property in the long term.
21. The resident raised a stage one complaint on 1 November 2021. He said:
 - a. He and his partner were living in a property that no longer met their needs as she was disabled.
 - b. His partner cannot go up and down stairs and has to use the outdoor toilet to wash.
 - c. He requested rehousing or for the current property to be adapted, but this had not been done.
 - d. The landlord was discriminating against his partner due to her disabilities.
 - e. The landlord had not responded to his calls.
22. The landlord acknowledged the complaint the same day and said it would reply within ten working days.

23. The landlord issued a stage one response on 11 November 2021. It said:
- a. It was in receipt of a major adaptation referral from an OT, which recommended:
 - i. Adapting the first floor bathroom to provide a level access shower.
 - ii. Providing a ground floor accessible toilet.
 - iii. Replacing the dining room window with a door to access the rear garden.
 - b. It deemed the request to be of a complex nature. In line with its policy, it would discuss more suitable housing options that better met the resident's needs.
 - c. The case would be discussed at the 'extensive adaptation panel' meeting which would provide its decision.
 - d. It had already carried out significant adaptations to the property including installing two different types of stair lift.
 - e. A senior member of the responsive repair team would call the resident once a week to update on outstanding works highlighted in the email dated 1 November 2021 until the repairs were completed.
24. Notes from an internal meeting in January 2022 recorded the resident being offered a three bedroom void bungalow, which was rejected as he wanted to remain in the same area. The notes added the resident requested a five bedroom house with split ground floor reception rooms, of which there were only a few in the area. Further, the OT was "struggling to get a long term medical prognosis" in relation to the occupants' needs.
25. The landlord emailed the resident on 7 March 2022 and said that it was searching for a suitable alternative property for him. It said he was eligible for a three bedroom property and his "insistence" on a four bedroom property had hindered the process. Further that while the resident was working towards the return of his other children, until this was confirmed by the courts, they would not be considered as part of the referral.
26. The resident called the landlord to escalate the complaint to stage two on 10 March 2022. The landlord summarised the discussion in an email to the resident on 14 March 2022. It said the resident:
- a. Wanted the landlord to take into account his mother coming to live with him and his three children, who did not live at the property, returning home, when considering his housing needs.
 - b. Felt current adaptations were taking too long and the landlord has delayed deliberately.

- c. Had to make multiple complaints against council staff, including for discriminatory comments made against his partner. He said he received £5000 worth of fencing in compensation as a result.
- d. He had been trying to contact a member of staff at the landlord for six months but received no call back.
- e. Questioned what the aids and adaptations budget had been spent on during the pandemic as no work was carried out.
- f. Was unhappy it had not completed any further adaptations in favour of moving him to more suitable accommodation.
- g. As a result he wanted the landlord to either:
 - i. Build him a four bedroom property to suit his needs and for it to be gifted to his children, so his benefits were not affected. This had to be completed by August or September.
 - ii. Or, adapt the existing home to include “double parking with car port, open plan kitchen diner, downstairs wet room, underfloor heating, air source heating and PV panels and a downstairs double bedroom”. Ideally this should involve knocking through to the attached property to make one property. He added he would not move during the works and this needed to be completed by August or September.
- h. Upon receipt of his partner’s medical records he would take legal action against the landlord and seek damages of £4million plus the build of a new four bedroom property.

27. The landlord issued a stage two response on 31 March 2022. It said:

- a. It was only able to take the resident’s current housing needs into consideration when searching for an alternative property. If his mother and children were to join him this could be reassessed, but given the limitations of current stock, he should not worsen his circumstances by bringing in other family members who are adequately housed elsewhere.
- b. An OT provided guidance at the time the resident signed up. They said the resident required either a 4 bed house or a 3 bed house with two downstairs rooms; a ground floor toilet and a shower over bath. The property complied with these requirements.
- c. All adaptations recommended in May 2020; namely: to widen the front door, provide ramped access, install a stairlift and create a hard standing for a vehicle were all completed and the case closed in August 2020.
- d. The resident’s request to install patio doors would not proceed as the landlord had not received a referral from the OT.

- e. A second OT referral was received in “November” 2021. The OT confirmed the delay was with the council’s admin team and not the landlord. This referral was to provide level access to an appropriate ground floor toilet; provide a level access shower facility and level access to rear garden by replacing the window in the dining room with a door.
- f. The landlord would try to find a suitable alternative property due to the cost of the complex adaptations. The resident was advised of the same.
- g. The resident was offered a three bedroom bungalow which was declined as it was not in the same area as the current property.
- h. The OT had been unable to obtain a long term prognosis for his partner so even if the adaptations were done, the property may still not be suitable.
- i. There was no evidence of a complaint against staff resulting in a fence being erected at the property.
- j. Due to a problem with the email address, some emails were not received from the resident. This was now fixed. However, the delay was not six months and it did not affect the discussions had.
- k. The OT referral was received in November 2021 and would have been allocated to that year’s budget. At the time of receipt the budget was completely committed.
- l. The OT referral commenced conversations about the adaptations.
- m. It was normal practice to look to alternative stock in response to wider challenges of adapting homes.
- n. It proposed the following in relation to adaptations:
 - i. The downstairs outside toilet is not suitable to be remodelled into a modern toilet.
 - ii. The OT was happy to meet the resident’s partner to try alternative stair lifts.
 - iii. The OT would provide a commode to assist with emergency toilet needs while it would see what further changes are required to the existing bathroom.
 - iv. The door to the rear would not be considered until the rear garden was cleared as it cannot be accessed by his partner or son. This was also a breach of tenancy.
 - v. There would be one point of contact and prescribed updates provided by the landlord as previous conversations had been “overwhelming” for landlord staff.
 - vi. It would let the resident digest the response and then attend the property with a local counsellor on 12 April 2022 before closing the complaint.

28. The OT issued a housing needs assessment on 14 June 2022 in relation to the resident's partner's needs. They recommended a home, either from rehousing or adaptation, that has:

- a. Accommodation on one level or a vertical lift.
- b. Level access.
- c. No steps between rooms.
- d. Internal doors that can be widened to 840mm.
- e. Minimum three bedrooms.
- f. Level access shower facility.
- g. If a vertical lift was installed, a toilet would be required to both floors.
- h. Kitchen to have a raised housing for oven, accessible storage, lever taps, space for a perching stool.
- i. Adequate central heating.
- j. Off road parking for mobility vehicle.
- k. Access to a secure garden.
- l. Accessible power sockets, controls and switches.

29. Minutes from a meeting between the landlord and resident on 23 June 2022 recorded:

- a. It was not disputed the OT was responsible for some of the delays.
- b. The resident said the stairlift was not safe and tilted forward.
- c. The landlord offered to clear the garden and recharge the resident. The resident said he wants to go through everything in his own time but would not be doing so due to the 'mouse/rat infestation'.
- d. The resident said adaptations to the following areas had been completed at that point:
 - i. The driveway.
 - ii. The front door.
 - iii. The ramped access.
- e. The resident requested the dates that the remainder of the adaptations would be complete.
- f. The resident had baited various areas of the property for pests.

30. The landlord issued the resident with a notice of contravention of tenancy conditions on 15 September 2022. This was in relation to the condition of the

garden at the property. Supporting photographs show a large amount of timber, pallets and other materials present. The notice added there was a second caravan parked at the property for which the resident did not have permission to store.

31. The landlord wrote to the resident on 1 September 2022. It said:

- a. It understood the resident and his partner were planning to separate.
- b. Two of the children were going to live with the resident's partner away from the property.
- c. The resident was going to stay at the property until he could find smaller, more affordable accommodation.
- d. The adaptations were designed for the resident's partner and only one bedroom would be used, so it would not be the best use of the property.
- e. The resident would be entitled to a one bedroom property, in accordance with its allocations policy. It noted the resident's housing application.
- f. It would not be carrying out any further adaptations to the property. A total of £14,564.22 was spent on existing adaptations.

32. The OT issued a housing needs assessment on 31 October 2022 for the resident. The recommended:

- a. Ground floor accommodation on a single level.
- b. Two bedrooms for when children visit.
- c. Shower over bath and toilet grab rail.
- d. Maximum two step access.
- e. Central heating.
- f. Off road parking.
- g. Fenced garden.

33. The resident contacted this service on 19 December 2022. He said:

- a. He was expecting the landlord to knock through to the neighbouring property to address the medical needs of the family.
- b. There was an ongoing pest problem to the outbuilding.
- c. He wanted alternative accommodation or the adaptations completed.
- d. Alternatively he wanted "several million pounds" compensation.

34. The landlord's legal department wrote to the resident on 17 April 2023. It said:

- a. As the resident's relationship with his partner had broken down, it would correspond with them separately in relation to their housing applications. It noted they both still resided at the property.
- b. An OT determined two bedroom properties with ground floor toilet facilities were suitable for his needs and that he had "been awarded medical band 2" based on his circumstances.
- c. He needed to bid on suitable properties when they become available and that the current property needed to have passed a transfer inspection first. The property had failed a transfer inspection and he would not be permitted to move until it passed.
- d. He had been verbally abusive to its staff in a recent telephone call. Should any further abuse occur, all contact would be through email.
- e.

Assessment and findings

- 35. The parties discussed the possibility of a "mouse/rat infestation" and the landlord attended the property to undertake control measures. However, this did not form any part of the complaint and therefore did not give the landlord an appropriate opportunity to address any concerns. In the absence of any evidence to show a complaint handling failure, this part of the complaint will not be considered as part of this process. If this issue persists, the resident should raise this in a formal complaint to the landlord.
- 36. It is recognised that this situation was distressing for the resident. He was seeking adaptations to improve the quality of life for his family.
- 37. The timeline shows a decision by the landlord to only progress essential repairs from September 2021 due to the "constant harassment" of the landlord and its contractors by the resident. While the situation was frustrating for the resident, the timeline shows a number of instances where the resident shouted at the landlord and its contractors. This was not appropriate.
- 38. The timeline shows an OT assessment of the property before the resident moved in, in relation to the occupant's circumstances. The landlord determined that the property was suitable for the resident and in accordance with the specifications set out by the OT. The resident did not dispute the property's suitability when the family moved in.
- 39. A further OT assessment was carried out in May 2020. The OT recommended widening the front door to a minimum opening of 860mm; ramp access to front door; a replacement stair lift; and a vehicle 'hard standing' to front/side of the property. The landlord notified the resident that as the recommended adaptations were 'complex' it would seek suitable alternative accommodation in the first

instance. This was in accordance with its aids and adaptations policy. It also fitted the stairlift in the interim. This was a reasonable step which assisted in facilitating the resident's partner's mobility. It was also in accordance with its policy and OT recommendation.

40. While the landlord's policy shows it has discretion in relation to complex adaptations and was entitled to seek suitable alternative accommodation for the resident, it proceeded to undertake the initial adaptations recommended by the OT.
41. The landlord completed the installation of a driveway, crossover and ramp, as recommended. Further, it had ordered a new front door, which was subsequently installed. A replacement stair lift was also ordered. The door and stair lift were recorded as fitted on 2 October 2020. This was an appropriate response to the OT recommendations and completed the adaptations required.
42. While the works were completed nearly five months after the recommendations were received, these were not day to day repairs and required planning. It should also be noted that the preceding COVID-19 lockdown would have impacted the landlord's works program. Therefore, the time period was not unreasonable, considering also the landlord's policy which said it was able to seek suitable alternative accommodation for the resident and was silent on timescales. Further, there was already a previously fitted stair lift in situ, which was noted as being in a good condition.
43. The OT provided a major adaptations referral for the resident's partner on 28 September 2021. It recommended: level access to an appropriate ground floor toilet; provision of a level access shower facility; and level access to the rear garden; replacement of the dining room window with a door. While these adaptations were recommended by the OT, they added that supporting medical evidence had been requested and was outstanding, and that it may be more realistic for the occupants to be rehoused.
44. The landlord said it would not be carrying out the adaptations and it confirmed its intention to seek alternative accommodation for the occupants. The landlord's policy defines these recommendations as 'major adaptations'. The policy provides examples of when alternative solutions may be a more reasonable or practicable option. Factors affecting the decision as to whether an adaptation was reasonable or practicable included: the cost of the work; availability of suitable accommodation; the degree of occupation in the premises; and the extent to which the resident is complying with the tenancy agreement.
45. While the landlord has not provided a cost assessment of the works recommended, it explained that it had already spent £14,564.22 on adaptations

and provided a replacement stair lift. It was evident that cost was a consideration when determining the reasonableness and practicality of the recommendations.

46. The landlord offered the resident alternative accommodation, which was rejected as he wished to remain in the same area. This was understandable. However, the fact the landlord did find suitable alternative accommodation, demonstrated that it was possible for the resident to move. Therefore it was appropriate for this factor to be considered under the requirements of its policy.
47. The household consisted of the resident, his partner and two children at the start of the tenancy. It is understood that one child no longer lived at the property. It was appropriate for the landlord to hold the position that the occupancy to room ratio was different to that at the start of the tenancy and as such the housing need had changed. While the resident said others may join him to live at the property, the landlord was reasonable in notifying the resident that it was the current, not prospective circumstances that may be taken into consideration when assessing the housing need.
48. The landlord contacted the resident on various occasions from October 2021 to discuss the condition of the garden and the construction of outhouses without permission, fly tipping and abandoned vehicles at the property. These were in contravention of the tenancy agreement. It was therefore reasonable for this to be a factor for consideration when assessing the reasonableness or practicality of adopting the recommendations for adaptations.
49. In summary, the landlord acted appropriately and in accordance with its policy following the recommendation for complex adaptations. It was entitled to rely on the factors listed for consideration when determining whether complex adaptations were both reasonable and practicable. Its decision to pursue alternative accommodation was reasonable in consideration of the circumstances of the case.

Determination (decision)

50. In accordance with paragraph 52 of the Housing Ombudsman Scheme, there was no maladministration in relation to the landlord's handling of adaptations following occupational therapist (OT) assessments.

Reasons

51. The landlord acted appropriately and in accordance with its policy which gave it discretion as to whether it would carry out complex adaptations or seek suitable alternative accommodation. The landlord demonstrated a reasonable approach to adaptations by completing earlier complex adaptation recommendations. However, it was entitled to rely on its policy when deciding on the

appropriateness of carrying out further complex adaptation recommendations at the property.

Recommendations

52. The landlord should consider reviewing its complaint responses in this case. Complaint responses should focus on responding to the issues raised and should not be used to highlight other issues such as resident behaviour. Such issues should be raised separately under the relevant procedures.



Report to: Audit & Governance Committee Meeting
27 September 2023

Director or Business Manager Lead: Sue Bearman – Assistant Director

Lead Officer: Jill Baker, Business Manager Customer Services, ext. 5810

Report Summary	
Report Title	Local Government and Social Care Ombudsman Annual Review Update
Purpose of Report	To inform Members of the Local Government and Social Care Ombudsman annual review updates
Recommendations	That Members note the report
Reason for Recommendation	It is an Ombudsman requirement that Annual Review Letters are shared with Members

1.0 Background Information

- 1.1 Each year the Local Government and Social Care Ombudsman (LGSCO) produces an Annual Review Letter for local authorities detailing the number, type and decisions made relating to each authority. The annual review letter and decisions received information for the period 1 April 2022 – 31 March 2023 for Newark and Sherwood District Council are attached to this report – Appendices 1 and 2.
- 1.2 The Housing Ombudsman has advised that it will be publishing its next set of annual figures in October 2023. These will be shared with Members when they are available.

2.0 LGSCO Annual Review April 2022 – March 2023

- 2.1 The statistics provided with the Annual Review Letter show that for this period, the LGSCO received eight complaints relating to services provided by this Council and

made decisions on nine complaints. This compares to the ten received and twelve decisions made in 2021 – 2022.

2.2 The received and decided figures are different due to several reasons including:

- The complaint may have been received during 2022 - 2023 but a decision will be made in 2023 - 2024 (or even later) and therefore the complaint will show in a later year's report.
- The complaint did not relate to a service providing by us e.g. highways.
- The complaint was classed as premature.

2.3 Likewise the received figures the LGSCO provide never align with the figures the Council hold. This is because the LGSCO numbers include enquires from people who the LGSCO signpost back to the Council. These are captured in the "closed after initial enquiries" figures. There is no way of identifying who these customers are. The table below details the categories of the complaints received and decisions made in each of the Ombudsman categories.

Ombudsman Category	Received by the LGSCO	Decided by the LGSCO
Highways and Transport	0	1
Planning and Development	3	3
Housing	1	1
Corporate and Other Services	2	2
Environmental, Public Protection and Regulation	2	2
Total	8	9

2.4 The table below shows the outcome of each decision.

Ombudsman Category	Closed after initial enquiries	Advice given	Referred back for local resolution	Total
Highways and Transport	1			1
Housing			1	1
Planning and Development	3			3
Corporate and Other Services	2			2
Environmental, Public Protection and Regulation	0		2	2

Total	6		3	9
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- 2.5 During this period, the LGSCO didn't carry out any detailed investigations on the complaints submitted. None of the complaints decided were upheld the by LGSCO. This is testament to the detailed responses to the complaints submitted to the Council.
- 2.6 The LGSCO has published the anonymised details of six complaints it reviewed and closed after making initial enquired.

Ombudsman reference number and link	Ombudsman category	Summary of complaint	Decision Reason
<u>21 018 615 - Local Government and Social Care Ombudsman</u>	Transport and Highways	Carrying out works without a risk assessment or closing off the path.	Not sufficient injustice to warrant the Ombudsman being involved.
<u>22 003 493 - Local Government and Social Care Ombudsman</u>	Planning	Handling of a planning application and enforcement issues.	The complainant had the right to appeal to the Planning Inspector.
<u>22 006 172 - Local Government and Social Care Ombudsman</u>	Other	Tenancy of an industrial unit and the Councils plans to develop the site	Alternative legal remedy regarding the tenancy and no evidence of fault regarding the Council's plans to develop the site.
<u>22 006 889 - Local Government and Social Care Ombudsman</u>	Other	Property featured in the background of an information video	The complainant could submit a complaint to the Advertising Standards Authority and a remedy through the courts.
<u>22 012 232 - Local Government and Social Care Ombudsman</u>	Planning	Handling of a planning application and enforcement issues	Granting of planning permission did not cause significant injustice and no evidence of fault on not taking enforcement action.

<u>22 014 953 - Local Government and Social Care Ombudsman</u>	Planning	Decision to refuse a planning application and the pre application advice	Ombudsman could not investigate the complaint as the complainant had already appealed to the Planning Inspector.
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3.0 Further learning and developments.

- 3.1 Although the LGSCO did not conduct any investigations into any of the complaints received during this period, any Ombudsman complaints received by the Council are reviewed to see if any changes in processes and policies are required.
- 3.2 The Council has recently carried out a review of its Customer Feedback Policy against the Housing Ombudsman complaint handling code. Following on from this there have been slight amends to the Policy. [Customer-Complaints-and-Feedback-Policy-June-2023.pdf \(newark-sherwooddc.gov.uk\)](#)
- 3.3 A complaints toolkit has been developed for staff which includes guidance in how to carry out an investigation and how to respond to a complaint. To support this, we have created complaint response templates which will aid consistency in the responses. These are included at the end of the report. The wording in black is standard text and the wording in red is where the content to the complaint is added. Copies of these templates are included at the end of this report.
- 3.4 Training on the toolkit has been delivered to all staff who respond to complaints. This is approximately 100 staff.
- 3.5 The Council recognises the importance of listening to the views of its residents about the services they receive from us. To support this, Cllr. Mike Pringle has been appointed as the lead member for complaints.

4.0 Implications

In writing this report and in putting forward recommendation's officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

4.1 FIN23-24/1404 - Financial Implications

There are no financial implications arising from this report.

Background Papers and Published Documents

Nil.

Stage 1 response template

Stage 1 – Response to your complaint

Thank you for the time you have taken in providing us with details of your complaint. Feedback is incredibly important to us so we can continue to learn, improve, and develop our services for our residents. We take all complaints extremely seriously and I am sorry that you have had to make a complaint in this instance.

This letter will outline what we do when we receive a complaint and how we seek to find a resolution. It will include details of your complaint and the steps we have taken to investigate. It will also confirm if your complaint has been upheld and outline any actions we will be taking. It also provides information on what to do if you are not satisfied with our response.

Firstly, when we receive a complaint, it is logged as a ‘Stage 1 complaint.’ When you contacted us on *insert date/s*) you raised the following issues: -

1. *[summary of point]*
2. *[summary of point]*
3. *[list all points to be investigated]*

I understand that, in order to resolve your complaint, you are seeking the following outcome/s:

- *(list any outcomes sought by the complainant e.g. repairs, apology, compensation, change in procedure)*

To investigate and review your complaint I have *(set out steps taken e.g. documents reviewed, staff and contractors consulted, procedures etc.)* and have made the following findings:

Your complaint has been *(upheld/partially upheld/not upheld)*, detailed below are the reasons for this decision:

1. *Finding and conclusions (describe what you did, what you found out, referencing any evidence relied upon and any relevant policies, procedures or legislation)*
2. *Apologies and explanations (if appropriate, include a genuine apology and an explanation for any service failure)*
3. *Any further actions that are required (that do not hold up the complaint being completed) and when they are likely to be completed – including any follow up*
4. *Redress (if warranted, provide details of appropriate redress such as compensation, repairs and/or other actions. If offering compensation, explain what it is for, provide a breakdown and refer to any compensation policy – but also use your discretion)*
5. *Learning (explain what you have learnt from the complaint and what changes and improvements will be put in place as a result of that learning)*
6. *Signposting (if appropriate, signpost the complainant to other services or sources of advice or support).*

Again, I am really sorry that you had cause to complain to us and I hope that this letter shows that your feedback has been fully considered and that you are satisfied with this response. The steps outlined above would complete Stage 1 of our complaints process.

If you are still concerned or unhappy with our response you may choose to escalate your complaint to Stage 2 of our complaints process. To do that, you should reply in writing (email or letter) within 3 months of receiving this letter. Please include details as to why you remain dissatisfied and what you are seeking as an outcome. Your complaint will then be reviewed by a Business Manager or Director who were not involved in this Stage 1 response.

[Include the section below only if the complaint relates to housing services and comes under the jurisdiction of the Housing Services Ombudsman]

As your complaint relates to housing services provided by the Council, you may contact the Dispute Resolution team at the Housing Ombudsman Service at any point for support and you do not have to complete our full complaints process before doing so. The service is free to use, and the Ombudsman investigates matters fairly and impartially.

To contact the Housing Ombudsman, you can do this via <https://www.housing-ombudsman.org.uk/> , by post PO Box 152, Liverpool, L33 7WQ or by telephone: 0300 111 3000.

The section below should be included in all responses.

A full copy of our Customer Feedback Policy is available on our website <https://www.newark-sherwooddc.gov.uk/customerfeedback/>.

Should you have any further questions, please do not hesitate to contact me.

Yours sincerely

[name of investigating officer]

[job title]

Stage 2 response template

Stage 2 – Response to your complaint

Thank you for the time you have taken to provide us with more detailed information on why you remain dissatisfied with our response to your complaint. I am sorry that you were not satisfied with our initial response.

This letter outlines the review we have undertaken, any actions we are taking and what you can do if you still aren't satisfied with our response at the end of our Stage 2 investigation.

I have reviewed your full complaint at Stage 2 of our customer feedback policy.

Stage 1 response to your complaint was sent to you on *(date)*. I understand *(from our phone call/your email/ letter of x date)* that your reasons for dissatisfaction with our Stage 1 response and your outstanding concerns are:

- *(summarise outstanding issues and reasons for dissatisfaction)*
- *xx*

I understand that, in order to resolve your complaint, you are seeking the following outcome/s:

- *(list any outcomes sought by the complainant eg repairs, apology, compensation, change in procedure)*

(Include the following paragraph if the complaint relates to Housing Services)

As your complaint relates to our housing services, you were asked if you would like support from an involved tenant who understands the tenant perspective. You confirmed you *did/didn't* feel this would be useful.

To investigate and review your complaint I have *(set out steps taken eg documents reviewed, staff and contractors consulted, procedures etc)* and have made the following findings:

Your complaint has been *(upheld/partially upheld/not upheld)*, detailed below are the reasons for this decision:

7. Finding and conclusions *(describe what you did, what you found out, referencing any evidence relied upon and any relevant policies, procedures or legislation)*
8. Apologies and explanations *(if appropriate, include a genuine apology and an explanation for any service failure)*
9. Redress *(if warranted, provide details of appropriate redress such as compensation, repairs and/or other actions. If offering compensation, explain what it is for, provide a breakdown and refer to any compensation policy – but also use your discretion)*
10. Learning *(explain what you have learnt from the complaint and what changes and improvements will be put in place as a result of that learning)*

11. Signposting (if appropriate, signpost the complainant to other services or sources of advice or support).

I am sorry that you had cause to complain to us and I hope that this letter shows that your feedback has been fully considered and that you are satisfied with this response. The steps outlined above would conclude our Stage 2 complaints process.

If you remain dissatisfied, you can now ask the relevant Ombudsman to review your complaint. The service is free to use, and the Ombudsman investigates matters fairly and impartially. There are some matters the Ombudsman cannot or will not investigate. In these cases, it will clearly explain the reason for its decision.

If your complaint relates to the Council as your landlord, you will need to contact the Housing Ombudsman Service. You can do this via <https://www.housing-ombudsman.org.uk/> , by post PO Box 152, Liverpool, L33 7WQ or by telephone: 0300 111 3000.

If your complaint relates to any other council services, you need to contact the Local Government and Social Care Ombudsman. You can do this via <https://www.lgo.org.uk/>, by post PO Box 4771, Coventry, CV4 0EH or by telephone 0300 061 0614. Alternatively, you can ask your local Councillor to do this for you.

Should you have any further questions, please do not hesitate to contact me.

Yours sincerely

[name of investigating manager]
[job title]

19 July 2023

By email

Mr Robinson
Chief Executive
Newark & Sherwood District Council

Dear Mr Robinson

Annual Review letter 2022-23

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2023. The information offers valuable insight about your organisation's approach to complaints. As always, I would encourage you to consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

The end of the reporting year, saw the retirement of Michael King, drawing his tenure as Local Government Ombudsman to a close. I was delighted to be appointed to the role of Interim Ombudsman in April and look forward to working with you and colleagues across the local government sector in the coming months. I will be building on the strong foundations already in place and will continue to focus on promoting improvement through our work.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Over the past two years, we have reviewed our processes to ensure we do the most we can with the resources we have. One outcome is that we are more selective about the complaints we look at in detail, prioritising where it is in the public interest to investigate. While providing a more sustainable way for us to work, it has meant that changes in uphold rates this year are not solely down to the nature of the cases coming to us. We are less likely to carry out investigations on 'borderline' issues, so we are naturally finding a higher proportion of fault overall.

Our average uphold rate for all investigations has increased this year and you may find that your organisation's uphold rate is higher than previous years. This means that comparing uphold rates with previous years carries a note of caution. Therefore, I recommend comparing this statistic with that of similar organisations, rather than previous years, to better understand your organisation's performance.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we were satisfied with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 26 July 2023. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know that complaints offer organisations a rich source of intelligence and insight that has the potential to be transformational. These insights can indicate a problem with a specific area of service delivery or, more broadly, provide a perspective on an organisation's culture and ability to learn. To realise the potential complaints have to support service improvements, organisations need to have the fundamentals of complaint handling in place. To support you to do so, we have continued our work with the Housing Ombudsman Service to develop a joint complaint handling code that will provide a standard for organisations to work to. We will consult on the code and its implications prior to launch and will be in touch with further details.

In addition, our successful training programme includes practical interactive workshops that help participants develop their complaint handling skills. We can also offer tailored support and bespoke training to target specific issues your organisation might have identified. We delivered 105 online workshops during the year, reaching more than 1350 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Yours sincerely,



Paul Najsarek
Interim Local Government and Social Care Ombudsman
Interim Chair, Commission for Local Administration in England

Complaints upheld

The Ombudsman carried out no detailed investigations during this period

Compliance with Ombudsman recommendations

No recommendations were due for compliance in this period

Satisfactory remedy provided by the organisation

The Ombudsman did not uphold any detailed investigations during this period

Reference	Authority	Category	Received
22002227	Newark & Sherwood District Council	Housing	20/05/22
22003493	Newark & Sherwood District Council	Planning & Development	27/06/22
22006172	Newark & Sherwood District Council	Corporate & Other Services	12/10/22
22006889	Newark & Sherwood District Council	Corporate & Other Services	26/08/22
22011283	Newark & Sherwood District Council	Environmental Services & Public Protection & Regulation	24/11/22
22012232	Newark & Sherwood District Council	Planning & Development	06/12/22
22014273	Newark & Sherwood District Council	Environmental Services & Public Protection & Regulation	25/01/23
22014953	Newark & Sherwood District Council	Planning & Development	03/02/23



Report to: Audit & Governance Committee Meeting
27 September 2023

Director or Business Manager Lead: Sue Bearman - Assistant Director Legal & Democratic Services and Monitoring Officer

Lead Officer: Nigel Hill - Business Manager Elections & Democratic Services, Ext. 5243

Report Summary	
Report Title	Councillor Training and Development
Purpose of Report	To review the May/June 2023 induction training programme for Councillors and consider ongoing training and development for Councillors.
Recommendations	<ol style="list-style-type: none"> 1) That further training be delivered for Councillors as soon as practicable, in relation to the role and responsibilities of the councillor and meeting procedures; and 2) That Councillors be made aware of the Local Government Association online training offer, and the training materials available on the Members Intranet.
Reason for Recommendation	To ensure Councillors are provided with the training and development opportunities they need to undertake their roles effectively.

1.0 Background

1.1 Following the District Council election on 4 May 2023, an induction and training programme was delivered for all Councillors, between 10 May and 29 June. The following events were delivered:

- Welcome event
- Bus tour of the District
- Modern Gov (the software used to publish all meeting agenda, reports and minutes)
- Code of Conduct
- Introduction to the Council's financial context
- Housing and Housing Revenue Account
- Governance, Cabinet and Scrutiny

- ICT – cyber security, data protection and introduction to devices
- Planning and the Planning Committee
- Audit & Governance Committee
- Licensing Committee
- Policy and Performance Improvement Committee
- Safeguarding awareness

Recordings of the sessions, presentations, and materials are available on the Members Intranet. Following completion of the programme, a feedback survey was issued to all Councillors, which also asked for suggestions for ongoing training and development. A summary of feedback is attached as the **Appendix** to this report.

- 1.2 The Council also took advantage of the East Midlands Councils training offer, with the Chair and Vice Chair of the Council attending ‘The Role of the Civic Head’, and new councillors being given the opportunity to attend ‘Hitting the Ground Running – New Councillor Workshop’.
- 1.3 Going forward, the Council is rolling out climate awareness training for all staff, and the same training is being made available for Councillors. The workshop involves individuals working as part of a group to ‘piece together’ the journey of climate change from cause to effect. Workshops enable participants to take ownership of the subject matter and gain further insight and knowledge into the climate change agenda. The workshops are delivered by the LAEP (Nottinghamshire and Derbyshire Local Authorities' Energy Partnership). Invitations are due to be issued shortly by Democratic Services.
- 1.4 The Council is also rolling out equality and diversity training for all staff and Councillors. It is anticipated that the training will be delivered for Councillors by the end of the year. Topics covered will include use of inclusive language, and understanding how Equity, Equality, Diversity and Inclusion (EEDI) may apply in relation to Councillors’ day-to-day responsibilities.
- 1.5 The Council’s Committees, including Audit & Governance Committee, will continue to agree and arrange tailored ongoing training and development as necessary.

2.0 **Proposal/Options Considered**

- 2.1 In light of feedback received in relation to the Member Induction Programme, it is proposed for some further training to be delivered for Councillors as soon as practicable, in relation to the role and responsibilities of the councillor and meeting procedures. This training will be available for all Members, but will particularly be helpful for newly elected Councillors.
- 2.2 The Local Government Association also offers a programme of e-learning modules including knowledge and skills-based topics. Many of these have been covered in the

Induction Programme, but Members may be interested in some of the skills-based topics such as: -

- Community engagement and leadership
- Corporate parenting
- Facilitation and conflict resolution
- Handling intimidation
- Influencing skills
- Stress management and personal resilience
- Supporting mentally healthier communities
- Supporting your constituents with complex issues
- The effective ward councillor

2.3 It is proposed to promote the LGA offer for Councillors and raise awareness of the materials available on the Members Intranet.

3.0 Implications

In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications - FIN23-24/5185

3.1 There is a £3,000 budget for member training with currently £2,600 remaining, it is envisaged that member training requirements can be contained within the budget remaining. However, if there is any additional budget required for further training a further report will be brought to the relevant committee for approval.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.

Members' Induction Programme

1. How helpful did you find the Members' Induction Programme overall?

Answer Choices			Response Percent	Response Total
1	Extremely useful		57.14%	8
2	Very useful		14.29%	2
3	Somewhat useful		28.57%	4
4	Not so useful		0.00%	0
5	Not at all useful		0.00%	0
			answered	14
			skipped	0

2. Most of the Induction Programme was delivered at 6pm on weekdays. If the programme could be delivered in a different way, which of the following options would you prefer in the future?

Answer Choices			Response Percent	Response Total
1	Weekdays at 6pm (as currently delivered)		50.00%	7
2	Daytime only, mornings		0.00%	0
3	Daytime only, afternoons		14.29%	2
4	Daytime only, either morning or afternoon		0.00%	0
5	2 full days for the complete induction programme		14.29%	2
6	Other (please specify):		21.43%	3
			answered	14
			skipped	0

Other (please specify): (3)

1	20/07/2023 22:47 PM ID: 222766694	I would prefer an online induction as I was away with work and unable to make some of the training.
2	21/07/2023 11:08 AM ID: 222784145	Being retired I have no special preference as to timing - aware that working councillors may have clashes
3	07/08/2023 14:22 PM ID: 223864611	virtually

3. The induction sessions were delivered in person – what would your preference be for future?

Answer Choices			Response Percent	Response Total
1	Same		42.86%	6
2	Virtual		14.29%	2
3	Hybrid		28.57%	4
4	Other (please specify):		14.29%	2
			answered	14
			skipped	0
Other (please specify): (2)				
1	20/07/2023 15:35 PM ID: 222743426	They can only be delivered correctly by being in person, as that is the only way members can bounce ideas off each other.		
2	20/07/2023 22:47 PM ID: 222766694	Both Virtual and Hybrid		

4. Are there any additional topics you would have liked us to include as part of the induction programme?

Answer Choices			Response Percent	Response Total
1	Open-Ended Question		100.00%	14
1	20/07/2023 15:35 PM ID: 222743426	Yes, for new members, a session of committee involvement with other members, and procedure for chairing a meeting in the correct manner, so as to get the best from all who are on that particular committee.O		
2	20/07/2023 17:56 PM ID: 222755240	Green Belt training		
3	20/07/2023 22:47 PM ID: 222766694	not sure yet but a further survey in 12c months might be enlightening		
4	20/07/2023 23:49 PM ID: 222767702	Which Councils are responsible for what. Some new Councilors think that the district council can do thing that are the responsibility of others.		
5	21/07/2023 11:08 AM ID: 222784145	n/a		
6	24/07/2023 13:22 PM ID: 222920792	No		
7	01/08/2023 09:46 AM ID: 223352689	Having been a member before, I was ok but some new members bit lost around building and also understanding procedure at council meetings.		
8	07/08/2023 14:19 PM ID: 223863422	: Currently, there seems to be a lack of foundational training on what a counsellor should be doing on a day-to-day basis. While there is training on specific tasks such as engaging with residents and safeguarding oneself during one-on-one meetings, there is		

4. Are there any additional topics you would have liked us to include as part of the induction programme?

		<p>no comprehensive guide to the overall role and responsibilities of a counsellor. Training could be developed to cover these essential aspects more thoroughly.</p> <p>:</p> <p>Additionally, training could be expanded to cover more specific scenarios that counsellors may encounter. This includes providing clear guidance on dealing with situations outside of our remit, offering advice, and handling sensitive topics such as racism, sexism, and other forms of discrimination. Creating a clear protocol on whom to contact if harassed would also be beneficial.</p> <p>Lastly, there should be a focus on providing support and guidance for handling serious issues like rape or domestic violence. This should include details on whom to contact, including out-of-hours support, and how the office's out-of-hours procedures work. Proper training in these areas will help ensure that counsellors are well-equipped to serve their constituents in any situation.</p> <p>These improvements would offer a more well-rounded training program, ensuring that counsellors are prepared to handle the diverse range of situations they may encounter in their roles</p>	
9	07/08/2023 14:22 PM ID: 223864611	none	
10	07/08/2023 17:30 PM ID: 223907582	Yes, training on being members of the cabinet. All other committees had their own dedicated training but the cabinet felt short of this.	
11	08/08/2023 18:09 PM ID: 224036474	No I thought everything was covered.	
12	08/08/2023 19:08 PM ID: 224041659	Localised district and borough housing development plans	
13	10/08/2023 13:10 PM ID: 224184656	Until I have more experience as a Councilor It will be difficult to say. A re-visit in, say, 6 months might be helpful just so we can integrate our experience into a meaningful response so that future inductions can (possibly) be improved.	
14	16/08/2023 10:15 AM ID: 224565899	I am very unclear what rights I have as a councillor - I know information about programmes, departments, and what behaviours are acceptable. But I have no idea of what I am entitled to ask... e.g., recently I have had questions about ownership of plots of land (NSDC presumably has access to the Land Registry data), I am preparing documents where I need software or support (e.g., with mapping of rights of ways or travel destinations) and there are probably resources in-house, and so forth. And also how much I can ask from officers - and who should I be contacting when I'm unclear who is responsible. And so on.	
		answered	14
		skipped	0

Learning and development is an on-going process. Do you have any suggestions for further learning and development over the next 12 months – this could be in depth sessions on topics already covered as part of the induction programme, refresher sessions or something different.

Answer Choices	Response Percent	Response Total
1 Open-Ended Question	100.00%	14

Learning and development is an on-going process. Do you have any suggestions for further learning and development over the next 12 months – this could be in depth sessions on topics already covered as part of the induction programme, refresher sessions or something different.

1	20/07/2023 15:35 PM ID: 222743426	Once again for new members, a refresher course on individual committees can only be useful , (and also existing members), as legislation is all the time changing, and for the new member, they may have forgotten something from earlier on as they did have a great deal to learn in a very short time.	
2	20/07/2023 17:56 PM ID: 222755240	More planning training, to include some review of past decisions, a look at some appeals -and costs - and some analysis of where committee decisions could have been more robust	
3	20/07/2023 22:47 PM ID: 222766694	as above	
4	20/07/2023 23:49 PM ID: 222767702	No	
5	21/07/2023 11:08 AM ID: 222784145	Probably another session on finances would help us all as we get closer to budget setting for 2024 (in time to make a difference to plans!)	
6	24/07/2023 13:22 PM ID: 222920792	1no	
7	01/08/2023 09:46 AM ID: 223352689	Being on planning always more to learn and understand!	
8	07/08/2023 14:19 PM ID: 223863422	One-to-one briefings to allow people to go through situations with the card and talk through how best to deal with them in the future . And to ask questions	
9	07/08/2023 14:22 PM ID: 223864611	see below	
10	07/08/2023 17:30 PM ID: 223907582	More opportunities to meet the officers across the council and a chance to build up relationships and exchange ideas. Looking ahead at future policy challenges which will significantly impact the district. Networking with neighboring councils to exchange ideas and learnings.	
11	08/08/2023 18:09 PM ID: 224036474	Regular quarterly consolidation sessions would be useful, tailored to members on specific committees.	
12	08/08/2023 19:08 PM ID: 224041659	Respective training on national incidents which may arise	
13	10/08/2023 13:10 PM ID: 224184656	Phew, a big ask. I'll think and get back to you.	
14	16/08/2023 10:15 AM ID: 224565899	See above. In fact, spreading the induction over a longer period might be beneficial. I was utterly exhausted, having had sessions on 2-3 days a week, plus meetings at parish and district level, plus 200+-page agendas	
		answered	14
		skipped	0

5. Do you have any other comments regarding the Members' Induction Programme?

Answer Choices			Response Percent	Response Total
1	Open-Ended Question		100.00%	13
1	20/07/2023 15:35 PM ID: 222743426	This years programme was far better than in recent years, but it had to be when expecting a large influx of completely novice members. This year Officers need to be congratulated, as they did provide a far better understanding of the roles they were over seeing, and explaining.		
2	20/07/2023 17:56 PM ID: 222755240	I think that planning training should be mandatory for every member, including (especially) those that have been members for some time		
3	20/07/2023 22:47 PM ID: 222766694	no		
4	21/07/2023 11:08 AM ID: 222784145	Only that we appreciated the spirit and manner of delivery. Good-humoured.		
5	24/07/2023 13:22 PM ID: 222920792	Great!		
6	01/08/2023 09:46 AM ID: 223352689	Officers were excellent. use of microphones as some of us struggling to hear. Programme very thorough.		
7	07/08/2023 14:19 PM ID: 223863422	Same as three		
8	07/08/2023 14:22 PM ID: 223864611	A completely new Council needs more time to get to know each other. Whilst the induction should be done online - there should be more opportunities for us to get to know each other in our groups and then cross groups in the leadership and then cross groups across the Council. There are different agendas for each.		
9	07/08/2023 17:30 PM ID: 223907582	I would have liked to have accessed some of the training much sooner. With them being so spread out, some sessions were at least 1 month after joining the council. However, all sessions were of great quality and really clear and easy to follow. Thank you.		
10	08/08/2023 18:09 PM ID: 224036474	I would prefer an intensive induction, for 2 days, followed by a consolidation and questions session the following week.		
11	08/08/2023 19:08 PM ID: 224041659	Thank you		
12	10/08/2023 13:10 PM ID: 224184656	It was a very helpful start and it was very useful to meet Officers and Councilors.		
13	16/08/2023 10:15 AM ID: 224565899	As 4 above.		
			answered	13
			skipped	1



Report to: Audit & Governance Committee Meeting
27 September 2023

Director or Business Manager Lead: Sue Bearman - Assistant Director Legal & Democratic Services and Monitoring Officer

Lead Officer: Nigel Hill - Business Manager Elections & Democratic Services, Ext 5243

Report Summary	
Report Title	Report of the Members Allowances Independent Remuneration Panel
Purpose of Report	To consider the report of the Independent Remuneration Panel regarding the Scheme of Members Allowances for 2023/4 in the context of value for money.
Recommendations	That Members note: <ul style="list-style-type: none"> (a) the report of the Independent Remuneration Panel prior to its submission to Full Council on 17 October 2023; and (b) note that the proposal to Full Council will be for the in-year additional budget requirement of £19,125, to be financed from Corporate Contingency.
Reason for Recommendation	To align with the purpose and values in the Council’s Community Plan by securing value for money.

1.0 Background

- 2.1 As Members will be aware, the Full Council, at their meeting held on 18 July 2023, agreed to reconvene the Independent Remuneration Panel on Members Allowances, following an increase in the number of Cabinet Portfolio Holders from five to eight.
- 2.2 The Panel had previously conducted a review in late 2020 and their final report at that time was considered by the Full Council at their meeting held on 9 March 2021. The Council approved the recommendations made by the Panel in their report, but resolved not to implement at the current time, given the pandemic, the constraints on public sector pay and the review of the Council’s governance arrangements. The Panel undertook a further review of Members Allowances in the context of the Council’s revised governance arrangements which were implemented from May 2022. The current Scheme was adopted in May 2022.

- 2.4 Regulations set out the range of allowances that can be paid to Councillors and the requirement to have an Independent Remuneration Panel to make recommendations to the Council regarding Members' Allowances.
- 2.5 The scope of the review was to consider the change in the Council's Cabinet arrangements and any wider implications. To ensure the Scheme remains fit for purpose, the Panel was also asked to consider the special responsibility allowance made to the Leader of the Main Opposition Group, to review the current childcare and dependents carers' allowance, and to consider the wording of the Members Allowance Scheme covering allowances made to Leaders of Minority Opposition Groups.
- 2.6 The Independent Remuneration Panel have now completed their Report, and this is attached as the **Appendix** to the report.
- 2.7 This Final Report of the Panel is scheduled to be considered by the Full Council at their meeting to be held on 17 October 2023, at which it will need to determine whether to adopt the recommendations of the Panel Report and implement a revised Scheme of Members Allowances.

3.0 Implications

In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications - FIN23-24/42

- 3.1 The increase from five portfolio holders to eight and the proposal to continue with the current SRA rate of £8,500 will require an in year additional budget requirement of £25,500. However, the three new portfolio holders started their roles in July 2023, therefore the additional budget required for the financial year 2023-24 will be £19,125. The £19,125 will be financed from the Corporate Contingency and the future year budget implications will be built into the budget setting process for the financial year 2024-25 onwards.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Report to Full Council – 9 March 2021

<https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=139&MId=448>

Report to Full Council – 17 May 2023

<https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=139&MId=756>

Report to Full Council 18 July 2023

<https://democracy.newark-sherwooddc.gov.uk/ieListDocuments.aspx?CId=139&MId=891>

Current Scheme of Members Allowances

<https://www.newark-sherwooddc.gov.uk/your-council/your-council/councillors-andcommittees/councillor-allowances/>

NEWARK AND SHERWOOD DISTRICT COUNCIL
REPORT OF THE INDEPENDENT REMUNERATION PANEL
RECOMMENDATIONS FOR THE SCHEME OF MEMBERS ALLOWANCES FOR 2023/24
SEPTEMBER 2023

1. Introduction

The Independent Remuneration Panel (IRP) has a responsibility to make recommendations to Newark and Sherwood District Council (the Council) on the levels of allowances to be paid to Members of the Council. This report has been prepared in accordance with current legislation and guidance.

The Panel members are:

Sarah Britton	-	Newark and Sherwood
Paul Cox	-	Rushcliffe
John Shaw (Chairman)	-	North Kesteven

2. Purpose of the Review

To review the implications following the increase in the number of portfolio holders from five to eight. To consider any wider implications on Special Responsibility Allowances (SRAs) made to other committees, as a consequence of the change. To consider the SRA made to the Leader of the Main Opposition Group. To review the current childcare and dependents carers' allowance. To consider the wording of the Members Allowance Scheme covering allowances made to Leaders of Minority Opposition Groups.

3. Review Process

The contents of Report to the Annual Meeting of the Full Council - 23 May 2023 entitled Political Composition of the Council and allocation of seats on Committees to Political Groups and the Report to the Meeting of the Full Council 18 July 2023 entitled Leader's Appointments, have been considered and used as a starting point for this review, together with the last Report of the Independent Remuneration Panel Recommendations for the Scheme of Members Allowances for 2022/23 dated March 2022.

The review has looked at the Council's rates of remuneration in comparison with, other Nottinghamshire District Councils and neighbouring District Councils operating on a cabinet system.

The IRP received help and advice from both Officers and Members and we are grateful for their assistance. A list of all those involved is shown in Appendix One.

We understand that our recommendations will be considered by the Audit and Governance Committee ahead of the report being presented to the Full Council on 17 October 2023, for a decision with regard to the recommendations made.

4. Findings

4.1 Cabinet Members - Portfolios Holders

The increase from five portfolio cabinet members including the Leader and Deputy Leader to eight has been considered. The original cabinet was one of the smaller sized cabinets compared to the others identified where eight is now the most typical size. The SRAs paid to the Leader and Deputy Leader include their roles as Cabinet Members. The current rate of £8,500 is within the top half of the sample used but is not considered excessive in comparison to others. The IRP accept that there has only been a relatively short period for the new arrangements to operate and on which to make a judgement. However, it is believed that the functions in the new cabinet portfolios exceed those of the previous cabinet in both range and depth.

It is recommended that the existing SRA of £8,500 is paid to all Cabinet Members with portfolio (excluding the Leader and Deputy Leader).

4.2 Other SRAs

Whilst it is acknowledged that the change in cabinet size will have some impact on the workload for the Policy and Performance Improvement Committee, it is not considered necessary to amend the SRAs. The changes to the Cabinet have not impacted significantly onto any of the other Committees to warrant any changes to the allowances paid to the Chairman or Vice-Chairman of any of the Committees.

It is recommended that the current allowances paid to the Chairman or Vice-Chairman of any of the Committees remain the same.

4.3 Leader of the Main Opposition Group

The changes to the Cabinet's size have slightly altered the role of the Leader of the Main Opposition Group who acts as the ninth voting member without portfolio. The current allowance paid £6,400, is the largest amount paid to this role within the sample Authorities reviewed.

It is recommended that the SRA paid to the Leader of Main Opposition Group remains unchanged.

4.4 Members Allowance Scheme – Point 1

To avoid any potential confusion as to which allowances the Leader of a Minority Opposition Group is entitled, the following addition (shown in italics) could be made to Point 1 of the

Members Allowance Scheme. *“There is no limit as to the number of special responsibility allowances paid to individual Members, except Opposition Group Leader payments will not be made if the relevant Member is a Cabinet Member with portfolio, Leader or Deputy Leader.”*

It is recommended that Point 1 of the Members Allowance Scheme is amended to: There is no limit as to the number of special responsibility allowances paid to individual Members, except Opposition Group Leader payments will not be made if the relevant Member is a Cabinet Member with portfolio, Leader or Deputy Leader.

4.5 Members Allowance Scheme – Point 2

Following on from point 4.4 above, the following addition (shown in italics) could be made to Point 2 of the Members Allowance Scheme. *“For the purposes of qualifying for a Main Opposition Group Leader or Minority Opposition Group special responsibility allowance a political group on the Council needs to comprise of at least four Members. The Main Opposition Group is the largest Group for which no Member is a Cabinet Member with Portfolio, Leader or Deputy Leader. A Minority Opposition Group is any other Group.”*

It is recommended that Point 2 of the Members Allowance Scheme is amended to: For the purposes of qualifying for a Main Opposition Group Leader or Minority Opposition Group special responsibility allowance a political group on the Council needs to comprise of at least four Members. The Main Opposition Group is the largest Group for which no Member is a Cabinet Member with Portfolio, Leader or Deputy Leader. A Minority Opposition Group is any other Group.

4.6 Childcare and Dependents Carers’ Allowance

A review of the rates paid by other Nottinghamshire District Councils showed that a number have adopted the National Living Wage, currently £10.42 per hour as the maximum rate paid. This is a minor increase on the current maximum rate of £10 per hour for costs actually incurred, or more in exceptional circumstances. The Panel feels linking the rate to the National Living Wage will help future-proof it and negate the need for regular reviews.

It is recommended that the current rates payable for Childcare and Dependents Carers’ allowances are increased to a maximum level of the National Living Wage.

5. Summary of Main Recommendations

It is recommended that:

- 5.1 The existing SRA of £8,500 is paid to all Cabinet Members with portfolio (excluding the Leader and Deputy Leader).
- 5.2 The current allowances paid to the Chairman or Vice-Chairman of any of the Committees remain the same.

- 5.3 The SRA paid to the Leader of the Main Opposition Group remains unchanged.
- 5.4 Point 1 of the Members Allowance Scheme is amended to: There is no limit as to the number of special responsibility allowances paid to individual Members, except Opposition Group Leader payments will not be made if the relevant Member is a Cabinet Member with portfolio, Leader or Deputy Leader.
- 5.5 Point 2 of the Members Allowance Scheme is amended to: For the purposes of qualifying for a Main Opposition Group Leader or Minority Opposition Group special responsibility allowance a political group on the Council needs to comprise of at least four Members. The Main Opposition Group is the largest Group for which no Member is a Cabinet Member with Portfolio, Leader or Deputy Leader. A Minority Opposition Group is any other Group.
- 5.6 The current rates payable for Childcare and Dependents Carers' allowances are increased to a maximum level of the National Living Wage.

Members:

CLlr Rowan Cozens	-	Deputy Leader of the Council
CLlr Susan Crosby	-	Portfolio Holder – Health, Wellbeing & Leisure
CLlr Simon Ford	-	Vice-Chairman of Audit & Governance Committee
CLlr Andy Freeman	-	Chairman of Planning Committee
CLlr Peter Harris	-	Chairman of Audit & Governance Committee
CLlr Simon Haynes	-	Committee Member
CLlr Rhona Holloway	-	Leader of the Main Opposition Group
CLlr Roger Jackson	-	Committee Member
CLlr Jack Kellas	-	Committee Member
CLlr John Lee	-	Committee Member
CLlr Keith Melton	-	Portfolio Holder – Climate Change
CLlr Dave Moore	-	Committee Member
CLlr Emma Oldham	-	Portfolio Holder – Biodiversity & Environmental Services
CLlr Paul Peacock	-	Leader of the Council
CLlr Mike Pringle	-	Chairman of Policy & Performance Improvement Committee
CLlr Neil Ross	-	Vice-Chairman of Policy & Performance Improvement Committee
CLlr Maurice Shakeshaft	-	Committee Member
CLlr Paul Taylor	-	Portfolio Holder – Public Protection & Community Relations
CLlr Tina Thompson	-	Committee Member

Officers:

John Robinson	-	Chief Executive
Sanjiv Kohli	-	Deputy Chief Executive, Director of Resources and Section 151 Officer
Sue Bearman	-	Assistant Director Legal and Democratic Services and Monitoring Officer
Nigel Hill	-	Business Manager Elections and Democratic Services



Report to: Audit & Governance Committee Meeting
27 September 2023

Director or Business Manager Lead: Sanjiv Kohli Deputy Chief Executive / Director –
Resources and Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on
ext 5317

Report Summary	
Report Title	Audit and Governance Committee Annual Report
Purpose of Report	To inform Members of the activity undertaken by the Audit and Governance Committee during the 2022/23 financial year.
Recommendations	That Members note the report
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background Information

- 1.1 As part of the bi-annual review of the effectiveness of the Audit and Accounts Committee which was undertaken during July 2019, an action plan was presented to the Audit and Accounts Committee at the meeting in November 2019. One of the actions identified within that plan was to produce an annual report of the activity of the Audit and Accounts Committee.
- 1.2 Section 7.2 of Part C of the constitution sets out the terms of reference for the Committee. This report details how the Committee has discharged those responsibilities throughout the year.

2.0 Activity undertaken during the year

- 2.1 During the year, the Committee discharged its responsibilities as described within the Constitution by:

27 April 2022

- 2.2 Assurance Lincolnshire provided an update on the progress of the review work having been asked by statutory officers to undertake a review of lessons learnt around the sale of the municipal building and extension of the London Road car park.
- 2.3 The Safety & Risk Manager provided an update on the status of the Council's 2022/23 Strategic Risk Register as well as the Risk Management Policy.
- 2.4 Assurance Lincolnshire provided an internal audit progress report (Annex A) of a summary of Internal Audit work undertaken during 2021/22 against the agreed audit plan.
- 2.5 Assurance Lincolnshire provided the Combined Assurance Report for 2021/22, it is produced by Internal Audit working with Business Managers and SLT. The report demonstrates the level of assurance the Council has in its activities at a set point in time, identifying any gaps. The information is then used to inform the annual Internal Audit Plan for the next financial year.
- 2.6 The Committee considered the Internal Audit Plan (Appendix A) from Assurance Lincolnshire this set out the proposed work of Internal audit for 2022/23.

The report reminded Members that the Internal Audit plan is developed to demonstrate how assurance can be given on:

- Financial Governance
 - Governance and Risk
 - Critical Activities
 - Project Assurance
 - ICT
 - Key Controls
 - Combined Assurance
 - Consultancy Assurance
- 2.7 The Assistant Business Manager for Financial Services provided Members with updates made to the Council's accounting policies in relation to the closedown of the 2021/2022 financial year.
 - 2.8 The Committee also received reports on:
 - Underlying Pension Assumptions for 2021/22 Statement of Accounts
 - Underlying Valuation Assumptions for 2021/22 Statement of Accounts
 - Counter-Fraud Activities
 - Appointment of Non-Voting Independent Member on Audit & Governance Committee

27 July 2022

- 2.9 The Chief Executive appended the findings and suggested improvements from Assurance Lincolnshire following their audit of decision-making surrounding the sale of Municipal Buildings and proposed extension to London Road car park.

The Chief Executive highlighted how the circumstances had brought the Council into conflict with some members of the community, which was distressing for the community, and also some Members and staff. The Council would not want a repeat of these circumstances. By undertaking an independent review, the Council would be able to learn from this going forward.

- 2.10 The Head of Internal Audit for Assurance Lincolnshire provided a summary of Internal Audit work undertaken during 2021/22 and to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk, financial and internal control environment.

The report highlighted that the opinion remained unchanged since the 2020/21 financial year and that the direction of travel was positive in all four areas.

- 2.11 The Assistant Business Manager for Financial Services gave Members the opportunity to review the Annual Treasury Outturn report, which was presented to Council in October 2022.

- 2.12 The Business Manager for Financial Services set out the Council's assessment provided by the Council's Section 151 officer of the Council's Going Concern status.

- 2.13 The Business Manager for Financial Services provided the Council's draft Statutory Accounts for the financial year ended 31 March 2022 for the Committee to review.

The Committee Members attended an End of Year Statement of Accounts training session prior to this Committee meeting in order to gain an understanding of the financial statements and notes to the accounts, in order to be able to objectively challenge the information in the accounts.

- 2.14 The Committee also received reports on:

- Annual External Audit Strategy Memorandum 2021/22
- Fraud Risk Assessment
- Internal Audit Progress Report 2022/23
- Annual Standards Report for the period 1 April 2021 – 31 March 2022
- Committee Member Training

23 November 2022

- 2.15 The Committee reviewed the Council's Strategic Risk Register to update Members on the current status of the risk register. Members noted that there were 13 strategic risks identified, each that was owned by a Director. The risks were scored by the risk owners and Members had the ability to challenge the report author to ensure that risks were scored appropriately.

- 2.16 The Committee considered the report from the Head of Internal Audit for Assurance Lincolnshire providing a summary of Internal Audit work undertaken during 2022/23 against the agreed audit plan.

The Audit Plan for 2022/23 was agreed at the Audit and Accounts Committee in April 2022. Throughout the year reports on the progress made and changes to the plan were then brought to this Committee.

The report contained details of all reports issued in the first half of the financial year 2022/23.

- 2.17 The Committee also received reports on:

- Local Government and Social Care Ombudsman and Housing Ombudsman Annual Update
- Treasury Management mid-year report 2022/23
- Approval of the Statement of Accounts
- Review of the New Governance Arrangements
- Counter fraud activities from 1 April 2022 to 30 September 2022

1 February 2023

- 2.27 The Committee considered the External Auditor's Progress Report for Newark and Sherwood District Council for the 2021/22 audit based on work completed to date.

The representative from Mazars, presented at the meeting providing progress to the Committee of the Auditor's External Audit Progress Report for 2021/22 at Appendix A summarising the work undertaken by the auditors for year ended 31 March 2022.

- 2.28 Approval was given by the Committee for the Treasury Management Strategy, which incorporated the Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators, updated in accordance with latest guidance.

- 2.29 Approval was given by the Committee, to then be taking to Full Council in March for the Capital Strategy 2023/24, this incorporated the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.

- 2.30 The Assistant Business Manager for Financial Services explained to the Committee that the Investment Strategy is for 2023/24, was meeting the requirements of statutory guidance issued by Department of Levelling Up, Housing and Communities DLUHC (previously MHCLG) Investment Guidance in January 2018.

The Investment Strategy 2023/24 report provided a table summarising proposed limits for the non-treasury investments with more detail found in the appendix, the report was taken to Full Council in March.

- 2.31 The Business Manager for Financial Services updated Members of the Audit & Governance Committee on the significant governance issues identified in the Annual Governance Statement.

Members had approved the Annual Governance Statement for the financial year ended 31 March 2022 at its meeting on 23 November 2022 and this report updated the Committee of the status of the governance issues identified.

- 2.32 The Assistant Director for Legal & Democratic Services and Monitoring Officer provided a report with findings from the Governance Review Working Party's six-month review of the new executive governance arrangements.

A working group of Members were convened, to have oversight of the Member induction process following the May 2023 District Council elections and liaised with each of the political group leaders for nominations. The working group met in February/March. The Committee agreed that the Conservative group leader would nominate four, Labour group leader two and Liberal Democrat leader provide one nomination.

- 2.33 The Assistant Director Legal & Democratic Services and Monitoring Officer provided the following information to the Committee:

- i. Activity by the Council under RIPA from 2021 to date
- ii. Relevant minor amendments to the RIPA policy
- iii. An update on mandatory training for officers.

The report provided the use of authorised RIPA surveillance remains low, which is in line with the majority of other authorities. The annual statistical return to IPCO for 2022 was submitted by the Council at the end of January with a Nil return since 2016.

- 2.34 An updated version of the Council's Whistleblowing Policy and proposals to raise awareness of the Policy was provided. A review of the Policy had also been identified as an audit requirement for the financial year.

- 2.35 A review of the Council's policies for Members and Officers (employees) provided for consistency and to ensure they are fit for purpose. Members are required to register gifts and hospitality over a certain value even if declined. The Code of Conduct stated that all gifts and hospitality with an estimated value of £50 be registered however the Protocol gave a figure of £100. The Protocol had not been updated and after the Committee Members discussed this it was agreed to reduce the figure to £25 and made a correction which as an amendment to be reported through Full Council.

6 April 2023

- 2.36 The contents of the previous Strategic Risk Register for 2022/23 had been reviewed by Members in November 2022, this report provided an update on the status of the Council's 2023/24 Strategic Risk Register.

- 2.37 Feedback was provided from the Member Working Group established to have oversight of the Councillor induction process following the May 2023 District Council election.

The report gave suggestions that some of the Induction Programme could be delivered from sites other than Castle House with the example of the Civil War Centre or the

Business Innovation Centre. As an alternative to this proposal, Officers arranged two Bus Tours of the District to take place. Candidate packs had also been arranged and that they would be issued in good time before the election to get dates in diaries.

- 2.38 The Committee considered the appointment of Paul Cox and Sarah Britton as Independent Persons to the Council for a further 4-year term. The Monitoring Officer had consulted with them and both were happy to stand again for a further four years.

The Committee considered the annual rate for the Independent Persons noting it had remained the same for the last four years and to leave as it was with the option to review on an annual basis. The Committee also suggested more context for future reports, providing numbers of complaints the Independent Persons would attend if a hearing was to take place, this could all be considered when the new Council was in place.

The recommendation to appoint the Independent Persons for a further 4-year term was recommended to the next Full Council.

- 2.39 The Appendix to the the External Audit Planning Update for 2022/23 highlighted the Audit approach and timelines, including the Council's Value for Money. It also included what is expected to complete in April to inform the Annual Audit Strategy Memorandum to present at the next Audit & Governance Committee.

- 2.40 The Committee also received reports on:

- Combined Assurance
- Annual Internal Audit Plan
- External Auditors' Annual Report
- Statement of Accounting policies 2022/2023
- Underlying Pension assumptions for 2022/2023 Statement of Accounts
- Underlying Valuation Assumptions for 2022/2023 Statement of Accounts

14 June 2023

- 2.41 The Assistant Business Manager for Financial Services gave Members the opportunity to review the Annual Treasury Outturn report, to be presented to Council on 18 July 2023.

The report explained to the Committee that the Treasury Management Strategy Statement for 2022/23 had been approved by Full Council on 8 March 2022, and the Outturn report was the last report for the financial year, as required by the Code. It had been prepared based on the draft final accounts, which appeared elsewhere on the agenda. Members understood if it is found that there are significant changes resulting from the audit of the accounts, they will be reported at the next meeting of this Committee.

- 2.42 The Assistant Director Legal and Democratic Services provided a report considering the Code of Conduct Annual Report for the Period 1 April 2022 – 31 March 2023.

It was explained to Members what the Committee has responsibility for promoting and maintaining high standards of conduct by Members and co-opted Members of the Council. The Members also being responsible for maintaining an overview of the Members Code of Conduct as well as arrangements for dealing with complaints.

It was agreed to review the process for dealing with Code of Conduct Complaints and be added to the Committee's work programme, to include a review of the role of the Independent Persons.

2.43 The Committee also received reports on:

- Unaudited Statement of Accounts 2022/23
- Fraud Risk Assessment
- Counter-Fraud Activities from 1 October 2022 to 31 March 2023
- Committee Member Training
- Annual Report detailing Exempt Reports considered by the Audit & Governance Committee

3.0 Conclusion

3.1 As can be seen from the account of the year, the Committee has discharged its responsibilities as per the Constitution.

3.2 The Committee has added value to the organisation, by having appointed an Independent member to the Committee. Adding skills to the Committee which benefit the whole organisation as further scrutiny over the reports presented to the Committee is achieved.

Background Papers and Published Documents

Nil.



Report to: Audit & Governance Committee Meeting
27 September 2023

Director or Business Manager Lead: Nick Wilson, Business Manager – Financial Services

Lead Officer: Nick Wilson, Business Manager – Financial Services
01636 655317

Report Summary	
Report Title	Going Concern Status of the Council
Purpose of Report	This report sets out the assessment by the Section 151 officer of the Council's Going Concern status.
Recommendations	That Members review the conclusion of the assessment of the Council's status as a going concern and approve that the Statement of Accounts 2022/23 be accounted for on that basis.
Reason for Recommendation	An assessment of the Council's Going Concern is required for the preparation and approval of the Statement of Accounts for the financial year ended 31 March 2023.

1.0 Background

- 1.1 The concept of a 'going concern' assumes that an authority, its functions, and services will continue in operational existence for the foreseeable future. This assumption underpins the accounts drawn up under the Local Authority Code of Accounting Practice and is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an authority experiences extreme financial difficulty, then alternative arrangements might be made by central government either for the continuation of the services it provides, or for assistance with the recovery of a deficit over more than one financial year.
- 1.2 There are a number of implications for the Statement of Accounts where an authority is not considered to be of 'going concern'. For instance, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or

redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.

- 1.3 Given the significant reduction in funding for local government in recent years and the potential threat to the ongoing viability of one or more councils consequently, External Auditors are placing a greater emphasis on local authorities undertaking an assessment of the 'going concern' basis on which they prepare their financial statements. In response the position at Newark and Sherwood District Council is set out within this report.

2.0 Assessment of Going Concern

- 2.1 As with all principal local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for the relevant financial year (hereafter referred to as the Code). The Code is published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code the Council's Statement of Accounts is prepared assuming that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. By this, it is meant that the Council will realise its assets and settle its obligations in the normal course of business.

The main factors which underpin the going concern assessment are:

- The Council's current financial position
- The Council's projected financial position
- The Council's governance arrangements
- The regulatory and control environment applicable to the Council as a local authority

These are considered in more detail below.

3.0 The Council's current financial position

- 3.1 The financial outturn position for the General Fund for 2022/23 shows a favourable variance against revised budget of £0.565m. This variance largely relates to a favourable variance on service provision (£0.746m) further details of this are detailed in the Financial Outturn report to 31st March 2023 presented to Cabinet on 27th June 2023.
- 3.2 As at the 31st March 2023, the Council held general fund revenue reserves of £32.322m. Of this, £2.197m relates to funds that are ring-fenced to specific activity (for instance Building Control/Homelessness), £7.189m is earmarked for future known pressures (for instance Repairs and Renewals, Management carry forwards, Business Rates Volatility), £7.266m relates to budget funding reserves (Medium Term Financial Plan reserve, Capital Financing Provision reserve and the Collection Fund budget reserve) and £15.671m was un-ringfenced. This balance includes the statutory general fund balance which has been assessed as a prudent level of £1.500m. The remainder of the un-ringfenced reserves relate to the Change Management Fund which provides resource to support business transformation and large-scale infrastructure projects. Commitments against the Change Management Fund have already been made to

support the delivery of infrastructure projects, leaving £2.303m uncommitted within this fund.

- 3.3 General reserves reflect the ability of the Council to deal with unforeseen events and unexpected financial pressures in any particular year and are a key indicator of the financial resilience of the organisation. As part of the Medium-Term Financial Strategy the Chief Finance Officer has assessed that the optimum level of the general reserve to be held by the Council to be at least £1.5m as per the above paragraph.
- 3.4 On 31st March 2023, the Council held £49.575m in the form of either cash or short term investments maturing within the next financial year. The Council also held £15.384m in long term financial assets. These relate to an equity investment in Arkwood Developments Ltd (the Council's wholly owned subsidiary) (£4.404m) together with investments in the CCLA's Property and Diversified Income funds (£10.980m). The Council's cash flow forecast for the future 12 months considers the anticipated inflows and outflows of cash. The forecast shows that over the next 12-month period, there will not be a point in which the Council does not have liquid funds available in order to service its liabilities.
- 3.5 Where the Council makes long term financing decisions (through the Capital programme) these can include decisions on forecast borrowing the Council may need to take. Where the Council does decide that borrowing is required, it has access through the Public Works Loan Board (PWLB) (or other market instruments where appropriate) to meet the funding requirement.
- 3.6 Regarding capital spending; £41.358m of expenditure was approved within the General Fund capital programme for the 2022/23 financial year (including Revenue Expenditure funded from Capital under Statute). The outturn performance was £19.237m which represents an under-spend, due to delays in capital projects, of £22.121m. Major variances relate to:
- Build of new Homeless Hostel £0.819m
 - Castle Gatehouse Project £0.501m
 - 32 Stodman Street regeneration £1.564m
 - Contribution towards build of Air and Space Institute £3.802m
 - Information Technology investment £1.000m
 - Purchase of Land at Bowbridge Road £0.626m
 - Regeneration of site at Clipstone Holding Centre £0.794m
 - Installation of solar PV at Council sites £0.630m
 - Contribution to Southern Link Road £7.384m
 - Loan facility to Arkwood Developments £2.761m

These, including the remaining reasons, for this shortfall in planned expenditure were outlined within the Council's financial outturn report approved at Cabinet on 27th June 2023.

4.0 The Council's Balance Sheet as at 31st March 2023

4.1 The balance sheet shows a net worth of £380.284m which includes a liability of £19.798m in relation to the future costs of Pensions liabilities. There are statutory arrangements for funding the pension deficit through increasing contribution over the remaining working life of the employees, as assessed by an independent actuary – Barnett Waddingham for the Nottinghamshire Pension Fund. Therefore, the financial position of the Council remains healthy. Other factors giving rise to this assessment include:

- The adequacy of risk assessed provisions for doubtful debts
- The range of reserves set aside to help manage expenditure
- An adequate risk assessed general reserve to meet unforeseen expenditure

5.0 The Council's projected financial position

5.1 In March 2023, the Council approved a balanced budget for 2023/24. This allows for net spending of £16.959m and a council tax increase of 1.94% (at a Band D level) compared with the 2022/23 financial year. A net transfer to reserves of £1.457m was approved which related to:

Reserve	Amount
Additions to:	
Contribution to Cleaner, Safer, Greener reserve	£0.020m
Contribution to MTFP reserve	£0.680m
Contribution to Capital Financing provision	£0.580m
Contribution to Homelessness reserve	£0.214m
Total additions	£1.494m
Use of:	
Use of Land Charges Migration funding to fund GIS officer approved on	(£0.037m)
Total use of	(£0.037m)
Overall contribution to reserves	£1.457m

5.2 The Council's Medium Term Financial Plan (MTFP) is updated annually and reflects a four-year assessment of the Council's spending plans and associated funding. It includes the ongoing implications of approved budgets and service levels and the revenue costs of the council's capital programme, as well as the management of debt and investments. The latest update, approved at Council in March 2023 showed that over the four-year period to 2026/27 the Council expects to be fully funded. However, this is after several initiatives have been applied to the MTFP in order to bridge the inherent funding gap.

5.3 The Council continues to monitor its forecast cash flow going forward in order to ensure that the inflows and outflows of cash are managed by prudent invest and borrowing decisions placed in accordance with the approved Treasury Management Strategy.

6.0 The Council's governance arrangements

- 6.1 The Council has a well-established and robust corporate governance framework. This includes the statutory elements like the post of Head of Paid Service, the Monitoring Officer and the Section 151 Officer in addition to the current political arrangements.
- 6.2 Since May 2022 the Council has adopted a Cabinet and Leader executive style of arrangement, whereby all services responsibilities are split into various Portfolio which are managed by Members of the controlling political party.
- 6.3 Financial performance against the approved budget and Medium-Term Financial Plan is scrutinised by the Policy and Performance Improvement Committee and by Cabinet.

7.0 The external regulatory and control environment

- 7.1 As a local authority the Council must operate within a highly legislated and controlled environment. An example of this is the requirement for a balanced budget each year combined with the legal requirement for councils to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to the legal framework and central government control there are other factors such as the role undertaken by External Audit as well as the statutory requirement in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.
- 7.2 Against this backdrop it is considered unlikely that a local authority would be 'allowed to fail' with the likelihood being, when faced with such a scenario, that central government would intervene supported by organisations such as the Local Government Association to bring about the required improvements or help maintain service delivery. This has been evidenced with several councils, such as in the case of Northamptonshire County Council, and the interventions that have been introduced as a result of the situation that arose.

8.0 Conclusion

- 8.1 Having considered the outturn position to 31 March 2023, Medium Term Financial Plan to 2026/27, levels of earmarked and general reserves and the treasury cash flow position, together with the Council's governance arrangements, the s151 Officer considers that the Council remains a going concern.

Background Papers and Published Documents

Statement of Accounts 2022/23

Annual Governance Statement 2022/23

General Fund and HRA Revenue and Capital Outturn report to 31st March 2023



Report to: Audit & Governance Committee Meeting
27 September 2023

Director Lead: Sanjiv Kohli, Deputy Chief Executive/Director of Resources (S151 Officer)

Lead Officer: Nick Wilson, Business Manager – Financial Services
Ext 5317

Report Summary	
Report Title	Annual External Audit Strategy Memorandum 2022/23
Purpose of Report	To present the External Audit Strategy Memorandum for the 2022/23 Statement of Accounts work for members to review and comment.
Recommendations	Members to note the External Audit Strategy Memorandum.
Reason for Recommendation	To provide Members with details of External Audits work in relation to the Council’s Statement of Accounts for 2022/23.

1.0 Introduction

- 1.1 The External Audit Strategy Memorandum (Appendix A) sets out the proposed work of the Council’s external auditors for 2022/23, relating to the audit of the financial statements and the commentary on the Council’s Value for Money arrangements.
- 1.2 The strategy describes the audit approach, the key financial statement audit risks and the Value for Money audit approach. It details the audit team, the deliverables from the work, the timeline and the proposed audit fee.

3.0 Implications

None.

Background Papers and Published Documents

None.

Audit Strategy Memorandum

Newark and Sherwood District Council

Year ending 31 March 2023

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- 01 Engagement and responsibilities summary
- 02 Your audit engagement team
- 03 Audit scope, approach and timeline
- 04 Significant risks and other key judgement areas
- 05 Value for money
- 06 Fees for audit and other services
- 07 Our commitment to independence
- 08 Materiality and misstatements

- A Appendix A – Key communication points
- Appendix B – Revised auditing standard on Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

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This document is to be regarded as confidential to Newark and Sherwood District Council. It has been prepared for the sole use of Audit and Governance Committee Members as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

Audit & Governance Committee

Newark and Sherwood District Council
Castle House
Great North Road
Newark
Nottinghamshire
NG24 1BY

July 2023

Dear Committee Members

Audit Strategy Memorandum – Year ending 31 March 2023

We are pleased to present our Audit Strategy Memorandum for Newark and Sherwood District Council for the year ending 31 March 2023. The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 7 of this document also summarises our considerations and conclusions on our independence as auditors. We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Newark and Sherwood District Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, we see this document, which has been prepared following our initial planning discussions with management, as being the basis for a discussion around our audit approach, any questions, concerns or input you may have on our approach or role as auditor. This document also contains an appendix that outlines our key communications with you during the course of the audit and explains the implications of the introduction of the new auditing standard for Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019).

Client service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on mark.surridge@mazars.co.uk

Yours faithfully

Signed:

Mark Surridge

Mazars LLP

Mazars LLP – 2 Chamberlain Square, Birmingham. B3 3AX
Tel: +44 (0) 191 383 6300 – www.mazars.co.uk

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B3 3AX

01

Section 01:

Engagement and responsibilities summary

1. Engagement and responsibilities summary

Overview of engagement

We are appointed to perform the external audit of Newark and Sherwood District Council for the year to 31 March 2023. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting. Our audit does not relieve management or Audit and Governance Committee, as those charged with governance, of their responsibilities.

The section 151 officer is responsible for the assessment of whether it is appropriate for the Council to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence regarding and conclude on: a) whether a material uncertainty related to going concern exists; and b) consider the appropriateness of the section 151 officer's use of the going concern basis of accounting in the preparation of the financial statements.

Value for money

We are also responsible for forming a commentary on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in section 5 of this report.



Fraud

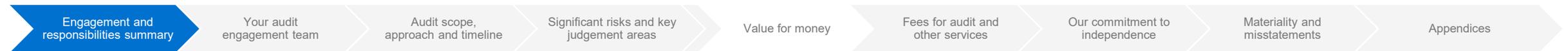
The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. This includes establishing and maintaining internal controls over reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, including key management and Internal audit as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.

Wider reporting and electors' rights

We report to the NAO on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom



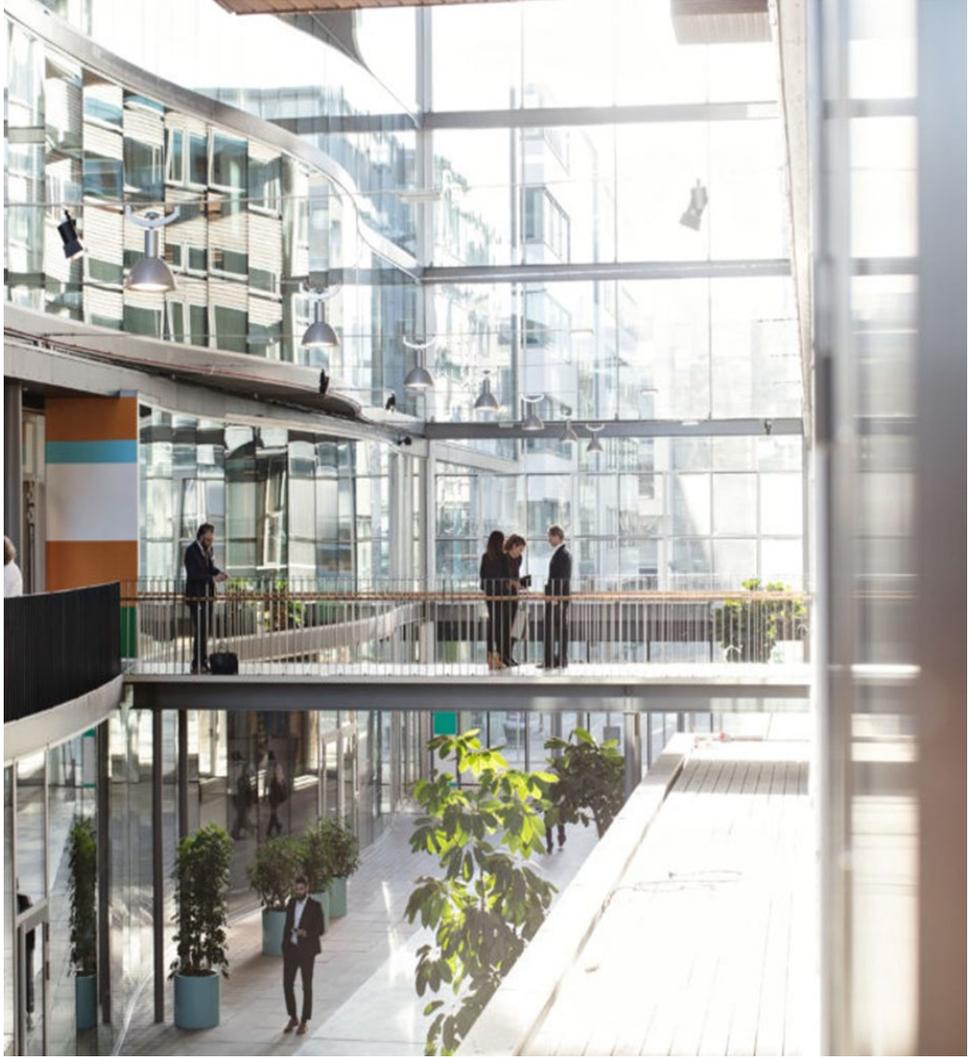
02

Section 02:

Your audit engagement team

2. Your audit engagement team

Individual	Role	Contact details
Mark Surrige	Engagement Lead	Mark.surrige@mazars.co.uk +44 (0)121 232 9600
Nomfundo Magwaza	Audit Manager	Nomfundo.Magwaza@mazars.co.uk +44 (0)7790 886 841
Sameer Amin	Lead Auditor	Sameer.amin@mazars.co.uk +44 (0)7977 029 387



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Engagement and responsibilities summary	Your audit engagement team	Audit scope, approach and timeline	Significant risks and key judgement areas	Value for money	Fees for audit and other services	Our commitment to independence	Materiality and misstatements	Appendices
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03

Section 03:

Audit scope, approach and timeline

3. Audit scope, approach and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your activities which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

Audit approach

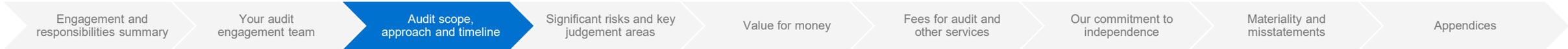
Our audit approach is risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to the risks identified.

If we conclude that appropriately-designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise: tests of details (of classes of transactions, account balances, and disclosures); and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

The diagram on the next page outlines the procedures we perform at the different stages of the audit.

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3. Audit scope, approach and timeline

Planning and Risk Assessment March 2023

- Planning visit and developing our understanding of Newark and Sherwood District Council
- Initial opinion and value for money risk assessments
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Risk assessment analytical procedures
- Determination of materiality

Completion by November / December 2023

- Final review and disclosure checklist of financial statements
- Final partner review
- Agreeing content of letter of representation
- Reporting to the Audit and Governance Committee
- Reviewing subsequent events
- Signing the independent auditor's report

Completion of VFM work March 2024

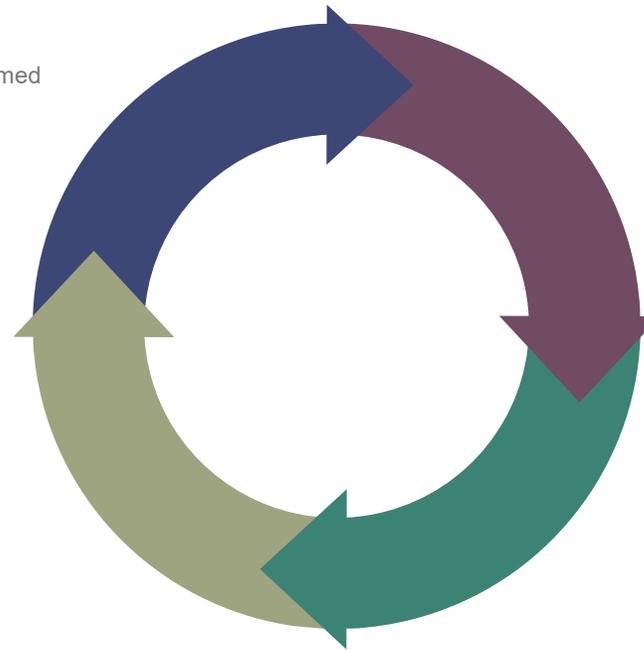
- Review of the council's arrangement
- Completion of VFM commentary
- Issuance of AAR

Interim August 2023

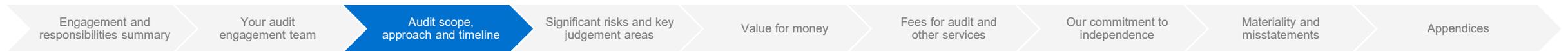
- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

Fieldwork October 2023 - November 2023

- Receiving and reviewing draft financial statements
- Delivering our audit strategy starting with significant risks and high risk areas including detailed testing of transactions, account balances and disclosures
- Communicating progress and issues
- Clearance meeting



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3. Audit scope, approach and timeline

Reliance on internal audit

We will meet with internal audit and take the Head of Internal Audit’s Annual Report findings into account in forming our Value for Money Conclusion.

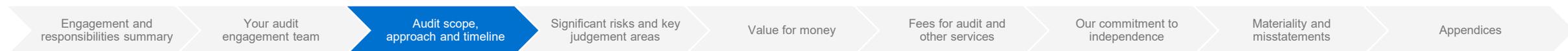
Management’s and our experts

Management makes use of experts in specific areas when preparing the Council’s financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Council that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. We have not identified any service organisations that are relevant for the purpose of our audit.

Item of account	Management’s expert	Our expert
Pensions Liability	Barnett Waddingham LLP <i>Actuary for Nottinghamshire Pension Fund</i>	PwC LLP <i>Consulting actuary appointed by the NAO</i>
Property, plant and equipment valuation	Wilks, Head and Eve LLP <i>The Council’s external valuer</i>	Not applicable
Business rate appeals provisions	InformCPI <i>External rating specialist</i>	Not applicable
Financial instrument disclosures	Link Asset Service <i>Treasury management advisors</i>	Not applicable

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04

Section 04:

Significant risks and other key judgement areas

3. Audit scope, approach and timeline

Group audit approach

We are responsible for the audit of the group consolidation. The Council’s consolidated group is made up of the following components:

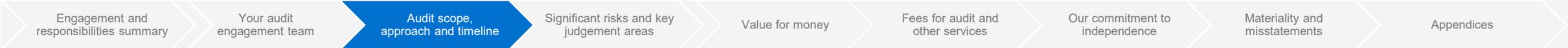
- Newark and Sherwood District Council
- RHH Newark Limited
- Arkwood Development Limited
- Active4Today Limited

An analysis of the group is shown below, setting out the components of the group. Mazars only audits the Group as well the Council and the Responsible Individual is Mark Surridge.

Materiality levels have been calculated at both single entity and group level for consistency, in line with reporting requirements. Refer to section 8. Based on these calculations we include the table below which sets out the audit approach we will follow for group audit opinion purposes.

Entity	Scope*
Newark and Sherwood District Council	Full
RHH Newark Limited	Out of scope
Arkwood Development Limited	Out of Scope
Active4Today	Out of Scope

*Our approach can change upon review of draft financial statements. Any change to our audit approach in respect of group arrangements will be communicated to the Audit and Governance Committee..



4. Significant risks and other key judgement areas

Following the risk assessment approach discussed in section 3 of this document, we have identified risks relevant to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk

Significant risks are those risks assessed as being close to the upper end of the spectrum of inherent risk, based on the combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. Fraud risks are always assessed as significant risks as required by auditing standards, including management override of controls and revenue recognition.

Enhanced risk

An enhanced risk is an area of higher assessed risk of material misstatement at audit assertion level other than a significant risk. Enhanced risks require additional consideration but does not rise to the level of a significant risk, these include but may not be limited to:

- key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
- other audit assertion risks arising from significant events or transactions that occurred during the period.

Standard risk

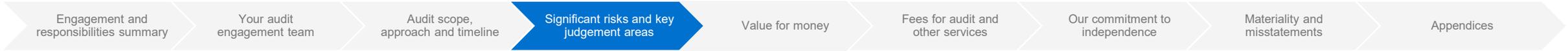
This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

Summary risk assessment

The summary risk assessment, illustrated in the table below, highlights those risks which we deem to be significant and other enhanced risks in respect of the Council. We have summarised our audit response to these risks on the next page.



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4. Significant risks and other key judgement areas

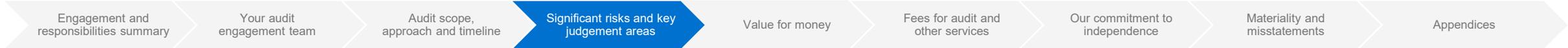
Specific identified audit risks and planned testing strategy

We have presented below in more detail the reasons for the risk assessment highlighted above, and also our testing approach with respect to significant risks. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to Audit and Governance Committee

Significant risks

	Description	Fraud	Error	Judgement	Planned response
1	<p>Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	●	○	○	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.

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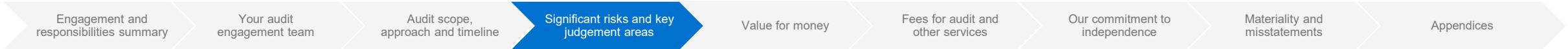


4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
2	<p>Net defined benefit liability valuation £84.9m (2021/22)</p> <p>The Council's accounts contain material liabilities relating to the local government pension scheme. The council uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.</p>	○	●	●	<p>In relation to the valuation of the Council's pension liability we will:</p> <ul style="list-style-type: none"> Critically assess the competency, objectivity and independence of the Nottinghamshire Pension Fund's Actuary, Barnett Waddingham LLP; Liaise with the auditors of the Nottinghamshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This will include the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation to complete and accurate; Review the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information provided by PwC, the consulting actuary engaged by the National Audit Office (NAO); and Agree the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's financial statements.
3	<p>Valuation of Dwellings, Land & Buildings and Investment Property Dwellings - £324m (2021/22) Land & Buildings - £86.9m (2021/22)</p> <p>The Council's accounts contain material balances and disclosures relating to its holding of property, plant and equipment and assets held for sale, with the majority of land and building assets required to be carried at valuation. Due to high degree of estimation uncertainty associated with those held at valuation, we have determined there is significant risk in this area.</p>	○	●	●	<p>In relation to the valuation of property, plant and equipment and assets held for sale we will:</p> <ul style="list-style-type: none"> Critically assess the Council's valuers scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations; Consider whether the overall revaluation methodology used by the Council's valuer is in line with industry practice, the CIPFA Code of Practice and the Council's accounting policies; Assess whether valuation movement are in line with market expectations by reference to alternative sources of valuation data to provide information on regional valuation trends; Critically assess the treatment of the upward and downward revaluations in the Council's financial statements with regards to the requirements of the CIPFA Code of Practice; Critically assess the approach that the Council adopts to ensure that assets not subject to revaluation in 2022/23 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Councils valuer; and Select and substantively test a sample of assets to form an opinion on the reasonableness of the valuations.

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05

Section 05: **Value for money**

5. Value for money

The framework for Value for Money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view, and sets out the overall criterion and sub-criteria that we are required to consider.

2022/23 will be the third audit year where we are undertaking our value for money (VFM) work under the 2020 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Council has proper arrangements in place and to report in the audit report and/or the audit completion certificate where we identify significant weaknesses in arrangements. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report.

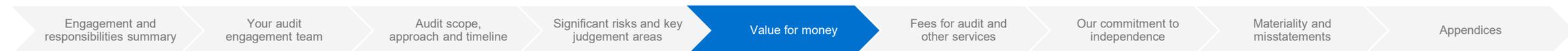
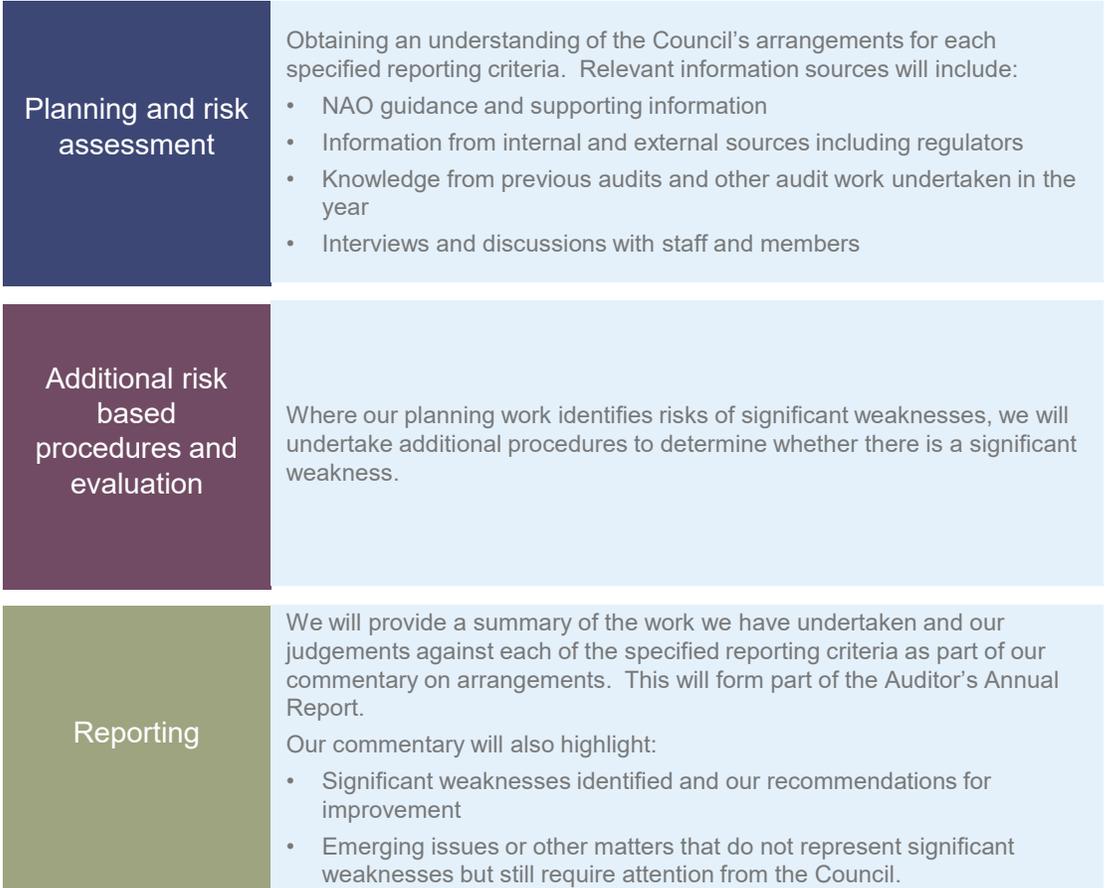
Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

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

Our approach

Our work falls into three primary phases as outlined opposite. We need to gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle and we are not expected to wait until issuing our overall commentary to do so.



06

Section 06:

Fees for audit and other services

6. Fees for audit and other services

Fees for work as the Council's appointed auditor

At this stage of the audit, we are not planning any divergence from the scale fees set below:

Area of work	2022/23 Proposed Fee	2021/22 Actual Fee
Scale fee	49,707	37,213
Additional cost in respect of:		
• Additional testing on IAS19 Pension Liabilities	N/A – included in the scale fee	3,740
• Additional testing on valuation of land building, council dwellings and investment properties	N/A – included in the scale fee	5,625
• Additional work from the introduction of new auditing standards (ISA 540 Estimates)	3,590**	3,590
• Group Accounts	2,530**	2,530
Other additional testing –implications of pension fund surpluses under IAS19 and IFRIC 14	TBC	
Fee for adoption of the new auditing standard (ISA 315)	TBC	
Additional cost in respect of the new VFM	7,000	12,000
Total Fees	TBC	64,698

Area of work	2022/23 Proposed Fee	2021/22 Actual Fee
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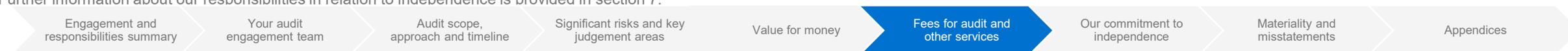
Other services – Agreed upon procedures on housing pooling return	4,000***	4,000
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**Prior year values have been included, this is subject to change based on the level of work required in these areas in the current year

*** Subject to Council engaging Mazars LLP to complete this work

Fees for non-PSAA work

In addition to the fees outlined above in relation to our appointment by PSAA, we have been separately engaged by the Council to carry out additional work as set out in the table below. Before agreeing to undertake any additional work we consider whether there are any actual, potential or perceived threats to our independence. Further information about our responsibilities in relation to independence is provided in section 7.



07

Section 07:

Our commitment to independence

7. Our commitment to independence

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually in writing that we comply with the FRC's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

- all partners and staff are required to complete an annual independence declaration;
- all new partners and staff are required to complete an independence confirmation and also complete computer based ethical training;
- rotation policies covering audit engagement partners and other key members of the audit team; and
- use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Mark Surridge in the first instance.

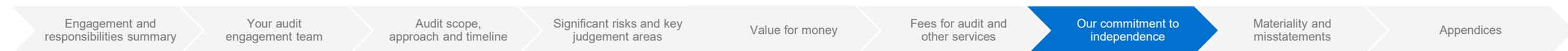
Prior to the provision of any non-audit services Mark Surridge will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

No threats to our independence have been identified as set out in the table.

Service	Consideration
<p>Assurance services: Housing Pooling Return</p>	<p>We have considered threats and safeguards as follows:</p> <ul style="list-style-type: none"> • Self Review: The work does not involve the preparation of information that has a material impact upon the financial statements subject to audit by Mazars; • Self Interest: The total fee level is not deemed to be material to the Council or Mazars. The work undertaken is not paid on a contingency basis; • Management: The work does not involve Mazars making any decisions on behalf of management; • Advocacy: The work does not involve Mazars advocating the Council to third parties; • Familiarity: Work is not deemed to give rise to a familiarity threat given this piece of assurance work used to fall under the Audit Commission / PSAA certification regimes and was the responsibility of the Council's appointed auditor; and • Intimidation: The nature of the work does not give rise to any intimidation threat from management to Mazars.

Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.

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08

Section 08:

Materiality and misstatements

8. Materiality and misstatements

Summary of initial materiality thresholds

Threshold	Initial threshold (Council) £'000s	Initial threshold (Group) £'000s
Overall materiality	2,170	2,350
Performance materiality	1,630	1,765
Specific materiality (Officers' Remuneration)	5	5
Trivial threshold for errors to be reported to Audit and Governance Committee	65	70

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole.

Information is considered to be material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- have a reasonable knowledge of business, economic activities and accounts;
- have a willingness to study the information in the financial statements with reasonable diligence;
- understand that financial statements are prepared, presented and audited to levels of materiality;
- recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

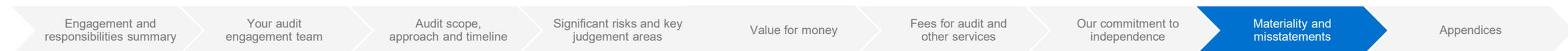
The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Our provisional materiality is set based on a benchmark of gross expenditure. We will identify a figure for materiality but identify separate levels for procedures designed to detect individual errors, and also a level above which all identified errors will be reported to Audit and Governance Committee.

We consider that the gross expenditure remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.

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8. Materiality and misstatements

Materiality (continued)

We expect to set a materiality threshold at 2% of gross expenditure (at surplus/deficit on provision of services). Based on prior year financial statements for preliminary assessment of materiality we anticipate the overall materiality for the year ending 31 March 2023 to be in the region of £1.630m.

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Our initial assessment of performance materiality is based on low inherent risk, meaning that we have applied 80% of overall materiality as performance materiality.

Misstatements

We accumulate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to Audit and Governance Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we

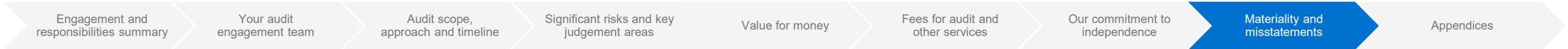
expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £65,000 based on 3% of overall materiality. If you have any queries about this please do not hesitate to raise these with Mark Surridge

Reporting to the Audit & Governance Committee

The following three types of audit differences above the trivial threshold will be presented to Audit and Governance Committee.

- summary of adjusted audit differences;
- summary of unadjusted audit differences; and
- summary of disclosure differences (adjusted and unadjusted).

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Appendices

A: Key communication points

B: Revised auditing standard on Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

Appendix A: Key communication points

We value communication with Those Charged With Governance as a two way feedback process at the heart of our client service commitment. ISA 260 (UK) 'Communication with Those Charged with Governance' and ISA 265 (UK) 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Audit Strategy Memorandum;
- Audit Completion Report; and
- Auditor's Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

Key communication points at the planning stage as included in this Audit Strategy Memorandum

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;
- Our commitment to independence;

- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

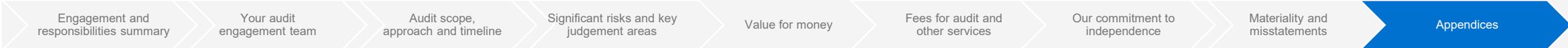
- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Significant difficulties, if any, encountered during the audit;
- Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.

Appendix A: Key communication points

ISA (UK) 260 'Communication with Those Charged with Governance', ISA (UK) 265 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none"> • uncorrected misstatements and their effect on our audit opinion; • the effect of uncorrected misstatements related to prior periods; • a request that any uncorrected misstatement is corrected; and • in writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • enquiries of Audit and Governance Committee to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • discussion of any other matters related to fraud. 	Audit Completion Report and discussion at Audit and Governance Committee, Audit planning and clearance meetings

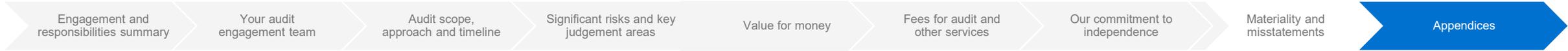
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Appendix A: Key communication points

Required communication	Where addressed
<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> • non-disclosure by management; • inappropriate authorisation and approval of transactions; • disagreement over disclosures; • non-compliance with laws and regulations; and • difficulty in identifying the party that ultimately controls the entity. 	<p>Audit Completion Report</p>
<p>Significant findings from the audit including:</p> <ul style="list-style-type: none"> • our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • significant difficulties, if any, encountered during the audit; • significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; • written representations that we are seeking; • expected modifications to the audit report; and • other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to Audit and Governance Committee in the context of fulfilling their responsibilities. 	<p>Audit Completion Report</p>
<p>Significant deficiencies in internal controls identified during the audit.</p>	<p>Audit Completion Report</p>
<p>Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.</p>	<p>Audit Completion Report</p>

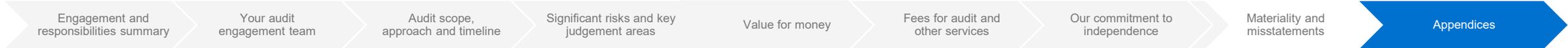
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Appendix A: Key communication points

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and enquiry of Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that Audit and Governance Committee may be aware of.	Audit Completion Report and Audit and Governance Committee meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> • whether the events or conditions constitute a material uncertainty; • whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and • the adequacy of related disclosures in the financial statements. 	Audit Completion Report
Reporting on the valuation methods applied to the various items in the annual financial statements including any impact of changes of such methods	Audit Completion Report
Explanation of the scope of consolidation and the exclusion criteria applied by the entity to the non-consolidated entities, if any, and whether those criteria applied are in accordance with the relevant financial reporting framework.	Audit Strategy Memorandum and/or Audit Completion Report as appropriate
Where applicable, identification of any audit work performed by component auditors in relation to the audit of the consolidated financial statements other than by Mazars' member firms	Audit Strategy Memorandum and/or Audit Completion Report as appropriate
Identification of whether all requested explanations and documents were provided by the entity	Audit Completion Report

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Appendix B: Revised auditing standard on Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

Background

ISA (UK) 315 (Revised 2019) introduces major changes to the auditor's risk identification and assessment approach, which are intended to drive a more focused response from auditors undertaking work to obtain sufficient appropriate audit evidence to address the risks of material misstatement. The new standard is effective for periods commencing on or after 15 December 2021 and therefore applies in full for the Council's 2022/23 audit.

The most significant changes relevant to the Council's audit are outlined below.

Enhanced risk identification and assessment

The standard has enhanced the requirements for the auditor to understand the audited entity, its environment and the applicable financial reporting framework in order to identify and assess risk based on new inherent risk factors which include:

- Subjectivity
- Complexity
- Uncertainty and change
- Susceptibility to misstatement due to management bias or fraud.

Using these inherent risk factors, we assess inherent risk on a spectrum, at which the higher end of which lies significant risks, to drive an audit that is more focused on identified risks. Auditors are now also required to obtain sufficient, appropriate evidence from these risk identification and assessment procedures which means documentation and evidence requirements are also enhanced.

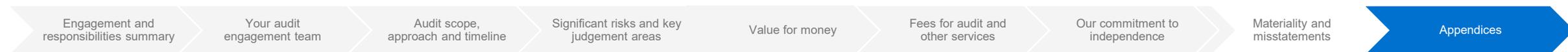
Greater emphasis on understanding IT

In response to constantly evolving business environments, the standard places an increased emphasis on the requirements for the auditor to gain an understanding of the entity's IT environment to better understand the possible

risks within an entity's information systems. As a result, we are required to gain a greater understanding of the IT environment, including IT general controls (ITGCs).

Increased focus on controls

Building on the need for auditors to gain a greater understanding of the IT environment, the standard also widens the scope of controls that are deemed relevant to the audit. We are now required to broaden our understanding of controls implemented by management, including ITGCs, as well as assess the design and implementation of those controls.



Mark Surridge

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

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Report to: Audit & Governance Committee Meeting - 27 September 2023
 Director Lead: Sanjiv Kohli, Deputy Chief Executive, Director – Resources (S151 Officer)
 Lead Officer: Nick Wilson, Business Manager – Financial Services

Report Summary	
Report Title	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2024 as at 30 June 2023
Purpose of Report	To update Members with the forecast outturn position for the 2023/24 financial year for the Council’s General Fund and Housing Revenue Account revenue and capital budgets. To show performance against the approved estimates of revenue expenditure and income; report on major variances from planned budget performance; and report on variations to the Capital Programme for approval; all in accordance with the Council’s Constitution.
Recommendations	That Audit & Governance Committee note the forecast: (a) the General Fund projected unfavourable outturn variance of £0.130m; (b) the Housing Revenue Account projected unfavourable outturn variance of £0.131m to the Major Repairs Reserve; (c) the variations to the Capital Programme at Appendix C; (d) the Capital Programme revised budget and financing of £109.711m; and (e) the Prudential indicators at Appendix F.

1.0 Background

1.1 Overview of General Fund Revenue Projected Outturn for 2023/24

Current position (as at 30 June 2023): variances

1.1 Table 1 shows a projected unfavourable variance against the revised budget of £0.743m on Service budgets, with an overall unfavourable variance of £0.020m that would need to be met from the General Fund reserve. This is based on meetings which took place with Business Managers during July, whereby they have analysed actual income and expenditure to 30th June 2023 and forecasted forward to the end of March 2024 the

additional income and expenditure currently expected to be incurred. Further details of the variances projected against portfolio holder budgets are in **Appendix A**.

Table 1: General Fund revenue outturn for 2023/24 financial year as at 30 June 2023

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Biodiversity and Environmental Services	1.388	1.339	1.438	0.099
Climate Change	2.303	2.132	2.243	0.111
Community Safety and Community Development	2.491	2.626	2.652	0.026
Health, Wellbeing and Leisure	0.727	0.946	0.951	0.005
Heritage, Culture, and the Arts	0.877	0.862	0.882	0.020
Housing	0.653	0.631	0.603	(0.028)
Strategy, Performance and Finance	6.056	6.873	7.295	0.422
Sustainable Economic Development	1.589	1.771	1.859	0.088
Net Cost of Services	16.084	17.180	17.923	0.743
Other Operating Expenditure	4.570	4.564	4.564	0.000
Finance & Investment Income/Expenditure	(0.859)	(0.859)	(1.182)	(0.323)
Taxation & Non-Specific Grant Income	(21.989)	(22.589)	(22.879)	(0.290)
Net Cost of Council Expenditure	(2.194)	(1.704)	(1.574)	0.130
Transfer to/(from) Usable Reserves	1.457	0.967	0.967	0.000
Transfer to/(from) Unusable Reserves	0.737	0.737	0.627	(0.110)
Transfer to/(from) General Reserves	0.000	0.000	(0.020)	(0.020)

- 1.2 An unfavourable variance of £0.743m is currently being projected on service budgets managed by business managers. This represents 4.33% of the total service budgets. A variance analysis is detailed at **Appendix A**.
- 1.3 There have been significant issues in recruitment seen across the Council over the last few financial years. This has been felt across the Local Government sector, with similar issues being seen in a number of neighbouring authorities. As a result of this, the forecast vacancy savings target for 2023/24 was increased from 4% to 5%.
- 1.4 An unfavourable variance of £0.561m on employee related expenditure includes £0.918m of vacancy savings target, representing 5% of the total budget for employees within each Business Unit. Actual vacancies forecast currently is a favourable variance of £0.357m, which represents 1.84% of the total employee budget. This is kept under regular review.
- 1.5 Non-Service expenditure is projected to have a favourable variance of £0.613m against the revised budget of £19.507m. These budgets primarily relate to income from council tax, national non-domestic rates (NNDR, or 'business rates') and investment interest. The favourable variance of £0.323m on Finance & Investment Income/Expenditure relates to increased investment interest income, based on higher than anticipated interest rates and higher investment balances. £0.240m of the £0.290m favourable variance on Taxation & Non-Specific Grant Income relates to a grant to mitigate the increase in cost for borne by the Council for the Internal Drainage Boards. The remaining £0.050m is made up of a number of smaller items of grant in relation to the various grant

schemes that the Council have administered on behalf of the Department for Energy Security and Net Zero.

Current position (as at 30 June 2023): revised budget compared to original budget

1.6 There has been a net transfer of £0.490m from reserves in 2023/24 as at 30 June 2023. The transfers listed below to/from reserves were more than £0.050m in value. These total £0.414m:

Transfer from Reserves Relates to	Amount (£)	Directorate which received transfer
Carry Forwards Requests approved in the outturn report	(144,070)	Communities and Environment
Repairs and Renewals usage	(52,566)	Communities and Environment
Carry Forwards Requests approved in the outturn report	(179,027)	Housing, Health and Wellbeing
Carry Forwards Requests approved in the outturn report	(67,430)	Legal and Democratic Services
Transfer from Election Reserve for District and Parish election in May 2023	(181,295)	Legal and Democratic Services
Carry Forwards Requests approved in the outturn report	(283,267)	Planning and Growth
Carry Forwards Requests approved in the outturn report	(106,114)	Resources and Deputy Chief Executive
NNDR Surplus	600,000	Resources and Deputy Chief Executive

Overview of Projected Housing Revenue Account (HRA) Outturn for 2023/24

1.7 With reference to the 'Variance' column in Table 2, the HRA accounts show a projected unfavourable variance on the Net Cost of HRA Services against the revised budget of £0.400m and a reduced transfer to the Major Repairs Reserve of £0.131m:

Table 2: HRA revenue outturn for 2023/24 financial year as at 30 June 2023

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Expenditure	20.029	20.463	20.703	0.240
Income	(27.730)	(27.764)	(27.605)	0.160
Net Cost of HRA Services	(7.701)	(7.302)	(6.902)	0.400
Other Operating Expenditure	0.142	0.142	0.142	0.000
Finance & Investment Income/Expenditure	3.504	3.504	3.235	(0.269)
Taxation & Non Specific Grant Income	0.000	0.000	0.000	0.000
(Surplus)/Deficit on HRA Services	(4.055)	(3.655)	(3.525)	0.131

Movements in Reserves				
Transfer to/(from) Usable Reserves	(0.527)	(0.927)	(0.927)	0.000
Transfer to/(from) Unusable Reserves	(5.880)	(5.880)	(5.880)	0.000
Transfer to/(from) Major Repairs Reserve	10.462	10.462	10.331	(0.131)
Total	0.000	0.000	0.000	0.000

1.8 The main reasons for the £0.400m unfavourable variance on services are detailed at **Appendix B**. In relation to the saving in the Finance & Investment Income/Expenditure line, this relates to a delay in the need to borrow external funds, as the cash flow management of the Council has meant that it doesn't need to borrow as early as originally anticipated.

Overview of Projected Capital Outturn 2023/24

1.9 The table below summarises the position for the Capital Programme as at 30 June 2023 and is split between General Fund and Housing Revenue Account.

	Original Budget £'m	Current Approved Budget £'m	Revised Budget updated for Approval £'m	Actual Spend to 30 June 2023 £'m	Forecast Outturn £'m
General Fund	66.354	88.125	79.795	7.664	79.795
Housing Revenue Account	23.045	29.916	29.916	1.205	29.916
Total	89.399	118.041	109.711	8.869	109.711

1.10 As projects are developed and spending commitments are made, budget requirements can change. It is a requirement that Cabinet approve all variations to the Capital Programme. Following the meeting of 27 June 2023, the total approved budget was £118.041m including slippage from 2022/23. The additions and amendments that now require approval are detailed in **Appendix C** and summarised as follows:

Additions/Reductions	£4.073m
Reprofiles	£(12.404)m
Total	£(8.330)m

1.11 If these variations are approved, then the revised budget will be reduced to £109.711m. A more detailed breakdown at scheme level, including some comments on projects progress, can be found at **Appendix D** (General Fund) and **Appendix E** (Housing Revenue Account).

Capital Programme Resources

1.12 The Capital resources available to the Council are not static. Capital receipts are generated throughout the year, additional grants and contributions are paid to the Council, and borrowing may be increased to fund some projects.

1.13 In summary, the revised budget of £109.711m will be financed as follows, with every attempt to minimise the impact on the Council's revenue budget:

	General Fund £'m	Housing Revenue Account £'m	Total £'m
Borrowing	18.182	13.897	32.079
External Grants & Contributions	41.749	0.029	41.778
Capital Receipts	2.398	2.416	4.814
Community Infrastructure Levy	5.600	0.000	5.600
Revenue Contributions	11.866	13.574	25.440
Total	79.795	29.916	109.711

Capital Receipts

1.14 The Council has been successful in securing capital receipts for both general fund and HRA in previous years and continues to do so. The current level of capital receipts is detailed in the table below:

	General Fund £'m	HRA Receipts £'m	HRA 1-4-1 Receipts £'m	Total £'m
Balance at 1st April 2023	0.000	1.249	0.000	1.249
Received up to end of June 2023	0.000	0.110	0.047	0.157
Estimated receipts for remainder of the financial year	2.398	0.267	0.744	3.408
Approved for financing	2.398	1.626	0.791	4.815
Available Capital receipts balance at 31 March 2024	0.000	0.000	0.000	0.000
Estimated Receipts 2024/25 - 2026/27	7.900	4.200	2.372	14.472
Approved for Financing 2024/25 - 2026/27	5.326	0.000	0.000	5.326
Estimated Uncommitted Balance	2.574	4.200	2.372	9.146

Prudential Indicators

1.15 The Treasury Management Code of Practice 2021 stipulates that quarterly update reports on prudential indicators are now required from 2023/24 onwards.

1.16 The prudential indicators are set within the Treasury Management Strategy, Capital Strategy and the Investment Strategy and the three strategies were approved by Audit and Governance Committee on 1 February 2023 and Full Council on 9 March 2023. The summary of the prudential indicators can be found at **Appendix F**.

2.0 Proposal/Options Considered and Reasons for Recommendation

2.1 To consider the forecast outturn position for the 2023/24 financial year for the Council's General Fund and Housing Revenue Account revenue, Capital budgets and Prudential Indicators.

2.2 To show performance against the approved estimates of revenue expenditure and income; report on major variances from planned budget performance; and report on variations to the Capital Programme for approval; all in accordance with the Council's Constitution.

2.3 This report was presented to Cabinet on 12 September 2023 for approval.

3.0 Implications

3.1 In writing this report and in putting forward recommendation's officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

General Fund, Housing Revenue Account Revenue and Capital Monitoring Outturn Report as at March 2023 to Cabinet on 27 June 2023.

Appendix A

General Fund (GF) Revenue Outturn Variance Analysis by Portfolio and Business Unit as at 30 June 2023

Favourable variances are bracketed and in red - £(0.000)m. Unfavourable variances are in black - £0.000m. All amounts are in millions of pounds (£'m).

Biodiversity and Environmental Services - £0.099m		£'m
All	Vacancy Factor	0.084
All	Other Small Variances	0.015
Biodiversity and Environmental Services Total		0.099
Climate Change - £0.111m		£'m
Environmental Services	Salary underspend due to budget including 6 months of glass recycling service costs (now due to start in December) and vacancies, currently covered by agency staff	(0.058)
Environmental Services	Recycling income includes 6 months of glass recycling service, now due to start in December	0.067
Environmental Services	Garden Waste Collection income is up due to more customers than anticipated in the budget	(0.031)
Environmental Services	Recharge to HRA no longer includes a percentage for Farrar Close Utilities	0.014
Environmental Services	Vehicle inspection Fees are lower than anticipated at this point in the year	0.014
All	Vacancy Factor	0.116
All	Other Small Variances	(0.011)
Climate Change Total		0.111
Community Safety and Community Development - £0.026m		£'m
Housing Options, Health & Community Relations	Health & Community Relations x2 vacancies, x1 anticipated to be filled by the end of October and the Apprentice post not expected to be filled.	(0.036)
All	Vacancy Factor	0.104
All	Other Small Variances	(0.042)
Community Safety and Community Development Total		0.026
Health, Wellbeing and Leisure - £0.005m		£'m
All	Other Small Variances	0.005
Health, Wellbeing and Leisure Total		0.005
Heritage, Culture, and the Arts - £0.020m		£'m
Economic Growth & Visitor Economy	Promotion of Tourism - Vacancy for Development & Place Marketing Manager, estimated start date September 23	(0.029)
All	Vacancy Factor	0.045
All	Other Small Variances	0.004
Planning & Growth Total		0.020
Housing - £(0.028)m		£'m
Housing Options, Health & Community Relations	3 Tenancy Support Officers within Housing Options are recharged to the Resettlement Schemes which are grant funded.	(0.055)
Housing Options, Health & Community Relations	Strategic Housing Apprentice post not being filled at this time.	(0.012)
Housing Options, Health & Community Relations	Health & Community Relations x2 vacancies, x1 anticipated to be filled by the end of October and the Apprentice post not expected to be filled.	(0.036)
All	Vacancy Factor	0.050
All	Other Small Variances	0.025
Resources & Deputy Chief Executive's Total		(0.028)
Strategy, Performance and Finance - £0.422m		£'m
ICT & Digital Services	Within the ICT team x1 FTE has recently reduced their hours to the equivalent of 0.6 FTE	(0.026)
ICT & Digital Services	The budget provision for Microsoft was set at 20% but the quote came in lower than 2022/23.	(0.040)
Financial Services	SLT favourable variance on salaries due to budgeted inflation at 5% and 3.5% actual increase	(0.020)
Financial Services	Financial Services favourable variance on salaries, due to x2 FTE vacancies, which are both due to be filled by the end of August 2023 along with the budgeted inflation at 5% and actual inflation being agreed for BM at 3.5%	(0.023)
Corporate Property	Newark Beacon rental and service charge income unfavourable variance due to 1 large tenant moving out that were taking up a number of units. Along with three further tenants due to move out. Also budgeted for PV income generation and panels not due to be fitted until December 2023.	0.115
Corporate Property	Surface Car Parks Newark income favourable variance due to more season tickets being sold	(0.025)
Corporate Property	Lorry Park cleaner retired, looking to included in the Council's corporate contract currently covered by agency	(0.015)
Corporate Property	Bowbridge Road Car Park not due for completion until January 2024. Unfavorable variance covered by saving on MRP.	0.075
Customer Services	Favourable variance currently due to vacancy in the team and maternity leave, reduced slightly by Advisor roles being regraded	(0.016)
Elections And Democratic Services	Estimated cost of new Cabinet arrangements, subject to review	0.018
All	Vacancy Factor	0.406
All	Other Small Variances	(0.027)
Legal & Democratic Services Total		0.422
Sustainable Economic Development - £0.088m		£'m
Planning Development	Land Charges Income - nationally, the housing market remains uncertain and alongside rises in interest rates, house sales are seeing a reduction, thus impacting on the conveyancing process.	0.017
Planning Development	Vacant Planning Officer to backfill post, awaiting procurement exercise for new system, forecast to start in October 23. GIS Officer and Ecology Officer post vacant during quarter 1.	(0.104)
Planning Development	Number of applications reduced reflecting national application submissions. Anticipated fee increase in September/October of 25% for non-major apps and 35% for major apps. No major applications currently anticipated. Planning application refunds accrued from previous years, offset against planning application income.	0.057
Economic Growth & Visitor Economy	Town Centre Management - Consultancy to cover maternity leave funded from part year Development & Place Marketing vacancy within the Tourism cost centre, as per SLT report May 23	0.023
All	Vacancy Factor	0.107
All	Other Small Variances	(0.012)
Legal & Democratic Services Total		0.088
General Fund Revenue Outturn Variance for Services		0.743

Housing Revenue Account (HRA) Revenue Outturn Variance Analysis as at 30 June 2023

Favourable variances are bracketed and in red - £(0.000)m. Unfavourable variances are in black - £0.000m.

HRA - £0.400m	£'m
2 Vacancies in the Income Management Team, expected to be filled in September	(0.046)
Vacancies at Gladstone House, expected to be filled by Autumn	(0.027)
Weekly Income at Gladstone House reduced by 25% due to the Careline cover terminating in house service in 2022/23, not yet reflected in the budget.	0.080
Community Centres Rates charge dated back to 2016	0.143
Tenancy & Estates vacancies, anticipated to be filled in the autumn	(0.043)
Vacancy in Compliance Services, anticipated recruitment during September	(0.022)
Boughton Extra Care Scheme utilities usage is higher than expected and the tariff is currently under review	0.053
Broadleaves Meal Charge income unfavourable variance due to no weekend provision and residents opting out of the service	0.040
Yorke Drive losses Council Tax Voids forecast based on 2022/23 levels	(0.014)
Housing Rent Income is down due to Voids	0.031
Vacancy Factor - overall favourable variance on salaries and oncosts is equal to £0.210m	0.269
Other small variances	(0.064)
Total	0.400

Capital Budget Amendments**GENERAL FUND**

Original Budget	66.354	As per Council on 9 March 2023
Slippages Approved	21.772	As per Cabinet on 27 June 2023
Current Revised Budget	88.125	

Additions

Project	Capital Description	Additions / Reductions 23-24 £m	Comments
TA1221	SLC Fire Safety Remedial Works	0.375	Additional Budget as per PH Decision 22 March 2023
TA3056	NCWC Tudor Hall	0.099	Additional Budget as per PH Decision 17 April 2023
TB6171	S106 Clipstone Miners Welfare Trust	0.169	Additional Budget as per PH Decision 12 May 2023
TE3250	Shared Prosperity Fund year 1	-0.010	Additional Budget as per PH Decision 20 March 2023
TF3228	Homeless Hostel	0.310	Additional Budget as per PH Decision 4 April 2023
TF3267	Homes for Ukraine	2.860	Additional Budget as per PH Decision 15 March 2023
TF3268	Bridging Accomodation	0.270	Additional Budget as per PH Decision 15 March 2023
TA3063	Palace Backstage Safety Improvements	-0.005	Adjustment to budget agreed with S151 Officer
TA3058	Palace Theatre Fire Alarm Upgrade	0.005	Adjustment to budget agreed with S151 Officer
Total Additions/Reductions		4.073	

Reprofiling

Project	Capital Description	Additions / Reductions 23-24 £m	Comments
TT1000	Towns Fund - 32 Stodman Street Regeneration	-6.199	Reprofile budget to match current expectations
TF3231	Safer Streets 4	-0.125	£125k of the budget was moved to 2022/23
TB3155	Castle - Condition Works	-0.080	Reprofile budget to match current expectations
TC2007	Clipstone Holding Centre Purchase & Works	-6.000	Reprofile budget to match current expectations
Total Re profiling		-12.404	

General Fund Revised Budget	79.795	Recommended for approval at Cabinet
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HOUSING REVENUE ACCOUNT

Original Budget	23.045	As per Council on 9 March 2023
Slippages Approved	6.871	As per Cabinet on 27 June 2023
Current Revised Budget	29.916	

Additions/Reductions

Project	Capital Description	Additions / Reductions 23-24 £m	Comments
S91100	ROOF REPLACEMENTS	0.798	Movement of budget between schemes to reflect spending requirements
S91200	Kitchen & Bathrooms	-0.175	Movement of budget between schemes to reflect spending requirements
S91200	KITCHEN & BATHROOM CONVERSIONS	-1.625	Movement of budget between schemes to reflect spending requirements
S91218	Kitchen & Bathrooms	-0.594	Movement of budget between schemes to reflect spending requirements
S91218	Kit & Bathrooms	1.625	Movement of budget between schemes to reflect spending requirements
S91300	EXTERNAL FABRIC	-0.360	Movement of budget between schemes to reflect spending requirements
S91336	Ext Fab Works	-0.132	Movement of budget between schemes to reflect spending requirements
S91336	External Fabric Works	0.360	Movement of budget between schemes to reflect spending requirements
S91400	DOORS & WINDOWS	-0.204	Movement of budget between schemes to reflect spending requirements
S91412	Doors & Windows Works	0.204	Movement of budget between schemes to reflect spending requirements

S91511	Walls Re-Rendering	-0.020	Movement of budget between schemes to reflect spending requirements
S91511	Walls Re-Rendering	-0.060	Movement of budget between schemes to reflect spending requirements
S93100	ELECTRICAL	-0.720	Movement of budget between schemes to reflect spending requirements
S93115	Rewires	0.720	Movement of budget between schemes to reflect spending requirements
S93500	Heating and Boilers	-0.015	Movement of budget between schemes to reflect spending requirements
S93500	HEATING	-0.300	Movement of budget between schemes to reflect spending requirements
S93600	ENERGY EFFICIENCY	-0.082	Movement of budget between schemes to reflect spending requirements
S93622	Solar PV	0.206	Movement of budget between schemes to reflect spending requirements
S93625	Thermal Comfort	0.185	Movement of budget between schemes to reflect spending requirements
S93625	Thermal Comfort	0.060	Movement of budget between schemes to reflect spending requirements
S93626	Decarbonisation	0.162	Movement of budget between schemes to reflect spending requirements
S93626	Decarbonisation	0.300	Movement of budget between schemes to reflect spending requirements
S95100	GARAGE FORECOURTS	-0.090	Movement of budget between schemes to reflect spending requirements
S95115	Resurfacing Works	0.090	Movement of budget between schemes to reflect spending requirements
S95200	ENVIRONMENTAL WORKS	-0.278	Movement of budget between schemes to reflect spending requirements
S95200	ENVIRONMENTAL WORKS	-0.030	Movement of budget between schemes to reflect spending requirements
S95400	Void Works	0.220	Movement of budget between schemes to reflect spending requirements
S97400	DISABLED ADAPTATIONS	-0.600	Movement of budget between schemes to reflect spending requirements
S97416	Major Adaptations	0.500	Movement of budget between schemes to reflect spending requirements
S97417	Minor Adaptations	0.040	Movement of budget between schemes to reflect spending requirements
S97417	Minor Adaptations	0.008	Movement of budget between schemes to reflect spending requirements
S97418	Adaptation Stair Lift/Ho	0.060	Movement of budget between schemes to reflect spending requirements
S97418	Adaptation Stair Lift/Ho	0.004	Movement of budget between schemes to reflect spending requirements
S98103	Structural Surveys - Elevated Walkways	0.075	Movement of budget between schemes to reflect spending requirements
S98105	Compartmentalisation in Roof Space	-0.170	Movement of budget between schemes to reflect spending requirements
S98106	Inspection & Install Lightning Conductors	-0.075	Movement of budget between schemes to reflect spending requirements
S98106	Inspection & Install Lightning Conductors	-0.075	Movement of budget between schemes to reflect spending requirements
S99100	PROPERTY INVESTMENT CONTINGENCY	-0.012	Movement of budget between schemes to reflect spending requirements
SA1064	Phase 3 - Cluster 4	-0.409	Movement of budget between schemes to reflect spending requirements
SA1073	Phase 4 Cluster 3	0.666	Movement of budget between schemes to reflect spending requirements
SA1074	Phase 4 Cluster 4	-0.091	Movement of budget between schemes to reflect spending requirements
SA1075	Phase 4 Cluster 5	0.257	Movement of budget between schemes to reflect spending requirements
SA1080	Phase 5	-0.824	Movement of budget between schemes to reflect spending requirements
SA1087	Phase 5 Cluster 7	0.400	New cluster set up, budget moved from overarching Phase 5 budget

Total Additions/Reductions **0.000**

Reprofiling

Project	Capital Description	Additions / Reductions 23-24 £m	Comments
	Total Re profiling	0.000	

HRA Revised budget for approval	29.916	Recommended for approval at Cabinet
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Total Additions/Reductions	4.073	
Total Re profiling	-12.404	
Total Revised Budget	109.711	

General Fund - Spend against budget - Estimated in year

Project	Capital Description	Original Budget 2023/24	Slippage Proposed	Original budget 23/24 including slippage	Proposed variations as per Appendix C	Revised Budget including future proposed variations	Actuals to 30 June 2023	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance Over/Under	Comments - Spend to date
TB2257	Playground Equipment Improvement Programme	249,200	0	249,200	0	249,200	0	249,200	0	249,200	0	14.07.23 orders have been placed, works due to start any time now.
TB3142	Binrastructure Wrap Grant	0	1,094	1,094	0	1,094	0	1,094	0	1,094	0	
TB3143	Vicar Water Embankment Works	0	0	0	0	0	0	0	0	0	0	
TC3131	London Road Library Gardens	0	0	0	0	0	23	0	0	23	23	
	Biodiversity and Environmental Services	249,200	1,094	250,294	0	250,294	23	250,294	0	250,317	23	
TA3062	Beacon EV Chargepoints	36,850	0	36,850	0	36,850	0	0	36,850	36,850	0	
TB2253	Vehicles & Plant (NSDC)	1,187,800	16,561	1,204,360	0	1,204,360	39,182	1,048,064	117,115	1,204,361	0	14.07.23 vehicles that need to be ordered have been to date.
TB2255	Glass Recycling Transfer Station	38,400	0	38,400	0	38,400	0	0	38,400	38,400	0	14.07.23 still to agree final design. May need to use some budget from Bin purchases if costs are higher than expected.
TB2256	Glass Recycling Bin Purchase	1,411,909	0	1,411,909	0	1,411,909	0	0	1,411,909	1,411,909	0	14.07.23 consultation period finished, therefore initial bin purchase can be arranged.
TC3136	Climate Change	75,000	18,300	93,300	0	93,300	0	0	93,300	93,300	0	speak to SY
TC3154	Solar PV	0	629,650	629,650	0	629,650	0	426,523	203,127	629,650	0	14.07.23 works due to start in October 23
TC3158	Upgrade Charging point at Castle House	50,000	0	50,000	0	50,000	0	0	50,000	50,000	0	14.07.23 looking into working with NCC.
	Climate Change	2,799,959	664,510	3,464,469	0	3,464,469	39,182	1,474,587	1,950,701	3,464,470	1	
TF2000	CCTV Replacement Programme	90,500	50,000	140,500	0	140,500	10,052	10,053	120,395	140,500	-0	26.07.23 ASB review
TA3097	Yorke Drive Regeneration and Community Facility	3,054,281	344,102	3,398,383	0	3,398,383	0	1,518	3,396,865	3,398,383	-0	14.07.23 going to planning committee in August.
TB6154	Community Facilities Provision Community & Activity Village (inc S106)	0	45,000	45,000	0	45,000	30,409	0	14,591	45,000	-0	
TB6165	S106 Community Facilities to SOT	0	239,620	239,620	0	239,620	0	0	239,620	239,620	0	14.07.23 progress update with Parish Council today.
TB6171	S106 Clipstone Miners Welfare Trust	0	0	0	169,169	169,169	169,169	0	0	169,169	-0	14.07.23 Scheme complete.
TF3231	Safer Streets 4	305,000	0	305,000	-125,000	180,000	3,353	0	176,647	180,000	0	26.07.23 working towards the September deadline
TF3232	Rural Crime and Prevention	39,000	0	39,000	0	39,000	0	0	39,000	39,000	0	26.07.23 works due around Forest corner
	Community Safety and Community Development	3,488,781	678,722	4,167,503	44,169	4,211,672	212,983	11,571	3,987,118	4,211,672	-0	
TA1221	SLC Fire Safety Remedial Works	0	17,000	17,000	374,500	391,500	16,079	750	374,671	391,500	-0	14.07.23 currently negotiating with contractor to agree spec and start date

TB6162	Magnus Academy Hockey Pitch	0	9,844	9,844	0	9,844	-7,983	7,892	9,935	9,844	0	14.07.23 retention release due end of July. Scheme complete.
	Health, Wellbeing and Leisure	0	26,844	26,844	374,500	401,344	8,095	8,642	384,606	401,344	-0	
TA3053	Museum Improvements	184,294	35,283	219,577	0	219,577	-4,655	39,938	184,294	219,577	0	
TA3056	NCWC Tudor Hall	0	178,830	178,830	99,460	278,290	984	12,697	264,609	278,290	-0	14.07.23 start on site on 31 July due to be complete by early in the new year.
TA3057	Palace Theatre Lighting	0	11,263	11,263	0	11,263	-2,000	2,000	11,263	11,263	-0	move into below
TA3058	Palace Theatre Fire Alarm Upgrade	0	51,000	51,000	5,040	56,040	0	120	55,920	56,040	0	14.07.23 in design phase at the moment, but will need to be delivered during dark period - move to 2024/25
TA3063	Palace Backstage Safety Improvements	59,526	0	59,526	-5,040	54,486	0	54,486	0	54,486	0	14.07.23 Scheme complete
TB3155	Castle - Condition Works	0	160,105	160,105	-80,000	80,105	38,796	30,658	10,651	80,105	0	14.07.23 profile £80k to 24/25 for phase 2 of the works
TB3160	Castle Electrical Upgrade & Fire Alarm	0	8,757	8,757	0	8,757	0	0	8,757	8,757	-0	14.07.23 scheme complete budget not required.
	Heritage, Culture and the Arts	243,820	445,238	689,058	19,460	708,518	33,125	139,899	535,494	708,518	0	
TF6011	Private Sector Disabled Facilities Grants	700,000	151,814	851,814	0	851,814	62,191	4,530	785,093	851,814	0	26.07.23 referrals received as expected
TF6012	Discretionary Disabled Facilities Grants	90,000	19,697	109,697	0	109,697	13,612	0	96,085	109,697	0	26.07.23 top ups on the above, as expected
TF3228	Homeless Hostel	550,000	818,722	1,368,722	310,000	1,678,722	418,483	845,742	414,498	1,678,723	0	14.07.23 internal works started, due to complete in December 23.
TF3267	Homes for Ukraine	0	0	0	2,860,000	2,860,000	330	1,155	2,858,515	2,860,000	0	
TF3268	Bridging Accommodation	0	0	0	270,000	270,000	165	0	269,835	270,000	0	
TF6807	Warm Homes on Prescription	70,000	31,728	101,728	0	101,728	5,213	0	96,515	101,728	0	
	Housing	1,410,000	1,021,961	2,431,961	3,440,000	5,871,961	499,994	851,427	4,520,541	5,871,962	1	
TC3152	Target Hardening - GF	0	37,552	37,552	0	37,552	1,060	33,997	2,495	37,552	0	14.07.23 works at vicar water due to start by the end of July.
TA3060	Beacon - New Boiler	61,525	0	61,525	0	61,525	0	0	61,525	61,525	0	14.07.23 bio mass boiler suppliers have withdrawn from the market. Investigating other options, which will come out of future decarb surveys.
TA3061	Beacon - LED lights	81,995	0	81,995	0	81,995	0	0	81,995	81,995	0	14.07.23 will be procuring the works in order to deliver in this financial year
TC3140	Car Park Ticket Machine Replacement	0	0	0	0	0	0	0	0	0	0	
TC3016	Legionella Remedial Works	0	17,771	17,771	0	17,771	4,057	0	13,714	17,771	0	
TC3134	Works to SFACC	0	10,344	10,344	0	10,344	9,313	0	1,031	10,344	0	14.07.23 final stage of the project nearly complete
TC3135	Works to Buttermarket	0	92,997	92,997	0	92,997	16,435	1,815	74,746	92,996	-0	14.07.23 refurb works nearly complete. Currently testing the market for the final stage of the project.
TC3138	Lord Hawke Way Remedial Work & Bond	0	185,000	185,000	0	185,000	-2,250	2,596	184,654	185,000	-0	14.07.23 the road has now been adopted.
TC3142	Common Lighting at Industrial Estates	65,497	0	65,497	0	65,497	0	0	65,497	65,497	0	
TC3143	Roller Shutter Doors at Industrial Units	224,750	0	224,750	0	224,750	0	15,695	209,055	224,750	0	
TC3144	Fire & Security Rear Entrance Doors at Industrial Units	0	104,670	104,670	0	104,670	12,996	73,644	18,030	104,670	0	14.07.23 installation will be ongoing throughout the year

TC3145	Fire Signage and Emergency Lighting at Industrial Units	222,500	0	222,500	0	222,500	0	0	222,500	222,500	0	
TC3146	Electrical Upgrades to Industrial Units	0	207,000	207,000	0	207,000	0	0	207,000	207,000	0	
TC3148	RHH Units Fit Out	0	50,676	50,676	0	50,676	0	0	50,675	50,675	-0	14.07.23 one final tenant to pay for fit out.
TC3155	Security Gates Burma Road, Clipstone, S'well, SOT, SFACC	25,000	0	25,000	0	25,000	0	0	25,000	25,000	0	
TC3156	Jubilee Bridge Works	333,500	0	333,500	0	333,500	0	0	333,500	333,500	0	14.07.23 works have been tendered, not yet awarded
TC3157	Female only Shower Block Lorry Park	60,000	0	60,000	0	60,000	0	0	60,000	60,000	0	
TE3250	Shared Prosperity Fund year 1	59,750	20,000	79,750	-9,686	70,064	0	0	70,064	70,064	0	
TE3251	Rural England Prosperity Fund	446,000	0	446,000	0	446,000	0	0	446,000	446,000	0	
TA3286	Information Technology Investment	335,000	599,596	934,596	0	934,596	161,414	380,265	392,916	934,595	-0	14.07.23 equipment is arriving now.
TC2006	Purchase of Land at Bowbridge Road	0	625,819	625,819	0	625,819	14,508	15,343	595,969	625,819	0	14.07.23 out to tender at the moment, return date 4 august. If progresses to plan completion would be around January 24
TC2007	Clipstone Holding Centre	7,320,000	794,319	8,114,319	-6,000,000	2,114,319	25,870	0	2,088,449	2,114,319	0	14.07.23 tenders received for design for planning by the end of the financial year.
TC2008	Vicar Water Country park	0	65,000	65,000	0	65,000	0	0	65,000	65,000	0	14.07.23 update to be brought back to next meeting
TE3268	Southern Link Road Contribution	20,500,000	7,384,606	27,884,606	0	27,884,606	5,093,595	10,750	22,780,261	27,884,606	-0	14.07.23 - check
TG1003	Housing Regeneration Loan Facility	8,646,868	2,761,203	11,408,071	0	11,408,071	50,000	0	11,358,071	11,408,071	0	
	Strategy, Performance and Finance	38,382,385	12,956,551	51,338,936	-6,009,686	45,329,250	5,386,998	534,105	39,408,147	45,329,250	0	
TB3154	Castle Gatehouse Project	3,509,548	500,968	4,010,515	0	4,010,515	15,651	69,349	3,925,515	4,010,515	-0	
TI1002	A1 Overbridge Improvements	5,540,000	60,000	5,600,000	0	5,600,000	0	0	5,600,000	5,600,000	0	14.07.23 quote received to take up to planning application stage.
TI1000	Towns Fund - 32 Stodman Street Regeneration	6,830,046	1,564,038	8,394,084	-6,198,655	2,195,429	70,877	124,552	2,000,000	2,195,430	0	14.07.23 works are due to start around September 23
TI1002	Towns Fund - Contribution to IASI	3,000,000	3,801,620	6,801,620	0	6,801,620	1,431,493	5,272,974	97,153	6,801,619	-0	14.07.23 progressing well to date.
TI1005	Towns Fund - Cycle Town	0	50,000	50,000	0	50,000	0	2,522	47,478	50,000	0	
TI1006	Towns Fund - Cultural Heart of Newark	900,000	0	900,000	0	900,000	0	0	900,000	900,000	0	
	Sustainable Economic Development	19,779,594	5,976,625	25,756,219	-6,198,655	19,557,564	1,518,022	5,469,397	12,570,146	19,557,564	-0	
	GRAND TOTAL	66,353,739	21,771,546	88,125,285	-8,330,212	79,795,073	7,698,422	8,739,922	63,356,753	79,795,097	25	

HRA - Spend against budget - Estimated in year

Project	Capital Description	Original Budget 2023/24	Slippage Proposed	Original budget 23/24 including slippage	Future Proposed Variations	Revised Budget including Variations for Approval	Actuals to 30 June 2023	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance Over/ Under	Comments - Spend to date
PROPERTY INVESTMENT PROGRAMME												
S91100	ROOF REPLACEMENTS	480,000	0	480,000	797,779	1,277,779	109,578	223,164	945,037	1,277,780	0	06.07.23 predicting full spend in this FY as output is increasing
S91115	Roof Replacement Works	0	0	0	0	0	0	0	0	0	0	
S91116	Flat Roof Replacement Work	0	0	0	0	0	0	0	0	0	0	
S711	ROOF REPLACEMENTS	480,000	0	480,000	797,779	1,277,779	109,578	223,164	945,037	1,277,780	0	
S91200	KITCHEN & BATHROOM CONVERSIONS	1,800,000	0	1,800,000	-1,800,000	0	-17,776	17,776	0	0	0	
S91218	Kit & Bathrooms	0	593,787	593,787	1,031,213	1,625,000	156,663	505,009	963,328	1,625,000	0	06.07.23 expected to spend full budget this FY, potential to be overspent but will review in September. 47 jobs completed and an estimated total of 180-190 to be completed in this FY
S712	KITCHEN & BATHROOM CONVERSIONS	1,800,000	593,787	2,393,787	-768,787	1,625,000	138,887	522,785	963,328	1,625,000	0	
S91300	EXTERNAL FABRIC	360,000	0	360,000	-360,000	0	0	0	0	0	0	
S91336	External Fabric Works	0	132,451	132,451	227,549	360,000	3,366	68,454	288,180	360,000	-0	06.07.23 predicting full spend in this FY contractor only just started and has been set up for next 4 years so works should pick up. Potential for overspent but will review in September
S713	EXTERNAL FABRIC	360,000	132,451	492,451	-132,451	360,000	3,366	68,454	288,180	360,000	-0	
S91400	DOORS & WINDOWS	204,000	0	204,000	-204,000	0	0	0	0	0	0	
S91412	Doors & Windows Works	0	101,267	101,267	204,000	305,267	48,199	74,879	182,189	305,267	0	06.07.23 predicting full spend of budget this FY increasing output with Nationwide.
S714	DOORS & WINDOWS	204,000	101,267	305,267	0	305,267	48,199	74,879	182,189	305,267	0	
S91500	OTHER STRUCTURAL	60,000	71,793	131,793	0	131,793	11,659	45,730	74,404	131,793	-0	06.07.23 overspend expected, looking to source money from other projects. Few jobs in the coming months that will fully spend budget.
S91511	Walls Re-Rendering	60,000	20,000	80,000	-80,000	0	0	0	0	0	0	
S715	OTHER STRUCTURAL	120,000	91,793	211,793	-80,000	131,793	11,659	45,730	74,404	131,793	-0	
S93100	ELECTRICAL	720,000	0	720,000	-720,000	0	0	0	0	0	0	
S93115	Rewires	0	0	0	720,000	720,000	152,906	248,876	318,218	720,000	0	07.07.23 51 jobs signed off, averaging 4 per week, therefore predicting full spend of budget with works continuing at the same rate (200 properties per year)
S731	ELECTRICAL	720,000	0	720,000	0	720,000	152,906	248,876	318,218	720,000	0	
S93500	HEATING	660,000	0	660,000	-315,065	344,935	156,627	189,450	31,767	377,844	32,909	07.07.23 predicting full spend of budget
S93510	Heating/Boilers	0	51,091	51,091	0	51,091	-95,490	113,737	0	18,247	-32,844	
S735	HEATING	660,000	51,091	711,091	-315,065	396,026	61,137	303,187	31,767	396,091	65	
S93600	ENERGY EFFICIENCY	180,000	181,785	361,785	-81,785	280,000	120	83,440	196,440	280,000	-0	
S93622	PV Invertors	0	0	0	206,238	206,238	0	0	206,451	206,451	213	
S93625	Thermal Comfort	200,000	0	200,000	245,000	445,000	0	0	445,000	445,000	0	13.07.23 currently going through procurement, potential to be on site next month
S93626	Decarbonisation	0	0	0	461,850	461,850	0	0	461,850	461,850	0	13.07.23 government and MSDC funded to spend
S736	ENERGY EFFICIENCY	380,000	181,785	561,785	831,303	1,393,088	120	83,440	1,309,741	1,393,301	213	
S95100	GARAGE FORECOURTS	90,000	0	90,000	-90,000	0	0	0	0	0	0	
S95109	Garages	30,000	0	30,000	0	30,000	0	0	30,000	30,000	0	13.07.23 no works identified yet
S95115	Resurfacing Works	0	26,332	26,332	90,000	116,332	-24,013	55,013	85,332	116,332	0	06.07.23 expecting full spend, £24,000 order to be done by the end of the month
S751	GARAGE FORECOURTS	120,000	26,332	146,332	0	146,332	-24,013	55,013	115,332	146,332	0	

Project	Capital Description	Original Budget 2023/24	Slippage Proposed	Original budget 23/24 including slippage	Future Proposed Variations	Revised Budget including Variations for Approval	Actuals to 30 June 2023	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance Over/ Under	Comments - Spend to date
S95200	ENVIRONMENTAL WORKS	180,000	277,779	457,779	-307,779	150,000	5,000	13,000	132,000	150,000	0	
S95203	Car Parking Schemes	120,000	87,506	207,506	0	207,506	40,115	47,302	119,999	207,506	-0	06.07.23 predicting full spend in this FY, few issues with waiting for Notts CC when requesting drop curbs that are delaying works until October/November
S95208	Roewood Lane Sewerage Treatment Station	0	0	0	0	0	0	0	0	0	0	
S95250	Communal Lighting	24,000	0	24,000	0	24,000	0	0	24,000	24,000	0	07.07.23 no works identified yet
S95252	Flood Defence Systems	12,000	0	12,000	0	12,000	0	0	12,000	12,000	0	13.07.23 potential works for x2 flood doors in the next few months
S95253	Play Areas	100,000	4,000	104,000	0	104,000	0	100,000	4,000	104,000	0	
S95254	Estate Remodelling	78,000	0	78,000	0	78,000	3,238	25,157	49,604	78,000	-0	
S95303	Target Hardening - HRA	0	0	0	0	0	0	0	0	0	0	
S95304	Tithe Barn Court & Queens Court Door Entry System - Safer Streets 4	0	28,659	28,659	0	28,659	709	27,982	0	28,692	33	
S95400	Void Works	0	0	0	220,000	220,000	24,897	195,103	0	220,000	0	
S752	ENVIRONMENTAL WORKS	514,000	397,944	911,944	-87,779	824,165	73,960	408,634	341,603	824,197	32	
S97100	ASBESTOS	60,000	30,420	90,420	0	90,420	2,966	15,737	68,347	87,050	-3,370	
S97115	Asbestos Surveys	0	0	0	0	0	0	0	0	0	0	
S97116	Asbestos Removal	0	0	0	0	0	-487	3,856	0	3,370	3,370	
S771	ASBESTOS	60,000	30,420	90,420	0	90,420	2,479	19,594	68,347	90,420	-0	
S97200	FIRE SAFETY	60,000	87,913	147,913	0	147,913	0	17,546	143,356	160,902	12,989	10.07.23 change of contractors has held up works, predicting that this will be fully spent
S97218	Enhanced Fire Risk Assessments	0	0	0	0	0	-15,484	2,495	0	-12,989	-12,989	
S97221	Fire Risk Assessments	0	0	0	0	0	-83,988	83,988	0	0	0	
S772	FIRE SAFETY	60,000	87,913	147,913	0	147,913	-99,471	104,029	143,356	147,913	0	
S97300	DDA IMPROVEMENTS	24,000	0	24,000	0	24,000	0	0	24,000	24,000	0	05.07.23 no works identified yet but keep budget the same as a provision as referrals may come through, if nothing is received then this money can be used for major/minor adaptations
S773	DDA IMPROVEMENTS	24,000	0	24,000	0	24,000	0	0	24,000	24,000	0	
S97400	DISABLED ADAPTATIONS	600,000	0	600,000	-600,000	0	0	0	0	0	0	
S97416	Major Adaptations	0	0	0	500,000	500,000	114,169	337,432	48,399	500,000	0	05.07.23 expenditure dependant on OT1 referrals, will need to review budget in next quarter when we have a better idea of expenditure
S97417	Minor Adaptations	0	0	0	47,864	47,864	5,333	42,531	0	47,864	-0	05.07.23 expenditure dependant on OT1 referrals, will need to review budget in next quarter when we have a better idea of expenditure
S97418	Adaptation Stair Lift/Ho	0	0	0	63,929	63,929	20,561	43,368	0	63,929	0	05.07.23 expected to spend full budget amount this FY
S774	DISABLED ADAPTATIONS	600,000	0	600,000	11,793	611,793	140,063	423,331	48,399	611,793	0	
S97500	LEGIONELLA	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0	07.07.23 18 jobs raised with MITIE for roughly £6k, expecting full spend of budget this FY
S775	LEGIONELLA	36,000	0	36,000	0	36,000	0	36,000	0	36,000	0	
S98103	BUILDING SAFETY	0	0	0	0	0	0	0	0	0	0	
S98101	Fire Alarm Systems	0	0	0	0	0	0	0	0	0	0	
S98102	Sprinkler System	310,000	97,000	407,000	0	407,000	0	0	407,000	407,000	0	10.07.23 design works being done for one job that will use full budget
S98103	Structural Surveys - Elevated Walkways	8,000	8,000	16,000	75,000	91,000	0	0	91,000	91,000	0	10.07.23 still sourcing contractor
S98104	Scooter Shed	0	0	0	0	0	0	0	0	0	0	
S98105	Compartmentalisation in Roof Space	256,200	170,000	426,200	-170,000	256,200	0	0	256,200	256,200	0	10.07.23 new contractor works to begin inspections soon, after these are done we will know the expenditure expected
S98106	Inspection & Install Lightning Conductors	75,000	75,000	150,000	-150,000	0	0	0	0	0	0	
S98107	Aerial Inspections	0	0	0	0	0	0	0	0	0	0	
S781	BUILDING SAFETY	649,200	350,000	999,200	-245,000	754,200	0	0	754,200	754,200	0	

Project	Capital Description	Original Budget 2023/24	Slippage Proposed	Original budget 23/24 including slippage	Future Proposed Variations	Revised Budget including Variations for Approval	Actuals to 30 June 2023	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance Over/ Under	Comments - Spend to date
S99100	PROPERTY INVESTMENT CONTINGENCY	60,000	0	60,000	-11,793	48,207	0	0	48,207	48,207	0	
S99102	Housing Capital Fees	343,120	0	343,120	0	343,120	-22,341	26,565	338,896	343,120	0	
S791	UNALLOCATED FUNDING	403,120	0	403,120	-11,793	391,327	-22,341	26,565	387,103	391,327	0	
	SUB TOTAL PROPERTY INVESTMENT	7,190,320	2,044,783	9,235,103	0	9,235,103	596,529	2,643,682	5,995,204	9,235,415	312	
	AFFORDABLE HOUSING	0	-0	-0	110,000	0	0	0	0	0	-0	
SA1031	Site Acquisition (Inc RTB)	0	1,779,312	1,779,312	0	1,779,312	0	750	1,778,562	1,779,312	0	13.07.23 Church Circle, Ollerton and The Crescent Bilsthorpe - with Legal, doing ground works at the moment.
SA1033	Estate Regeneration	5,973,550	222,791	6,196,340	0	6,196,340	-61,996	69,060	6,189,276	6,196,340	0	
SA1047	New Build Contingency	0	179,871	179,871	0	179,871	0	0	179,871	179,871	1	
SA1048	Boughton Extra Care	0	295,347	295,347	0	295,347	-1,724	8,456	288,615	295,347	0	13.07.23 retention challenge with administrators to NSDC favor counter claim has been submitted.
SA1060	Phase 3	0	0	0	0	0	-410	0	409	-0	-0	
SA1063	Phase 3 - Cluster 3	0	0	0	0	0	-29,759	0	29,759	0	0	01.06.23 cluster is completed but still owe retention to Woodheads
SA1064	Phase 3 - Cluster 4	0	1,008,464	1,008,464	-408,500	599,964	1,477	4,242	594,245	599,965	0	13.07.23 one site remaining - 17 Northgate. Starting back on site August 23, to be completed by January 24.
SA1070	Phase 4	0	42,023	42,023	0	42,023	0	0	42,023	42,023	0	
SA1071	Phase 4 Cluster 1	0	0	0	0	0	-56,537	0	56,537	-0	-0	01.06.23 cluster is completed but still owe retention to Woodheads - totals £56k
SA1072	Phase 4 Cluster 2	0	0	0	0	0	-19,440	0	19,440	0	0	01.06.23 completed but still owe retention to Woodheads - totals £19k
SA1073	Phase 4 Cluster 3	0	275,802	275,802	666,200	942,002	513,599	317,999	110,405	942,003	0	13.07.23 one site complete, others due to be complete between August and September.
SA1074	Phase 4 Cluster 4	0	113,228	113,228	-91,000	22,228	17,465	4,806	0	22,272	44	01.06.23 cluster is complete apart from retention £2k
SA1075	Phase 4 Cluster 5	0	878,262	878,262	257,100	1,135,362	162,696	859,522	113,144	1,135,362	-0	13.07.23 cluster due for completion in December 23.
SA1080	Phase 5	9,300,000	19,599	9,319,599	-823,800	8,495,799	11,276	44,003	8,440,520	8,495,799	0	
SA1081	Phase 5 Cluster 1	0	0	0	0	0	0	0	0	0	0	
SA1082	Phase 5 Cluster 2	0	0	0	0	0	0	0	0	0	0	
SA1083	Phase 5 Cluster 3	0	0	0	0	0	0	0	0	0	0	
SA1084	Phase 5 Cluster 4	0	0	0	0	0	0	0	0	0	0	
SA1085	Phase 5 Cluster 5	0	0	0	0	0	0	0	0	0	0	
SA1086	Phase 5 Cluster 6	0	0	0	0	0	0	0	0	0	0	
SA1087	Phase 5 Cluster 7	0	0	0	400,000	400,000	0	0	400,000	400,000	0	
SC2000	Careline Analogue to Digital	60,000	11,955	71,955	0	71,955	0	22,339	49,616	71,955	-0	
SC2002	New Housing Management System	521,000	0	521,000	0	521,000	71,513	118,139	331,347	521,000	-0	14.07.23 chosen supplier received orders, on programme.
	SUB TOTAL AFFORDABLE HOUSING	15,854,550	4,826,653	20,681,202	-0	20,681,202	608,161	1,449,317	18,623,769	20,681,248	45	
		0	0	0	0	0	0	0	0	0	0	
	GRAND TOTAL	23,044,870	6,871,436	29,916,306	-0	29,916,306	1,204,690	4,092,999	24,618,974	29,916,662	357	

Prudential and Treasury Indicators for 2023-24 as of 30 June 2023

Treasury Strategy Indicators - Borrowing	2023/24 Original Estimate / Limit £'000	2023/24 Revised Estimate / Limit £'000	2023/24 Q1 Actual £'000	Compliance
Operational Boundary for External Debt	182,926	184,852	90,479	Yes

For further information on this prudential indicator please see the Treasury Management Strategy, Page 5 to 6

Authorised Limit for External Debt	190,126	192,052	90,479	Yes
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For further information on this prudential indicator please see the Treasury Management Strategy, Page 6

HRA Debt Limit	144,627	144,627	85,929	Yes
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For further information on this prudential indicator please see the Treasury Management Strategy, Page 6

Maturity Structure of Borrowing

Under 12 months	15%	15%	7%	Yes
12 months and within 24 months	15%	15%	3%	
24 months and within 5 years	30%	30%	15%	
5 years and within 10 years	100%	100%	18%	
10 years and above	100%	100%	57%	

For further information on this prudential indicator please see the Treasury Management Strategy, Page 7

Treasury Strategy Indicator - Investing

Credit risk indicator (Minimum Average Portfolio Rating)	A	A	AA	Yes
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For further information on this prudential indicator please see the Treasury Management Strategy, Page 14

Liquidity risk indicator

3 months	100%	100%	20%	Yes
3 – 12 months	80%	80%	43%	
Over 12 months	60%	60%	37%	

For further information on this prudential indicator please see the Treasury Management Strategy, Page 14

Interest rate risk indicator

Upper limit on one-year revenue impact of a 1% rise in interest rates	£200,000	£200,000	£182,550	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	£200,000	£200,000	£182,550	

For further information on this prudential indicator please see the Treasury Management Strategy, Page 14

Price risk indicator

Limit on principal invested beyond year end	£15m	£15m	£12.5m	Yes
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For further information on this prudential indicator please see the Treasury Management Strategy, Page 14

Capital Strategy Indicators	2023/24 Original Estimate / Limit £'000	2023/24 Revised Estimate / Limit £'000	2023/24 Q1 Actual £'000
Capital Expenditure & Financing			
General Fund services	57,707	68,387	7,614
Council housing (HRA)	23,045	29,916	1,205
Capital Loan (GF)	8,647	11,408	50
Total Capital Expenditure	89,399	109,711	8,869
Capital Grants	26,073	41,778	3,377
Other Contributions	8,548	5,600	453
Capital Resources	5,738	4,814	389
Revenue / Major Repairs Reserve	18,777	25,440	2,057

Borrowing	30,263	32,079	2,593
Total Capital Financing	89,399	109,711	8,869

For further information on this prudential indicator please see the Capital Strategy, Page 3 to 4

Capital Financing Requirement (CFR)

General Fund services	52,139	47,678	38,510
Council housing (HRA)	113,979	120,365	111,003
Capital investments	11,408	11,408	50
Total CFR	177,526	179,451	149,563

For further information on this prudential indicator please see the Capital Strategy, Page 5

Proportion of financing costs to net revenue stream

General Fund;

MRP Charge	765	623	0
Interest Payable	397	330	15
Less: Investment Income	-1,642	-1,902	-465
Total GF Financing costs	-480	-949	-450
Proportion of net revenue stream	-2.61%	-4.20%	-8.19%

Housing Revenue Account;

Interest Payable	3,624	3,240	704
Depreciation	5,994	5,994	0
MRR Contributions incl debt repayments	4,851	4,337	1,000
Less: Investment Income	-5	-5	0
Total HRA Financing costs	14,464	13,566	1,704
Proportion of net revenue stream	54.52%	54.37%	27.32%

For further information on this prudential indicator please see the Capital Strategy, Page 9

<u>Investment Strategy Indicators</u>	2023/24 Original Estimate / Limit £'000	2023/24 Revised Estimate / Limit £'000	2023/24 Q1 Actual £'000	Compliance
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Loans for service purposes

Subsidiaries	13,000	13,000	50	Yes
Local businesses	500	500	-	
Local charities	500	500	-	
Other Bodies	500	500	25	
Total	14,500	14,500	75	

For further information on this prudential indicator please see the Investment Strategy, Page 2

Net income from service investments to net revenue stream

Total General Fund Service Investment Income	1,642	1,902	465	NA
Proportion of net revenue stream	8.92%	8.42%	8.46%	

Total Housing Revenue Account Service Investment Income	5	5	0	
Proportion of net revenue stream	0.02%	0.02%	0.00%	

For further information on this prudential indicator please see the Investment Strategy, Page 2

Shares held for service purposes

Subsidiaries	5,000	5,000	4,001	Yes
Suppliers	-	-	-	
Local businesses	-	-	-	
Total	5,000	5,000	4,001	

For further information on this prudential indicator please see the Investment Strategy, Page 3



Report to: Audit & Governance Committee Meeting
27 September 2023

Director or Business Manager Lead: Nick Wilson, Business Manager – Financial Services
Sue Bearman, Assistant Director - Legal & Democratic Services

Report Summary	
Report Title	Audit & Governance Committee Work Plan
Purpose of Report	Work Plan attached for consideration and approval
Recommendations	That the Audit & Governance Committee consider the Work Plan for approval.

AUDIT & GOVERNANCE COMMITTEE
MEETING DATE 27th SEPTEMBER 2023

WORK PLAN

Meeting date at which action to be undertaken	Subject and Brief Description	Who will present the report	Intended Outcome
22 November 2023	Internal Audit Progress Report 2023/24	Fiona Roe/Phil Lazenby (TIAA Ltd)	Understand the level of assurance for audited activities and ensure management progress recommended actions to mitigate identified risks
	Treasury Performance half-yearly report	Andrew Snape	Gain assurance that treasury management activities are in line with the current Treasury Management Strategy
	Counter-Fraud Activity Report	Nick Wilson	Gain assurance that counter-fraud activity is appropriately targeted and effective
	Budget Monitoring to 31 March 2024 as at 30 June 2023	Nick Wilson	To show performance against the approved estimates of revenue expenditure and income; report on variations to the Capital Programme for approval (by Cabinet).
	Risk Management report	Richard Bates	Gain assurance that appropriate risk management arrangements are in place
	Annual Audit Report 2022/23	Mark Surridge (Mazars)	Gain assurance on the Council's Statement of Accounts and arrangements for achieving Value for Money
	Housing Gas Compliance	Suzanne Shead	
	Public Speaking Report	Lisa Hughes	
December	Training session with Link Group regarding Treasury Management	Andrew Snape/Rob Baxter (Link Group)	To gain an understanding of Treasury Management and how this relates to the Committees responsibilities

Change of date - 21 February 2024	Annual Review of the Council's Whistleblowing Policy	Sue Bearman	A summary of actions taken will be reported back to Committee as an annual report
	Annual Review of the Gifts and Hospitality Protocol and Policy	Sue Bearman	An annual review of the operation of the Council's Gifts and Hospitality arrangements
	GF Budget 2024/25	Nick Wilson	To ensure that the Council to set a balanced budget over the forthcoming year
	Medium Term Financial Plan 2024/25-2027/28	Nick Wilson	To gain assurance that the Council's financial position over the medium term is sustainable
	Draft Treasury Strategy 2024/25	Andrew Snape	Gain assurance that risks in relation to the Council's treasury management activities are to be managed in accordance with need and the Council's risk appetite
	Draft Capital Strategy 2024/25	Andrew Snape	Outlines the principles and framework that shape the Council's capital proposals
	Draft Investment Strategy 2024/25	Andrew Snape	The investment strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by the government.
	Review of significant internal control issues highlighted in the Annual Governance Statement	Nick Wilson	Gain assurance that the Council is making progress on any governance issues that were raised in the AGS
	Internal Audit Progress Report 2023/24	Fiona Roe/Phil Lazenby (TIAA Ltd)	Understand the level of assurance for audited activities and ensure management progress recommended actions to mitigate identified risks
24 April 2024	Annual Review of the Council's Constitution	Sue Bearman	Review the Council's Constitution
TBC	Review of the Council's Governance Arrangements	Sue Bearman	Review the Council's Governance Arrangements – Governance Review Working Party

TBC	A review of the process for dealing with Code of Conduct Complaints, including a review of the role of the Independent Persons	Sue Bearman	
September 2024	LGA Newark and Sherwood District Council Cyber 360 Annual Report	Dave Richardson	



Report to: Audit & Governance Committee Meeting 27 September 2023

Director Lead: Sanjiv Kohli, Deputy Chief Executive/Director of Resources (S151 Officer)

Lead Officer: Dave Richardson, Business Manager – ICT & Digital Services Ext 5405

Report Summary	
Report Title	LGA Newark and Sherwood District Council Cyber 360 Report
Purpose of Report	To present the results of LGA Newark and Sherwood District Council Cyber 360 Report
Recommendations	Members review, comment upon and note the LGA Newark and Sherwood District Council Cyber 360 Report
Reasons for Recommendation	To provide Members with details and assurance from the LGA Newark and Sherwood District Council Cyber 360 Report

1.0 Background

- 1.1 The Local Government Association piloted Cyber 360 (C360s) peer reviews with a number of Local Authorities to ensure Cyber and information Security governance and culture is being understood and adequately resourced. The Cyber 360 Report and Cyber 360 Action Plan are not in the public area of the open report for security reasons and are held in the exempt version as Appendix A and Appendix B.
- 1.2 At the previous Audit & Governance Committee the ICT & Digital Services Business Manager advised that he participated in a Cyber360 peer review of another Council in 2022 and recommended to Senior Leadership Team that Newark & Sherwood District Council take part in our own C360 review, to provide assurance and ensure that we are addressing any areas of cyber risk.
- 1.3 The Cyber 360 (C360) team spent two days with Newark and Sherwood council on the 6th and 9th February 2023. Newark and Sherwood were the 15th council to undertake a C360 and we thank them for their ongoing feedback as we continually improve our approach. What follows are the observations and opinions of the C360 team. These are correct at the time of writing, although we appreciate that the council may have progressed its IT programme since.

- 1.4 Newark and Sherwood Council's political and executive leadership understands that cyber threats are growing and has ambitions to do more to manage these risks. In recent years the council has invested significantly in its cyber-security capacity and capabilities, and there is a sense of confidence among both management and political leaders that the council's cyber-security posture and awareness of risks are improving.
- 1.5 Newark and Sherwood Council has demonstrated considerable efforts to align its cyber-security controls and processes with good practice. This includes gaining cyber essentials certification and PSN compliance. The council has also recently published a cyber-security strategy, which has been helpful in defining a cohesive cyber-security programme that is owned corporately.
- 1.6 The governance arrangements for cyber-security are clear and well-established. The council has a Corporate Information Governance group which meets regularly to discuss cyber-security risks. This has helped to ensure high-level oversight of the council's cyber-security programme, including the various projects underlying the cyber-security strategy. The group reports regularly to member committees, which enables Members to provide oversight and challenge.
- 1.7 Senior managers have good awareness of cyber-security risks and see cyber-security as a business enabler. The council is taking steps to ensure that business managers are taking more responsibility for managing the cyber risks associated with their services.
- 1.8 The council is particularly forward thinking in respect to business continuity plans across all service areas.
- 1.9 Overall, Newark and Sherwood District Council has made significant progress in improving its cyber-security posture. The council should now ensure it continues to build on this progress, so that the council can mitigate risks and adapt to emerging threats.
- 1.10 A Cyber360 action plan has been commissioned off the back of the report and regularly updated by the Corporate Information Governance Group (CIGG). Therefore, the updates to this committee will be provided by exception or at least on an annual basis.

2.0 Proposal/Options Considered

- 2.1 That the CIGG continue to progress the review of the Cyber360 action plan and update elected Members by exception and at a minimum on an annual basis.

3.0 Implications

None.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local

Government Act 1972. Any documents that contain confidential information or personal information about individuals should not be included in this list.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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