



*Castle House
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Tuesday, 14 November 2023

**Chair: Councillor P Harris
Vice-Chair: 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, 22 November 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.

AGENDA

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1. Apologies for Absence	
2. Declarations of Interest from Members and Officers	
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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, 27 September 2023 at 6.00 pm.

PRESENT: Councillor P Harris (Chair)

Councillor R Cozens, Councillor S Crosby, Councillor S Haynes, Councillor J Kellas, Councillor J Lee and Councillor M Shakeshaft

APOLOGIES FOR ABSENCE: Councillor S Forde (Vice-Chair), Councillor A Freeman (Committee Member), Councillor S Michael (Committee Member), Councillor C Penny (Committee Member) and Councillor T Thompson (Committee Member)

16 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

There were no declarations of interest.

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

The Chair advised that the proceedings were being recorded by the Council and that the meeting was being livestreamed and broadcast from the Civic Suite, Castle House.

18 MINUTES OF THE MEETING HELD ON 14 JUNE 2023

The minutes of the meeting held on 14 June 2023 were agreed as a correct record and signed by the Chair.

19 HOUSING OMBUDSMAN INVESTIGATION OUTCOME

The Committee considered the report of the Business Manager – Customer Services which sought to update Members of the outcome of a recent Housing Ombudsman investigation. Details of the complaint made were provided together with the findings of the Housing Ombudsman that there had been no maladministration by the Council. They had found that the Council had 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.

In response to where the results of the Housing Ombudsman findings would be reported, the Assistant Director – Legal & Democratic Services/Monitoring Officer advised that in addition to the Audit & Governance Committee, it was also published on the Council's website.

In noting the comments of the Housing Ombudsman, a Member queried what steps were being taken to avoid such a situation arising again. The Assistant Director referred to the finding that there had been no maladministration and therefore there were no specific 'lessons' to be learned. She added that all Officers were due to attend Customer Complaints training.

AGREED (unanimously) that the findings of the Housing Ombudsman be noted.

20 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW UPDATE

The Committee considered the report of the Business Manager – Customer Services which sought to inform Members of the Local Government & Social Care Ombudsman’s (LGSCO) annual review updates. The report noted that it was a requirement for the Annual Review Letters to be shared with Members with the letter detailing the number of complaints received by the LGSCO and the number of decisions made thereon. The number of complaints received and the outcome of each decision were summarised within the report together with anonymised details of 6 of the complaints reviewed and closed. Appended to the report were complaint response letter templates and reference to the appointment of Councillor Mike Pringle, as the lead member for complaints.

In considering the report, a Member noted that a review of the Council’s Customer Feedback Policy had been carried out against the Housing Ombudsman complaint handling code which had resulted in slight amendments to the Policy, querying how frequently the Policy was refreshed to check that it was remained relevant. The Chair advised that he would raise the matter with the Chair of the Policy & Performance Improvement Committee and provide members of the Committee with feedback thereon. It was further noted that training on the complaints toolkit had been delivered to all staff who responded to complaints, approximately 100 members of staff.

AGREED that the report be noted.

21 COUNCILLOR TRAINING AND DEVELOPMENT

The Committee considered the report of the Business Manager – Elections & Democratic Services which sought to provide Members with information as to the review undertaken of the May/June 2023 induction training programme and asking that consideration be given to further Member training and development. The report detailed the events delivered as part of the induction and training programme, both in-house and via the East Midlands Councils’ training offer. It was further reported that the Council was rolling out climate awareness training for all staff and that it would also be made available for Councillors. Equality & Diversity training was also being rolled out to all staff and Councillors. The report set out that it was proposed to deliver further training in relation to the role and responsibilities of the councillor and meeting procedures. The programme of e-learning modules offered by the Local Government Association were also listed and that these would be promoted to Members.

In considering the report, a Member noted that it was sometimes difficult to undertake online training as there were no desks designated specifically for Members within Castle House. The Assistant Director advised that as of 2 October, staff working arrangements were changing and there would be ‘hot desks’ available for both Officers and Members. It was also noted that meeting rooms could be booked on behalf of Members on request.

A Member commented that some of the training provided had been useful but noted that Members would benefit from a greater understanding of some aspects of being a Councillor, e.g. Code of Conduct training. He suggested that it would be beneficial if Members undertook a skills audit as to their understanding of topics covered by the training provided and that this be done prior to the development of a new training programme.

In noting the proposal to deliver further training for Members in relation to the role and responsibilities of a councillor and meeting procedures, together with promotion of the LGA skills-based offer, the Assistant Director advised that prior to this, she would discuss any possible additional training needs with the Chair and Vice-Chair of the Committee.

AGREED (unanimously) that:

- a) further training be delivered for Councillors as soon as practicable, in relation to the role and responsibilities of the councillor and meeting procedures; and
- b) Councillors be made aware of the Local Government Association online training offer and the training materials available on the Members' Intranet.

22 REPORT OF THE INDEPENDENT REMUNERATION PANEL

The Committee considered the report of the Business Manager – Elections & Democratic Services which set out the report of the Independent Remuneration Panel (IRP) regarding the Scheme of Members' Allowances for 2023/24. The scope of the review was to consider the change in the Council's Cabinet arrangements and any wider implications. It was also to ensure the Scheme remained fit for purpose. The Panel was also asked to consider the special responsibility allowance paid 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. The Panel's findings were appended to the report, noting that it was scheduled to be considered by full Council on 17 October 2023.

In querying the cost implications of actioning the additional budget requirement, a Member sought clarification as to whether this would be met from the Corporate Contingency Budget for this and future years. The Business Manager – Financial Services advised that the monies for 2023/24 would be paid from the Corporate Contingency Budget but that it would be added to base budgets for 2024/25 onwards.

In noting that the IRP had found that the functions of the new Cabinet Portfolios exceeded those of the previous Cabinet in both range and depth, he commented that this would have an impact of the workload for the Chair of the Policy & Performance Improvement Committee but the IRP had recommended no change to the current SRA payment made. In noting and agreeing with the above comment, a Member suggested that the same applied to the Leader of the Opposition as her role was to cover all portfolios, adding that there appeared to be inconsistencies in the IRP's report.

AGREED (with 6 votes for and 1 against) that:

- a) the report of the Independent Remuneration Panel be noted, prior to its submission to full Council on 17 October 2023; and
- b) the proposal to full Council will be for the in-year additional budget requirement of £19,125 to be financed from the Corporate Contingency budget be noted.

23 AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT

The Committee considered the report of the Business Manager – Financial Services which sought to inform Members of the activity undertaken by the Audit & Governance Committee during the 2022/23 financial year. Detailed within the report were the responsibilities discharged by the Committee, as described within the Council’s Constitution from April 2022 to June 2023.

AGREED (unanimously) that the report be noted)

24 GOING CONCERN STATUS OF THE COUNCIL

The Committee considered the report of the Business Manager – Financial Services which sought to provide Members with the assessment by the Section 151 Officer of the Council’s Going Concern status. The report explained that 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).

AGREED (unanimously) that:

- a) the conclusion of the assessment of the Council’s status as a going concern be noted; and
- b) the Statement of Accounts 2022/23 be accounted for on that basis.

25 ANNUAL EXTERNAL AUDIT STRATEGY MEMORANDUM 2022/23

The Committee considered the report of the Business Manager – Financial Services which sought to present the External Audit Strategy Memorandum for the 2022/23 Statement of Accounts work for review and comment. Mr. Mark SurrIDGE, a representative from the External Auditors, Mazars, was present at the meeting and provided Members with a detailed explanation as to the way in which the audit was undertaken.

In considering the report and the appended Memorandum, Members raised a number of queries which were responded to by Mr. SurrIDGE. These included comment as to the impact that the Council’s development company had on the Medium Term

Financial Plan, what the set criteria was to determine risks, the valuation of buildings and associated risks and what value for money actually meant in relation to an audit.

AGREED (unanimously) that the External Audit Strategy Memorandum be noted.

26 PROJECTED GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL OUTTURN REPORT TO 31 MARCH 2024 AS AT 30 JUNE 2023

The Committee considered the report of the Business Manager – Financial Services which sought 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. The report also provided performance information 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.

In response to a comment that the expected projected outturns would change overtime, the Business Manager – Financial Services confirmed that to be the case. The figures in the report were for Q1. In Q2, Q3 and Q4 would reflect the assumptions and give an indication on whether the forecasts were accurate.

In relation to a Member querying as to the reduction in certain budgets and where the monies had been diverted to, Members were advised that the role of the Audit & Governance Committee was to consider the financial stability of the Council. Changes to budgets and policy decisions would fall within the remit of Cabinet.

AGREED (with 6 votes for and 1 against) that the Audit & Governance Committee note:

- 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 as at Appendix F.

27 AUDIT & GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the joint report of the Assistant Director – Legal & Democratic Services and the Business Manager – Financial Services which attached the Committee’s work plan for consideration and approval. The work plan listed reports which would come to the committee for the remainder of the municipal year, together with an indication of their intended outcome.

In considering the work plan, a Member queried whether it was possible to receive the General Fund Budget report prior to February 2024. The Business Manager advised that it would not be possible due to the time constraints of preparing the budget ready for approval at full Council in early March. The Chair advised he would speak to the Director – Resources/S151 in relation to whether the process could be refined to allow the Committee earlier sight of the proposed budget papers.

In response to why the proposed report relating to public speaking at the Planning Committee was being considered at the November meeting, the Assistant Director advised that it fell within the governance remit of the Committee. Members suggested that it would be helpful if the Agenda was split in the future to separate the Audit and Governance items.

AGREED (unanimously) that the work plan be noted.

28 LGA NEWARK AND SHERWOOD DISTRICT COUNCIL CYBER 360 REPORT

The Committee considered the report of the Business Manager – ICT & Digital Services which presented to Members the results of the LGA Newark & Sherwood District Council Cyber 360 Report. The full Cyber 360 Report and Action Plan were attached as exempt appendices to the report for security reasons. The open report detailed the review undertaken and the findings therefrom, noting that significant progress had been made in improving the Council’s cyber-security posture.

AGREED (unanimously) that the LGA Newark & Sherwood District Council Cyber 360 Report be noted.

29 EXCLUSION OF THE PRESS AND PUBLIC

AGREED (unanimously) that under section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

30 LGA NEWARK AND SHERWOOD DISTRICT COUNCIL CYBER 360 REPORT APPENDICES A AND B

The Committee considered the exempt appendices of the LGA Newark & Sherwood District Council Cyber 360 Report.

(Summary provided in accordance with Section 199C(2) of the Local Government Act 1972.)

Meeting closed at 7.57 pm.

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
22 November 2023

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

Lead Officer: Philip Lazenby, Director of Audit (TIAA) 0845 3003333

Report Summary	
Report Title	Internal Audit Progress Report 2023/24
Purpose of Report	To provide a summary of Internal Audit work undertaken during 2023/24 against the agreed audit plan
Recommendations	That the Audit & Governance Committee consider and comment upon the latest internal audit progress report and note its content.
Reason for Recommendation	In order to understand the internal audit work undertaken throughout the 2023/24 financial year and how this impacts on the Council's overall Governance framework.

1.0 Background

- 1.1 The Audit Plan for 2023/24 was agreed at the Audit and Accounts Committee in April 2023. Throughout the year reports on the progress made and changes to the plan are then brought to this committee.
- 1.2 The report contains details of all reports issued within the first part of the financial year 2023/24.

2.0 Proposals

- 2.1 To receive and comment upon the Internal Audit Progress Report 2023/24 and note its content.

Background Papers and Published Documents

NIL



Internal Audit

Draft

Newark & Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

2023/24

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Newark and Sherwood District Council as at 13/11/2023.

Future of Internal Audit (IA)- Digital drivers

Use of Data analytics by TIAA

2. TIAA is always adopting new ways of working and methodologies including innovative approaches for delivering internal audits. This is part of our continuous improvement programme which facilitates improvements in efficiency, effectiveness, and the quality of the work we deliver. We currently use data analytics as part of our work in relevant areas to test against full data sets, spot hidden risks, to target our testing and to provide ‘proof in total’ assurance; this adds credibility and value to the reports we produce. Data Analytics helps us to analyse large volumes of data to identify trends, patterns, and anomalies that may indicate potential risks or opportunities for improvement.

How will Artificial Intelligence (AI) enhance the delivery Internal Audit of the future?

3. We believe that the way internal audits are delivered will change significantly in the next 3 to 5 years through the use of AI, through the use of auditing tools which contribute towards a process of continuous audit assurance, a wider use of predictive analytics to allow auditors to provide reports that are far more forward looking, and robotic process automation which will help remove much of the manual data collection work, thereby allowing Internal Audit more time to provide value-added analysis. Another branch of AI, Natural Language Processing (NLP), has the potential of also enabling auditors to analyse text in a large number of documents.
4. In addition to the use of Data Analytics, TIAA is actively exploring, as part of our vision for the future, the use of AI, automation and other digital tools to streamline the audit process, inform planning, reduce manual effort, and enhance the quality of audit results. Automated data collection and analysis will help reduce the time required to complete audits and improve the accuracy and consistency of audit results. Innovative ways of using and integrating artificial Intelligence in the delivery of audits in response to the exponential growth in data, and how it is analysed and used in the context of Internal Audit, is part of TIAA’s innovation strategy. We will also as part of our strategy be investigating more opportunities to not only use AI, but also to develop the capabilities to audit AI and the associated ethical considerations.

Audits completed since the last SICA report to the Audit Committee

The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Key Control Testing	Reasonable Assurance	31/08/2023	9/11/2023		0	4	7	1

Payroll	Reasonable Assurance	02/11/2023	13/11/2023	18/11/2023	0	2	0	0
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- 6. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2023/24 Annual Plan

- 7. Our progress against the Annual Plan for 2023/24 is set out in Appendix B.

Progress in actioning priority 1 & 2 recommendations

- 8. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. Progress in actioning priority 1 and 2 audits will be reviewed at the next audit committee.
- 9. **Frauds/Irregularities**
- 10. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Responsibility/Disclaimer







- 11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Assurance Review of Key Control Testing	Reasonable
Payroll	Reasonable

Assurance Review of Key Control Testing

<p>OVERALL ASSESSMENT</p>	<p>KEY STRATEGIC FINDINGS</p>								
 <p>The diagram shows a central yellow circle labeled 'REASONABLE ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four colored circles: green for 'SUBSTANTIAL ASSURANCE', yellow for 'REASONABLE ASSURANCE', orange for 'LIMITED ASSURANCE', and red for 'NO ASSURANCE'.</p>	<ul style="list-style-type: none">  Sample testing of sales ledger transactions identified lack of procedural documentation or consistent expectation and underlying instances of delays in raising invoices, inadequate descriptions and an unauthorised credit note.  Sample testing of debtor accounts identified instances where action to recover debts was delayed.  Sample testing of purchase ledger payments identified a lack of consistent use of purchase orders and an increased use of retrospective purchase orders. 								
<p>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</p>	<p>GOOD PRACTICE IDENTIFIED</p>								
<p>Ensuring financial stability of the general fund to allow the council to undertake its core functions, delivers services, meet its core objectives and priorities.</p> <p>(SR301 Financial Sustainability - General Fund)</p>	<ul style="list-style-type: none">  There is segregation of duties within the Creditors, and Income processes and resilience within all the teams.  Access rights to the finance system are controlled and align with job roles. 								
<p>SCOPE</p>	<p>ACTION POINTS</p>								
<p>Delivery of key control testing to enable Head of Internal Audit to form an opinion on the council's financial control environment over Creditors, Income, and Debtors.</p>	<table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>4</td> <td>7</td> <td>1</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	4	7	1
Urgent	Important	Routine	Operational						
0	4	7	1						

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Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>There is no schedule or timetable of key financial tasks such as reconciliations, payment runs, month-end close-down etc. which sets out responsible officers, deadlines and whether completed for each month.</p> <p>Sample compliance testing of control account reconciliations identified delays in completion.</p>	To develop a control schedule to record and monitor the completion of key month-end financial tasks.	2	<i>A schedule will be created of all key items as suggested</i>	30/09/23	Transactional Finance Manager
3	Directed	<p>There is a lack of up-to-date, comprehensive guidance in the form of policies and procedures. There are no policy or procedures supporting the creditors or income functions and the Corporate Income Debt Recovery Policy and Procedures are dated 2020/21 and are in draft.</p> <p>In addition, whilst the draft document includes processes, responsibilities in line with the Financial Regulations, and a debt recovery process flow-chart, the invoicing process has changed, it doesn't refer to the pro-forma invoice request form, and KPIs are not included.</p>	To ensure there are policies and procedures providing guidance, setting expectations and supporting the creditors, debtors and income functions.	2	<i>The Corporate income policy will be reviewed and finalised.</i>	31/03/24	Business Manager – Financial Services

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Directed	<p>A sample of ten sales invoices and five credit notes was tested and non-compliance was identified:</p> <ul style="list-style-type: none"> • There were two instances of a delay in raising the invoice. One invoice for £1,657.50 was raised two months late and only actioned after a reminder to the requesting department from the Corporate Income Team Leader and another invoice for £44,095.33, raised by the Admin team took seven working days to be processed. • One credit note request for £73.20 was not approved by a delegated officer. • There was a lack of segregation of duties for one invoice (£166k) raised by the Infrastructure and S106 Officer within the Planning Policy department. • The description was not sufficiently detailed or clear in four instances. For example, the debtor's reference had not been included, the words "payment for" were used instead of "charge for". 	<p>To review the need for officers outside of the Corporate Income team to raise invoices or whether all invoices should be raised from one central point.</p> <p>Once responsibilities are agreed, to ensure that there is appropriate segregation of duties and adequate training in the process covering invoice descriptions and credit note authorisation.</p>	2	<p><i>An email will be sent to all business managers reminding them of the need to raise invoices in a timely period and in accordance with the corporate income policy.</i></p> <p><i>Invoice raising will no longer be carried out outside of the corporate income or admin teams. This will then ensure a separation of duties and a consistent approach to invoice descriptions.</i></p>	30/09/23	Business Manager – Financial Services

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
9	Directed	<p>A sample of five debtor accounts were tested. It was identified that:</p> <ul style="list-style-type: none"> In two instances, there was no movement on the debt, no record of any action been taken in the last four months and two months, and there was no update from the Legal department, who are responsible for the next stage. It was advised that some legal services have since been outsourced to alleviate pressure. In two instances, debt recovery was undertaken by the Planning Policy Department or the Repairs Department - there is a risk of inconsistent practices and lack of oversight. 	Debt recovery activity to be reviewed to ensure that training and resources are appropriate to ensure efficient and timely debt collection.	2	<i>The finalisation of the Corporate Income Policy will ensure that all action taken against customers will be consistent. Discussions (via email) will take place with Business Managers to ensure any action taken follows the policy.</i>	31/03/24	Business Manager – Financial Services
1	Directed	The Financial Regulations document on the Council's website is dated February 2018 with a review date of February 2020 which is overdue. Whilst the FRs are generally in line with the Council's Constitution dated May 2022, there are some references to committees or groups which need to be updated.	To review and update the Financial Regulations and upload to the website.	3	<i>The current version of the Financial Regulations were updated in May 2022 and have a revision date of May 2024. These are located elsewhere within the Constitution page on the website. The location mentioned in the finding will be replaced with the most up to date version.</i>	30/09/23	Business Manager Financial Services

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>A formal bank reconciliation is carried out by the Income Officer and reviewed by the Transactional Finance Manager after each month-end. However, review of the summary bank reconciliation schedule for May 2023 and June 2023 identified that the June 2023 reconciliation wasn't signed by the reviewer.</p> <p>Furthermore, review of four reconciliations (for May 2023 and June 2023 for the General Account and the Payments Account) identified two reconciliations where the month of the reconciliation was incorrectly stated, and reconciling items were referred to as occurring in "December" in error.</p>	<p>To ensure that bank reconciliations are checked for accuracy and signed off by the reviewer at the time of the review.</p>	3	<p><i>Checks will be carried out each month to ensure the data recorded is accurate and the document signed before finalising</i></p>	30/09/23	<p><i>Transactional Finance Manager</i></p>
5	Directed	<p>There is no approved list of goods / services which can be procured without a PO. Testing identified that 16% of all payments in the first four months of the year were not supported by a PO. Sample testing identified that five out of ten payments made were for goods / services where a PO should have been raised prior to committing to the expenditure.</p> <p>Furthermore, there are no formal, regular checks of the appropriateness of non-PO payments.</p>	<p>Provide guidance to all budget holders on non-PO payments which includes;</p> <ul style="list-style-type: none"> • The goods / services which are exempt from POs. • Responsibility for reporting and monitoring of non-PO payments and retrospective orders. • Escalation process where there is non-compliance with the process. 	3	<p><i>Full review of the PO process will be carried out and an exempt goods/services list drawn up and shared with relevant business managers.</i></p> <p><i>A 'no PO no payment' policy will be prepared and adopted to ensure correct processes are carried out in all cases</i></p>	31/12/23	<p><i>Transactional Finance Manager / Business Manager – Financial Services</i></p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	<p>Testing of a sample of ten payments identified five out of ten invoices (for a total of over £93k) which should have had a purchase order (PO) prior to obtaining the goods / services but did not. Four of these were supported by retrospective POs raised after the invoice date.</p> <p>In two of these instances, a lack of an appropriate PO resulted in a delay in payment of the invoice and the target of 30 days was missed (one was paid 67 days after the invoice date and the other was paid 49 days after).</p>	Budget holders to be reminded that an approved purchase order is required prior to obtaining goods / services.	3	<p><i>A 'no PO no payment' policy will be prepared and adopted to ensure correct processes are carried out in all cases.</i></p> <p><i>Communications will be sent to business managers reminding them that (with a few exemptions) all goods and/or services procured must follow the prior PO process and not raised retrospectively.</i></p>	31/12/23	<p><i>Transactional Finance Manager / Business Manager – Financial Services</i></p>
7	Directed	<p>The "Authorisation Limits" schedule was dated 2018 and there were a number of changes to the document.</p> <p>It was also noted that three officers had no upper financial limit (the Chief Executive, the Director of Resources and Deputy Chief Executive and S151 Officer, the Business Manager - Financial Services).</p>	<p>The "Authorisation Limits" schedule to be reviewed and updated.</p> <p>An upper financial limit to be applied to all officers and a two-signatory authorisation introduced for any amounts over the highest limit.</p>	3	<p><i>A review of all authorisation limits will be carried out and limits amended appropriately.</i></p>	31/12/23	<p><i>Business Manager – Financial Services</i></p>
10	Directed	A sample of five debtor accounts were tested. It was identified that for one debt of over £167k being managed by the Planning Policy S106 Officer, the terms of the Affordable Housing Contribution payment may have been unclear to the debtor.	To investigate the circumstances of the Affordable Housing Contribution debt and apply any lessons learned to future processes and activity in this area.	3	<p><i>AHC debt to be investigated and actions taken as appropriate</i></p>	31/10/23	<p><i>Infrastructure & S106 officer / Transactional Finance Manager</i></p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
11	Directed	<p>Review of the May and June sales ledger control account reconciliations for the sundry debtors account identified that there was a delay in completing the reconciliations. They were both completed (and authorised) on 28th July 2023.</p> <p>It is noted that responsibility for this task is to be re-assigned to the Corporate Income Team Leader.</p>	<p>To provide the Corporate Income Team Leader appropriate training to ensure that the sales ledger control account reconciliations are carried out effectively and on a timely basis.</p> <p>See also recommendation 2.</p>	3	<p><i>Relevant officers will be trained, and processes amended to ensure reconciliations are carried out in a timely manner</i></p>	30/09/23	<p><i>Transactional Finance Manager</i></p>

Payroll

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SR305 Workforce Ensuring the council is able to recruit, maintain and retain appropriate staffing resource to ensure it is able to deliver its services and meet its corporate objectives.

SCOPE

to provide assurance on the effectiveness of the security arrangements, and the operation of the new iTrent HR/Payroll system.

KEY STRATEGIC FINDINGS



There were 5 instances where payroll were not notified of the worker until the day they started.

There were three instances in the sample where no confirmatory evidence from the HR function of a new starter requiring addition was maintained by the payroll department. This is important to prevent "ghost employees".



No evidence was provided to audit of an audit log/approval for changes within the iTrent system used by the payroll team. Management provided verbal assurance that this was available.

GOOD PRACTICE IDENTIFIED



Procedures in place and well written, full hierarchy within the payroll team evidenced and step by step processes.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Within the sample of 10 for new starters on the database there were 5 instances where payroll were not notified of the worker until the day they started, additionally there were 3 instances where payroll were unable to provide evidence that they were notified of the new starter, the other 7 selections all had an email sent to payroll notifying them of a new stater.</p> <p>When reviewing the 10 selected new starter forms there was no evidence of who completed or approved the form before it being passed over to payroll.</p>	<p>Management to introduce a section within the starter form indicating who approved the form and on what date. This would allow Newark and Sherwood council to see who is responsible for completing a starter form should any queries arise.</p>	2			

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Key Control Testing	2	Final	Audit report issued
Payroll	3	Final	Audit report issued
Grant Fund Spend and Administration	2	Draft report issued awaiting responses	
Contractual relationship with active 4 Today	2	Draft report issued awaiting responses	
Financial Resilience	2	APM issued and start date agreed (Nov)	
Housing Regulatory Compliance	2	APM issued (awaiting confirmation of start date)	
Housing Voids	3	APM issued (awaiting confirmation of start date)	
Complaints Process	3	APM issued (awaiting confirmation of start date)	
Delivery of Corporate Projects	TBC	APM issued	
Workforce Planning	TBC	APM issued (awaiting confirmation of start date)	
Treasury Management	4	APM issued (awaiting confirmation of start date)	
ICT assurance cyber security/ incident management	4	APM issued and start date agreed	

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Assurance Framework	4	APM issued (awaiting confirmation of start date)	
Mansfield Crematorium	4	Early Jan	
Gilstrap	4	Early Jan	

KEY:

 To be commenced	 Site work commenced	 Draft report issued	 Final report issued
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PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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DRAFT



Report to: Audit & Governance Committee Meeting
22 November 2023

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

Lead Officer: Andrew Snape, Assistant Business Manager Financial Services ext 5323

Report Summary	
Report Title	Treasury Management Mid-Year Report 2023/24
Purpose of Report	To provide an update on the Council’s Treasury Activity and Prudential Indicators for the first half of 2023/24
Recommendations	That the treasury management activity be noted and recommend to Full Council on 12 December; and The Prudential Indicators detailed in Section 6 & 7 of the report be noted.
Reason for Recommendation	To allow Committee to note Treasury Management Activity and recommend it to Full Council and To allow Committee to note the Prudential Indicators

1.0 Background Information

1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit and Governance Committee.

1.2 This mid-year report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2023/24 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council’s capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council’s investment portfolio for 2023/24;
- A review of the Council’s borrowing strategy for 2023/24;
- A review of any debt rescheduling undertaken during 2023/24;
- A review of compliance with Treasury and Prudential Limits for 2023/24.

1.3 Treasury Management is defined as: “The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

1.4 The second main function of the treasury management service is the funding of the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

2.0 Summary of Treasury Balances as at 30 September 2023

2.1 Below is a summary of the Councils borrowing position as at 30 September 2023, further information is available at section 4.

Balance on 01/04/2023 £m		Balance on 30/09/2023 £m
90.769	Total Borrowings	89.755
5.009	Total Other Long Term Liabilities	5.009
95.778	TOTAL EXTERNAL DEBT	94.764

2.2 Below is a summary of the Councils investment position as at 30 September 2023, further information is available at section 5.

Balance on 01/04/2023 £m		Balance on 30/09/2023 £m
49.575	Total Short Term Investments	49.915
12.500	Total Long Term Investments	12.500
62.075	TOTAL INVESTMENTS	62.415

2.3 Below is a summary of the Councils capital expenditure position as at 30 September 2023, further information is available at section 3.

Capital Expenditure	2023/24 Initial Capital Budget £m	2023/24 Revised Estimate £m	2023/24 Current Expenditure £m
General Fund Expenditure	66.294	74.073	16.703
HRA Expenditure	23.045	16.887	4.345
Total Capital Expenditure	89.339	90.960	21.048

2.4 **Prudential Indicators**, during the first half of the financial year there was no breach in the prudential indicators.

Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy update

2.5 The Treasury Management Strategy Statement (TMSS) for 2023/24 was approved by Full Council on 9 March 2023. There are no suggested policy changes to the TMSS within this report; the details in this report update the position in the light of the updated economic position and capital budget changes approved at Policy and Finance throughout the year.

3.0 The Council's Capital Position

3.1 This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

3.2 The table below shows the revised estimates for capital expenditure and the changes since the Capital Programme was agreed within the Capital budget on 9 March 2023.

Capital Expenditure	2023/24	2023/24	Actual Spend as at 30 September 2023

	Original Budget Approved 9 March 2023 £m	Revised Budget as at 30 September 2023 £m	£m
General Fund Expenditure	66.294	74.073	16.703
HRA Expenditure	23.045	16.887	4.345
Total Capital Expenditure	89.339	90.960	21.048
Financed By:			
Capital Receipts	5.738	2.935	
Capital Grants & CIL	34.592	47.853	
Capital Reserves	0.754	6.662	
Revenue	17.992	13.088	
Total Financing	59.076	70.538	
Borrowing Requirement	30.263	20.422	

- 3.3 The financing of the Capital Programme will be determined by the S151 Officer at the year-end based on best use of resources.

The movement from the Budget approved 9 March 2023 relates to approved capital carry forward requests and approved variations to the capital programme as shown in the table below.

Original Capital Budget Approved 23/24	£89.339m
Capital Slippages Carried Forward	£28.642m
Cabinet Approvals 12.09.23	(£8.331m)
Cabinet Variations requested 05.12.23	(£18.751m)
New Revised Budget	£90.960m

4.0 Borrowing Strategy

- 4.1 At 30 September 2023 the Council held £89.755m of loans, as part of its strategy for funding previous years' borrowing within those capital programmes.

- 4.2 Borrowing Activity in 2023/24

	General Fund		HRA	
	Balance on 01/04/2023 £m	Balance on 30/09/2023 £m	Balance on 01/04/2023 £m	Balance on 30/09/2023 £m
Short Term Borrowing	0.340	0.843	8.994	7.478
Long Term Borrowing	3.500	3.500	77.935	77.935
Total Borrowing	3.840	4.343	86.929	85.413
Other Long Term Liabilities	5.009	5.009	0.000	0.000
Total External Debt	8.849	9.352	86.929	85.413
CFR	28.018	48.320	106.601	103.571
Under / (over) borrowing	19.169	38.968	19.672	18.158

- 4.3 As the Council is in a significant under borrowed position, as per the table in 4.2, there may be a requirement during the remainder of the financial year where new borrowing is required. Any new borrowing will be within the approved Treasury Management Borrowing Strategy framework and will have been reviewed by the S151 Officer for cost effectiveness as whether to borrow shorter term or long term in relation to interest rate forecasts.
- 4.4 **LOBOs:** The Council holds £3.5m of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of the £3.5m of LOBOS had options during the last 6 months, none of which were exercised by the lender. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.
- 4.5 **Internal borrowing:** For the Council, the use of internal resources in lieu of borrowing has continued to be the most cost effective means of funding of capital expenditure that has not been funded from grants and other resources. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium to longer term as the Council needs to use reserves for the purpose they were set aside for, and external borrowing may need to be undertaken.
- 4.6 **Debt rescheduling:** The premium charge for early repayment of PWLB debt remains relatively expensive for the loans in the Council’s portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken or is proposed during the rest of the financial year as a consequence.

5.0 Investment Activity

- 5.1 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council’s aim is to achieve a return commensurate with these principles.

5.2 Investment Activity in 2023/24

Type of Investment	Balance on 01/04/2023 £m	Balance on 30/09/2023 £m	Average Interest Rate
Short term Investments			
<i>Fixed Term Deposits:</i>			
Santander	5.000	5.000	4.01%
Lloyds 95 Day Notice	5.000	5.000	3.92%
Close Brothers	2.000	2.000	5.60%
Goldman Sachs International Bank	5.000	5.000	5.53%
Standard Chartered	3.000	3.000	5.36%
Standard Chartered Sustainable Deposit	12.000	12.000	5.39%
<i>Money Market Funds:</i>			
Goldman Sachs	0.010	0.460	5.22%
Deutsche Bank	1.475	0.045	5.13%
Invesco	2.550	3.170	5.33%

Northern Trust	11.300	12.000	5.27%
CCLA	2.240	2.240	5.07%
Total Short Term Investments	49.575	49.915	
Long term Investments			
CCLA Property Fund	7.000	7.000	4.81%
CCLA Diversified Income Fund	5.500	5.500	3.49%
Total Long Term Investments	12.500	12.500	
TOTAL INVESTMENTS	62.075	62.415	
Increase/ (Decrease) in Investments		0.340	

5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

6.0 Non-Treasury Investments

6.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return or regeneration purposes. This is replicated in MLUHC's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return or regeneration purposes.

Breakdown below of current Non-Treasury Investments held;

Counterpart	Balance at 30/09/2023 £m
Loans to Housing Associations	0.013
Loans to Parish Councils	0.011

6.2 These investments are due to generate £0.001m of investment income for the Council after taking account of direct costs, representing a rate of return of 6.31%.

6.3 **Maturity Structure of Fixed Rate Borrowing.** This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

	Upper Limit %	Actual at 30/9/23 £m	Actual at 30/9/23 £m	Compliance
Under 12 Months	15%	3.500	3.94%	Yes
12-24 Months	15%	11.000	12.37%	Yes
2-5 Years	30%	3.979	4.47%	Yes
5-10 Years	100%	21.831	24.55%	Yes
Over 10 Years	100%	48.602	54.66%	Yes

Limits to Investing Activity

6.4 Security. The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target	Actual	Compliance
Portfolio average credit rating	A	AA-	Yes

6.5 Liquidity Risk Indicator. The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a banding period, without additional borrowing.

Total Cash Available within;	Limit	Actual 30/09/23	Compliance
3 Months	100%	64%	Yes
3-12 Months	80%	16%	Yes
Over 12 Months	60%	20%	Yes

6.6 Principal Sums Invested for over 364 Days. The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments.

Price risk indicator	Limit	Actual 30/09/23	Compliance
Limit on principal invested beyond year end	£15m	£12.5m	Yes

7.0 Limits to Capital Activity

7.1 Capital Financing Requirement. The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose.

	2023/24 Original Estimate £m	2023/24 Revised Estimate £m
CFR – non housing	56.860	48.320
CFR – housing	108.439	103.571
Total CFR	165.299	151.891
Estimated Net Movements in CFR		-13.408

7.2 Capital Financing Costs to Net Revenue Stream. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2023/24 Original Estimate £m	2023/24 Revised Estimate £m
<i>General Fund</i>		
Financing Costs	-0.480	-0.515
Proportion of net revenue stream	-2.61%	-2.28%
<i>Housing Revenue Account</i>		
Financing Costs	14.464	13.966
Proportion of net rental stream	54.52%	51.49%

8.0 Economic Background/Interest Rate Forecast

8.1 **Appendix A and Appendix B** gives a summarised outlook for the economic background and interest rate forecast from our Treasury Consultants, Link.

Background Papers and Published Documents

Nil.

Economics Update

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have

fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other

Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).

- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

Interest rate forecasts

Appendix B

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 25th September sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60



Report to: Audit & Governance Committee Meeting
22 November 2023

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

Lead Officer: Nick Wilson, Assistant Business Manager Financial
Services on ext 5331

Report Summary	
Report Title	Counter-Fraud Activities from 1 April 2023 to 30 September 2023
Purpose of Report	To inform Members of counter-fraud activity undertaken since the last update reported on 14 June 2023.
Recommendations	That Members note the report
Reason for Recommendation	To promote a strong counter-fraud culture, it is important that Members are aware of the Council's response to fraud and the results of any actions taken.

1.0 Background Information

1.1 An element of the role of the Audit & Governance Committee is to provide assurance to the Council that its anti-fraud arrangements are operating effectively. In order to do this, counter-fraud activity reports are brought to the Committee twice a year. These reports detail the number of cases detected, amounts lost, the outcome of cases and amounts recovered, together with any other counter fraud work that has been undertaken.

2.0 Counter Fraud Detection

2.1 The Housing Benefit fraud team was transferred to the Fraud and Error Service at the Department for Works and Pensions on 1 December 2015.

2.2 Any housing benefit cases identified as potentially fraudulent are referred to the Fraud and Error Service at the DWP. These referrals are scored by DWP, and a decision made by them to either consider a criminal investigation, refer to the Compliance team or

take no action. Due to referrals being scored, the Council is not always notified of the outcome of the referrals made. The Council does, however, administer any changes that may affect the entitlement to Housing Benefit.

- 2.3 For 2022/23 7 referrals have been made to the Fraud and Error Service. For 2023/24 to date, 2 referrals have been made. It is expected there will be a reduction in the number of referrals being made to the Fraud and Error Service as the working age Housing Benefit caseload migrates to Universal Credit.
- 2.4 The Fraud and Error Service also request information from the Council where there is a Housing Benefit interest for cases they are investigating. For 2022/23 32 requests were received requesting further information, together with 19 so far to date in 2023/24.
- 2.5 The DWP issue a monthly data match exercise to score the Housing Benefit caseload to identify those cases with the highest risk. In addition, HMRC will issue daily alerts for those Housing Benefit cases that may be subject to a change in earnings and private pensions. Both functions allow the Council to ensure the income details used in the Housing Benefit calculations are as accurate as possible.

3.0 Other Counter-Fraud Work

Fraud Risk Register

- 3.1 Based on the Fraud Risk Register that was presented to the committee on the 14 June 2023 the table below shows progress against the identified actions:

Action	Due Date	Update	Revised date
Corporate fraud campaign developed	March 2024	Communications Business Unit have started to liaise with various risk owners in order to put create fraud campaign	
External Council Tax Single Person Discount review	March 2024	Work is ongoing to complete this review	
Ensure Managers know the signs of human trafficking so they can raise concern as appropriate by providing annual refresher training	September 2023	Creation of fact sheet to be available on the intranet for employing managers by November 2024	November 2024
Advice regarding identity validation available on the intranet	September 2023	Creation of fact sheet to be available on the intranet for employing managers by November 2024	November 2024

Refreshing recruitment manager training through updating recruitment process, enabled via new ICT solution	September 2023	Work is ongoing with the ICT supplier to build the recruitment portal. It is anticipated this will be complete and live by January 2024.	January 2024
Update onboarding process to include declaration from new employee to confirm other employment is terminated	September 2023	Work is ongoing with the ICT supplier to build the recruitment portal. It is anticipated this will be complete and live by January 2024.	January 2024
Write off Policy review and approved by Policy, Performance Improvement Committee	September 2023	Work to progress	January 2024
Data analysis of payroll information and costs	December 2023	Complete	
Relevant training programme completed by newly recruited officer	September 2024	Still expected to be complete by September 2024	
Investigate possibility of developing/purchasing a database to assist with Council wide management of claims	September 2023	To be reviewed within the scope of the tender submission for Insurance function	March 2024
Investigate robustness of fraud messages through all correspondence	June 2023	Initial review of external correspondence has been reviewed and updated. A full review of all communications including internal yet to be completed.	December 2023
Report on the findings of "Getting to know you visits" to the Portfolio Holder for Housing and Health	September 2023	Visits commenced from October 2021, annual reporting to commence from January 2024	January 2024

4.0 The National Fraud Initiative (NFI)

4.1 The National Fraud Initiative (NFI) is a data-matching exercise where electronic data is collected from numerous agencies including police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. The data collection is carried out by the Cabinet Office and is reviewed

for any matches that might reveal fraudulent activity. e.g. a record of a person's death exists, but that person is still claiming state pension. The potential matches are sent to individual bodies for investigation to check if there is another, innocent explanation. Most data sets are currently submitted every two years, apart from single person discount data which is submitted every year.

- 4.2 During 2021/22 3,181 Council Tax single person discount awards were investigated. Of the matches generated by NFI, 244 cases of suspected fraud were identified 40 cases of error amounting to £129,906.
- 4.3 Of the other data sets 163 cases have been processed and of these 27 cases have been classified as error, mainly due to deceased persons that were still registered on the housing waiting list.
- 4.4 A County wide approach was being planned for the single person discount 2022/23 exercise – due to resource issues this is now being conducted during 2023/24. At present a third party has been selected to conduct the exercise with the major preceptors agreeing to pay the costs pro rata according to the % share of the Council Tax bill.
- 4.5 Contracts have been drafted so that the exercise can then commence which will combine the NFI data matches to other credit reference agency data sets to improve the quality of the matches. The exercise is expected to be completed by 31st March 2024.

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.

Nil.



Report to: Audit & Governance Committee Meeting
22 November 2023

Director or Business Manager Lead: Matthew Finch – Communities and Environment

Lead Officer: Richard Bates – Safety and Risk Manager.

Report Summary	
Report Title	Strategic Risk Management
Purpose of Report	To provide an update to members on the status of the Council's 2023/24 Strategic Risk Register.
Recommendations	Members of the Committee are recommended to note the content of this report and to highlight any issues of concern.
Reason for Recommendation	To ensure Committee members are aware of the status of the Council's strategic risks.

1.0 Background

- 1.1 The Risk Management function is the process of identification and management of significant risks faced by the Council which have the potential to prevent it from achieving its key/agreed objectives. Proactively identifying potentially significant risks and implementing suitable control strategies help prevent these risks from being realised, or this is not possible, mitigate to a tolerable level.
- 1.2 Strategic risks are those risks that have the potential to halt or significantly interfere with the ability of the Council to achieve its core objectives, priorities and/or ambitions.
- 1.3 The contents of the Strategic Risk Register were reported to Members in April 2023. The content of the current risk register has not changed since this last report and continues to have 10 strategic risks. These are listed in the table below.

Strategic Risk Register – 2023/24		
Title	Description	Owner(s)
SR301 Financial sustainability – General Fund	Ensuring financial sustainability of the general fund to allow the council to undertake its core functions, deliver services, meet its corporate priorities and objectives	Sanjiv Kohli
SR302 Financial sustainability - HRA	Financial sustainability of the HRA to ensure the council is able to provide, maintain and develop its housing stock.	Sanjiv Kohli Suzanne Shead
SR303 Failure to deliver growth infrastructure	Facilitating the provision of local infrastructure to ensure growth within the district to meet agreed plans & corporate priorities	Matthew Lamb
SR304 Contract/supply failure	Managing contracts with key suppliers, including NSDC wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.	Deborah Johnson Suzanne Shead
SR305 Workforce	Ensuring the council is able to recruit, maintain and retain appropriate staffing resource to ensure it is able to deliver its services and meet its corporate objectives.	Deborah Johnson
SR306 Corporate governance	Risk of failure in systems of governance within the council, council owned/influenced organisations and partnerships or other collaborative arrangements.	Sue Bearman
SR307 Data management and security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation.	Sanjiv Kohli
SR308 Environment	Ability to meet requirements of the government's green agenda and aspirations/expectations of the NSDC community in delivering a greener/carbon neutral service.	Matthew Finch
SR309 Regulatory and Statutory compliance management	Implementation and maintenance of suitable statutory safety compliance management systems.	Sanjiv Kohli Suzanne Shead
SR310 Cost of living	To mitigate the effects of the cost of living crisis across the NSDC community (residents, businesses, tenants and colleagues) and understand support and delivery requirements. Support – increased demand on services to support those affected by the cost-of-living crisis Delivery – amending existing and providing new services to support those affected by the cost-of-living crisis	Suzanne Shead

1.4 All 10 strategic risks identified within the 23/24 register have fully developed and established action plans.

- 1.5 All strategic risk identified above are owned by a member of SLT. Risk owners, with the assistance of lead officers and Safety and Risk Manager meet on a quarterly basis to review and develop the risk.
- 1.6 All strategic risks continue to be reported to SLT, via our agreed assurance process, on a quarterly basis. The purpose of this process is to identify those risks that are red, failing or not reviewed during the previous quarter, for consideration by SLT.
- 1.7 All ten strategic risk assessments have been appended to this report in full.

2.0 **Strategic Risk Performance**

2.1 **Risk Score and Travel** - The table below illustrates the current risk scores and their location and risk score travel (since last reported to the Audit & Governance Committee) within the agreed corporate risk matrix.

Likelihood	4 Certain		SR304=		
	3 Very likely		SR310↓	SR305= SR307= SR309 =	SR303=
	2 Likely			SR301= SR302= SR306↓ SR308=	
	1 Remote				
		1 Minor/ trivial	2 Moderate	3 Severe	4 Critical
Impact					
Green Risks - Generally acceptable and require only monitoring with no further action.					
Yellow Risks - Present a higher level of risk /failure. They require an action plan that identifies how the risk is to be mitigated, managed or if possible, eliminated.					
Red Risks - These risks present the highest risk of failure/loss and therefore require the greatest level of management.					
Risk Travel (2023)					
=	Risk score has remained static				
↓	Risk score has decreased				
↑	Risk score has increased				
→	Risk change, however, score remains the same				

2.2 Strategic risks SR303, SR305, SR307 and SR309 are currently all identified as red risks. The highest scoring risk is currently SR303.

2.3 Whilst every reasonable effort will be made to reduce the risk to a level to ensure compliance with the corporate risk appetite, it should be noted that the very nature of strategic risks are complex and influenced by many outside factors/controls. Some actions can be very long term and in other cases the ability to reduce the risk further may not be in the control of the council.

2.4 The table below illustrates the current risk score compared with the risk score reported to the previous Audit and Governance committee.

Risk Code and Title		Current Risk Score	Previous Risk Score
SR301	Financial Sustainability- General Fund	6	6
SR302	Financial Sustainability- HRA	6	6
SR303	Failure to Deliver Growth Infrastructure	12	12
SR304	Contract/Supply Failure	8	8
SR305	Workforce	9	9
SR306	Corporate Governance	6	9
SR307	Data Management Security	9	9
SR308	Environment	6	6
SR309	Statutory Compliance Management	9	9
SR310	Cost of Living	6	12

2.5 During the previous period 2 strategic risks have experienced a change to their risk score. In both cases the risk score has been reduced. Details of these changes are listed below:

a) **SR306 Corporate Governance:** Likelihood decreased from 3 (very likely to occur) to 2 (likely to occur) in September 2023. This decrease has been seen due to the embedding of the cabinet system. This risk is now currently at its agreed target risk.

b) **SR310 Cost of Living:** Risk score reduced in both likelihood and impact in April 2023. Likelihood has decreased from 4 (certain) to 3 (very likely to occur) and the impact has decreased from 3 (very likely to occur) to 2 (likely to occur).

This risk was initially scored high due to the immaturity of the risk and its associated mitigation. This risk has been significantly developed along with an action plan. Subsequently a number of actions implemented have reduced both the likelihood of failure and its impact. It has also been noted that since its inception the severity/impact experience has not been as great as initially perceived. It is, however, recognised that this risk is dynamic and may vary in term of likelihood and impact and will continue to be reviewed.

2.6 **Actions and Mitigation** - All 10 strategic risks identified within the 23/24 register have fully developed and established action plans.

2.7 The table below identifies the number of actions in progress for each risk along with the completed and outstanding actions.

Risk	Actions		
	In Progress	Completed	Overdue
SR301- Financial Sustainability GF	5	-	-
SR302- Financial Sustainability HRA	14	3	-
SR303- Failure to Deliver Growth Infrastructure	12	8	-
SR304- Contract/Supply Failure	9	2	-
SR305- Workforce	9	1	-
SR306- Corporate Governance	8	4	-
SR307- Data Management Security	16	4	-
SR308- Environment	8	3	-
SR309- Statutory Compliance Management	18	10	-
SR310- Cost of Living	13	2	-
Total	112	37	0

2.8 A total of 149 actions were identified for the 10 strategic risks for this period. 112 actions have been completed and a further 37 are in progress. All 37 actions are within their agreed target dates. There are currently no actions that are outstanding.

3.0 Proposal/Options Considered

3.1 It is proposed that a risk workshop will take place in January 2024. The workshop will lead SLT through the regional, national and international issues that may impact on the likelihood of a new risks developing. SLT will then review all the current risks to ensure they are still applicable to the Council and will identify any additional emerging risks that will need to be added to the register.

4.0 Implications

In writing this report and in putting forward recommendation's officers have considered the following a range of implications. This report in itself does not have any implications. During the risk reviewing process any controls that are identified are considered in terms of the implications they may have before they are agreed as an appropriate control.

Financial implications: FIN23-24/8598 There are no direct financial implications arising from this report.

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 for this report

APPENDIX 1 – Strategic Risks

SR301 Financial Sustainability- GF

Generated on: 06 November 2023



SR301 Financial sustainability – General Fund	
Description	Ensuring financial sustainability of the general fund to allow the council to undertake its core functions, deliver services, meet its corporate priorities and objectives
Lead Officer	Kohli, Sanjiv (SLT)
Support Officers	Nick Wilson

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
	18-Sep-2023	3	B	Controlled	
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<p>Quarterly Capital monitoring meetings</p> <p>Investments approved in line with the annually agreed Treasury Management Strategy</p> <p>Annual refresh of Medium Term Financial Plan including management of reserves</p> <p>Council approved Capital programme</p> <p>Financial implications added to Committee reports by Financial Services and a unique reference given each time</p> <p>Financial strategies and budget reviewed through Cabinet annually</p> <p>Use of external Medium Term Financial Plan tool which assists with forecasting future Business Rates income for the following year budget</p> <p>Assigned project manager for each major project the Council is embarking on</p> <p>Commercial officer group established to identify business opportunities in service areas</p> <p>Director/Business Unit Manager quarterly meetings reviewing Directorate financial position</p> <p>Approved Commercial strategy to support objectives set out in the MTFP</p> <p>Approved Investment Plan to support the objectives set out in the Commercial Strategy</p> <p>Nottinghamshire Business Rates Pool mitigating large impacts of reductions in Business Rates. This is kept under review by Nottinghamshire S151 officers</p> <p>Quarterly budget monitoring report tabled at SLT, Cabinet and PPIC</p> <p>Annual Financial Regulations training in place</p> <p>Lead authority for administration around Notts Business rates pool</p> <p>Contract procedure rules in Constitution refreshed May 22</p> <p>Acquisition and disposal policy - Approved Nov 2021</p> <p>Internal Audit</p> <p>Corporate land and property group established and meet regularly</p> <p>Review of chancellor's budget statements/fiscal events</p> <p>Commercial group established and projects identified by BM's across the authority.</p>
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Risk Categories	Financial Meeting corporate objectives Service delivery Reputation Governance Compliance
Trigger/Event	Unforeseen rise in interest rates over forecasted levels Changes in national policy eg. fair funding review, change to government political parties Change in local political balance resulting in change in priorities Banking crisis Over reliance and poor decision making on investments Member priorities diverging from corporate priorities Increase CPI/RPI figures Failure of subsidiary companies Major contract failure Failure of HRA Reduction in Business Rates Poor decision making and business planning Budgeted income levels not meeting target Actual funding received not in line with expected funding (central Gov and Notts Pool) Change in government policy significantly reducing income/funding Changes in government policy/direction impacting resulting in additional costs Failure in compliance/ governance Fraud Global Pandemic Economic downturn Cyber-attack/fraud Utility price increase Supply chain – significant sudden increase in costs Levelling up Nottingham and Nottinghamshire project
Impact	Inability to fund services resulting in reduction in discretionary services and reduction in quality-of-service provision Inability to meet corporate priorities/community plan Inability to meet legislative requirements External auditors review Government taskforce Negative media/reputation Loss of ability to make local decisions Division between members and officers Greater division between political parties Staff morale, loss of key staff and reduction in workforce Staff morale and loss of key staff Fines/ enforcement S151 officer issues S114 notice Curtailment of activities of the subsidiaries/HRA/Major projects Impact on residents and communities Impact on income streams Reduction/disposal of assets Impact on the funding of the capital programme requiring reprioritisation of projects and a consequential impact on the GF due to additional interest cost/additional costs of borrowing

SR302 Financial Sustainability- HRA

Generated on: 06 November 2023



SR302 Financial sustainability - HRA	
Description	Financial sustainability of the HRA to ensure the council is able to provide, maintain and develop its housing stock.
Lead Officer	Kohli, Sanjiv (SLT); Shead, Suzanne (SLT)
Support Officers	Nick Wilson, Suzanne Shead, Caroline Wagstaff, Steve Stone

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
	17-Jul-2023	3	B	Control Pending	
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<ul style="list-style-type: none"> • Quarterly Capital monitoring meetings • Investments approved in line with the annually agreed Treasury Management Strategy • Annual refresh of HRA financial business plan • Council approved Capital programme • Financial implications added to Committee reports by Financial Services • Financial strategies and budget reviewed through Policy and Finance Committee annually • Use of external HRABP tool allows scenario planning • Assigned project manager for each major project the Council is embarking on • Director/Business Unit Manager quarterly meetings reviewing Directorate financial position • Quarterly budget monitoring report tabled at SLT and Policy and Finance Committee • Annual Financial Regulations training in place • Current development programme ensuring growth in house numbers, over and above the offsetting disposals through Right to Buy • Attendance at Housing related horizon scanning events, in order to feed future impacts into HRABP • Review on housing management completed and housing service brought back in house. Efficiencies generated through budget review • Reserves in place
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Risk Categories	Financial Meeting corporate objectives Service delivery Reputation Governance Regulation Compliance
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Trigger/Event	<p>Change in national policy & legislative requirements Increase in interest rates Increased rent arrears Suitability of stock meeting future standards Increase or change in standards required Current stock does not meeting housing needs Workforce issues Failing to ensure compliance with relevant legislation causing regulatory bodies to intervene Non-compliance with RSH regulatory standards Meeting tenant priorities Ineffective strategic decision making and business planning Key HRA major projects failure Ineffective management of housing maintenance function Loss of critical income streams Fraud Failure to manage critical income streams/ invest Global Pandemic Supplier/contractor cost increases due to demand/supply issues changes in the economy Inability to secure sufficient external funding to regenerate existing stock to meet enhanced standards Conflicting strategic direction and lack of regular review of 30 year business plan Zero carbon works identifies significant increase in costs Stock condition survey identifies significant increases in costs</p>
Impact	<p>Inability to maintain stock to acceptable level including development of future stock Changes in national policy requiring internal funding above levels sustainable within business plan. Increased requirement to use internal funding, Reprioritisation of service delivery Cash reserves used to right off rent arrears and voids Substandard housing stock Loss of morale and high staff turnover Fines, notices, court cases and legal fees Moratorium of services Stakeholder Dissatisfaction with service delivery Greater scrutiny on service slowing decision making Poor local housing policy Project failure Contract disputes S151 officer issues S114 notice Failure to service debt Legislative requirements not met Impact on residents and tenants Increase in void properties</p>

SR303 Failure to Deliver Growth Infrastructure



Generated on: 06 November 2023

SR303 Failure to deliver growth infrastructure	
Description	Facilitating the provision of key local infrastructure projects to ensure growth within the district to meet agreed plans & corporate priorities.
Lead Officer	Lamb, Matt (SLT)
Support Officers	Lisa Hughes, Matthew Norton

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
	08-Aug-2023	4	C	Control Pending	
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<p>Community Plan Infrastructure delivery plan CIL charging schedule and infrastructure list Development plan (Amended Core Strategy and Allocations and Development Management DPD) Planning policy board Cabinet and Full Council Planning Committee High performing planning service Active Lobbying Engagement with Developers, Stakeholders, Partners, infrastructure providers, utility providers Economic Growth Strategy – Newark Town Investment plan & Visitor economy strategy Continued liaison with National Highways to monitor progression of SLR and A1 over bridge. Southern link road – Continued liaison with Homes England re funding package Newark “levelling up” fund governance</p>
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Risk Categories	<p>Inability to deliver infrastructure projects to support growth. Specific projects include: Direct NSDC influence A1 Overbridge (and inter-relationship with A46 Newark northern bypass) Indirect influence Southern link road - completion (grant funding) (and inter relationship with A46 Newark northern bypass) Full Fibre broadband and/or 5(6)G provision Electricity grid capacity A614 roundabout (the Non-strategic Road Network Improvement Scheme NRNIS)– indirectly funding via section 106 A46 improvement works – Influencing role Political Reputation Financial</p>
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	Partners, stakeholders, policy makers and funders Economy, business and residents
Trigger/Event	Government change in policy Partner funding withdrawn Funding reduced/costs increased Funding bid failure Withdrawal of Partners Change in partnership priorities Housing development stalls Change in leadership Poor strategic decision making Failure of other related major infrastructure projects A46 Newark northern bypass – Delivery and timing A1 Over bridge – Technical constraints and increasing costs Change in delivery method and/or partner Insufficient capacity planning from infrastructure/utility providers Inability to influence at national/regional level Non-strategic major road network fund priority junctions (A614/A617/A6097 corridor) Lack of coordination of delivery
Impact	Infrastructure not delivered/ delivery delayed Inappropriate infrastructure delivered Growth within district affected Inadequate service provision Government sanctions for inability to deliver housing growth Housing development stalls Social Inequality Large Employer relocating outside district Inward investment stalls Financial impact of failure to meet growth aspiration in Newark devolution agreement Impact on council's MTFP MTFP assumptions not realised Slower/more expensive/less viable delivery Commercial development stalls Commercial attractiveness of district reduces

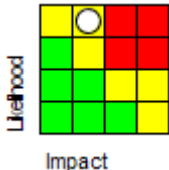

SR304 Contract/Supply Failure

Generated on: 06 November 2023



SR304 Contract/supply failure	
Description	Managing contracts with key suppliers, including NSDC wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.
Lead Officer	Johnson, Deb (SLT); Shead, Suzanne (SLT)
Support Officers	Andrew Kirk, Nick Wilson, Caroline Wagstaff, Dave Richardson, Jenny Walker, Sue Bearman, Mark Fisher

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
		2	D		

	21-Aug-2023			Control Pending	
Reason For Increased Score		If your score has increased, please explain why here.			

Controls/Actions In Place	<p>CONTRACT INCEPTION & MANAGEMENT Contract register developed using Pro-Contract and actively managed by legal and admin team (not fully populated or embedded yet see action) reviewed twice per year Contract renewal early warning provided by admin at quarterly meetings invite Di Procurement advice provided through Welland procurement Call off contract arrangements/template devised SLA template devised for consistency SLAs all reviewed SLA register devised and actively managed by service areas .Comprehensive audit undertaken of contracts</p> <p>PROCUREMENT RULES Use of joint procurement service –Welland procurement Focus on local providers for some services Use of contract exemption forms where necessary</p> <p>WHOLLY OWNED COMPANIES Management agreements regularly reviewed Contract managers named for each Regular contract management meetings in place Active partnership approach embedded</p> <p>TRAINING Session delivered to BMs on contract management Session delivered to members on contract management</p>
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Risk Categories	Service delivery Financial Compliance (Regulatory, Health & Safety, Legislative) Governance Resources Reputational Procurement/lack of competition Project delivery
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Trigger/Event	CONTRACT INCEPTION Lack of understanding of requirements and different provision mechanisms available Lack of commercial approach and knowledge Inadequate/ambiguous specification Inadequate/ambiguous control/performance measures Inadequate/ambiguous exit arrangements Failure to engage relevant specialists in contract design Contract is not signed and saved in corporate register Limited market supply Over reliance on single supplier(s) Lack of competence in procurement Lack of resource dedicated to procurement Lack of preplanning for contracts Lack of appropriate exit strategies Limited availability due to emerging industries/concepts/technology/demand
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	<p>CONTRACT MANAGEMENT No assigned contract manager Contract manager is not appropriately trained/skilled Contract manager resource is insufficient Ineffective performance monitoring and reviews Evergreen contracts in place Change control/variations are not appropriately managed Lack of ongoing challenge throughout the contract Loss of key personnel/ key resilience Relationship breakdown Contractor fails to deliver/ isn't able to deliver (bankruptcy)</p> <p>OTHER Financial management not embedded as part of contract management process Impact of Brexit Business continuity/Emergency incident Contracts not entered on contract register Provision commences before contract is in place Lack of appropriate overview of contract management Pandemic Impact of inflation Government policy shift</p>
Impact	<p>FINANCIAL IMPACT Additional costs to council (hidden costs, increased costs) Best value not achieved Fines Failure to utilise grant (repay grant because of failure to contract or contract failure)</p> <p>SERVICE DELIVERY IMPACT Provision is not timely/delayed Poor/declining quality of service/provision Increased unplanned demand Inability to scale up/scale down provision to meet demand Service failure Not aligned to corporate objectives Unable to procure Project delivery failure</p> <p>LEGISLATIVE IMPACT Data loss/GDPR compromised Council's legislative obligations not met Providers are not able to be challenged as contract not in place when service is commenced Ombudsman X2 Social housing regulator</p> <p>REPUTATIONAL IMPACT Customer/service user complaints increase Member complaints increase Negative media coverage</p> <p>RESOURCE Contract manager resource requirement is increased (leading to impact on other duties) Other officer resource required to manage impacts (leading to impact on other duties) Re-procurement additional resourcing Project delay</p>

SR305 Workforce

Generated on: 06 November 2023



SR305 Workforce	
Description	Ensuring the council is able to recruit, maintain and retain appropriate staffing resource to ensure it is able to deliver its services and meet its corporate objectives.
Lead Officer	Johnson, Deb (SLT)
Support Officers	Sarah Lawrie

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
	04-Sep-2023	3	C	Controlled	
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<p>Business Planning embedded throughout the Council with clear links to Community Planning and Performance framework</p> <p>Managing absence standards and guidance</p> <p>Senior HR Officers provide support to Business Managers to manage staffing issues, e.g. sickness absence, capability etc.</p> <p>Effective communication arrangements are in place.</p> <p>Rolling programme of review for HR policies to ensure they remain robust and fit for purpose.</p> <p>I-trent system provides Business Managers with ownership / control over staff sickness/Holiday approval etc. and provides corporate overview HR working closely with Business Managers to support organisational change.</p> <p>Partnership approach with recognised trade unions to support organisational change and current pandemic crisis (and any other similar extraordinary event).</p> <p>Counselling/therapy and welfare support services in place for staff.</p> <p>Visible inclusive leadership.</p> <p>Annual employee establishment planning process.</p> <p>Training and development programme to support ongoing development of skills and competencies and BM and other staff (i.e. change management, sickness and performance management and recruitment and softer skills)</p> <p>Targeted training interventions to support individual employee development and the facilitation of succession management.</p> <p>Family friendly policies added benefits such as reduced gym membership staff loans, temporary free parking to support during the cost of living enhanced workplace entitlements to attract and retain quality candidates including hybrid working, flexible working, employee counselling and therapy services, health and wellbeing initiatives).</p> <p>Approved corporate priorities within the Community Plan 2019-23</p> <p>Comprehensive programme of activities to embed our culture and improve our sense of wellbeing and belonging</p> <p>Annual staff reward and recognition awards and a basket of seasonal activities</p> <p>Apprenticeships and graduate placements to support service succession management.</p>
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Risk Categories	Service delivery and resources Financial Compliance Governance Reputational Competence and Capability Leadership Recruitment and retention Mobility and agility of workforce Safety of workforce Increased instances of mental health problems in workforce Culture – One council
Trigger/Event	Key staff leaving e.g. with specific qualifications and/or experience and membership of professional body Number of staff leaving from one area/high turnover Inability to recruit to key posts or within a specific service area Lack of development opportunity Lack of team cohesion Lack of organisational culture/collaboration Lack of alignment with corporate values/behaviours/culture Pressure of work External Demand in a specific skill set Uncompetitive in the job market place Poor industrial relations and ineffective people management processes Working environment Key member of staff goes on long term sick, high level of sickness in one service area Uncertainty and/or significant change Aging workforce/retirement planning/succession planning Pandemic or other significant emergency Poor management/leadership Inability to provide equipment/tools to allow staff to effectively perform their duties (e.g. shortage of laptops due to global microchip shortages) Other external factors – cost of living, national shortages. Projected national living wage increase leads to inability on pay structure to accommodate National bargaining is protracted and leads to staff being disadvantaged Current JE process is not fit for purpose – outdated. Prolonged industrial action
Impact	Service delivery impact –inability to deliver services or delivering reduced services Reputational impact through poor service delivery Reputation as an employer resulting in inability to recruit staff Loss of capacity/under resourced Loss of expertise and corporate memory High recruitment costs Additional time required to support recruitment activity and the induction of new staff and their development Additional training costs Impact on morale, culture and team performance Increased levels of staff absence (ill health) Increased levels of non-attendance in nominated workplace (lack of cohesion/culture) Loss of opportunity through loss of networks Increase in accidents Impact of potential civil claim (e.g. employment tribunal. insurance) or criminal actions Financial penalties/ombudsman decisions/other regulatory bodies Increased demand on corporate services (e.g. HR,ICT)

SR306 Corporate Governance

Generated on: 06 November 2023



SR306 Corporate Governance	
Description	Risk of failure in systems of governance within the council, council owned/influenced organisations and partnerships or other collaborative arrangements.
Lead Officer	Bearman, Sue (SLT)
Support Officers	Nigel Hill, Nick Wilson, Carl Burns, Deb Johnson

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
	12-Sep-2023	3	B	Control Pending	
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<p>S Bearman to review controls and update accordingly</p> <ul style="list-style-type: none"> • Code of corporate governance created, maintained and monitored in accordance with CIPFA guidance. • Corporate Governance self-assessment against the code of Corporate Governance undertaken periodically. • Periodic review of governance by 3 statutory officers. • Annual review of Constitution which includes fit for purpose and up to date <p>-Officer code of conduct -Officer registers of interests - Related third party transactions. -Section 151 officer/Monitoring officer/Head of Paid Service. -Gifts and hospitality - policy and register place. -Council Financial regulations and procedures, -Contract procedure rules -Whistle blowing policy -Anti-fraud and corruptions strategy</p> <ul style="list-style-type: none"> ○ Annual governance statement reviewed annually and reported to Audit and Governance Committee. Annual Governance Statement goes to November meeting of Committee ○ Creation of annual combined assurance report in conjunction with SLT and BMs. ○ Internal Audit work including risk-based Audit Plan. ○ Effective use of External Auditor. ○ Under executive arrangements with Cabinet structure and portfolio holders: <p>-Publishing of forward plan and all delegated decisions -Mechanism for call in of all executive decisions -Overview by Audit and Governance Committee -Dedicated scrutiny committee under executive arrangements – Policy and performance improvement committee -Tenant engagement board which ensures appropriate tenant involvement</p>
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	<ul style="list-style-type: none"> ▪ Staff and member training in place <ul style="list-style-type: none"> -Training on governance issues including anti-fraud and financial regulations. -Counter fraud training delivered -Member induction at the start of each new Council cycle. ▪ Complaints: <ul style="list-style-type: none"> -Localised standards framework and effective arrangements for dealing with complaints overseen by Audit and Governance Committee. -Internal complaints procedure. ▪ Fraud <ul style="list-style-type: none"> -Annual internal review of the Fraud Risk register to carry out proactive work, check on internal controls and is reported to members -Participation with National Fraud Initiative process -Options appraisal for counter fraud and implementation of preferred option. -Appropriate insurance cover including Fidelity Guarantee. -Oversight of Active4Today, Arkwood and East Midlands Building Control. -Appropriate monitoring of performance of the third party or alternative service delivery methods. ▪ HR policies in place <ul style="list-style-type: none"> -Recruitment process controls, e.g. References, Immigration, DBS. ▪ Horizon scanning at Business Manager briefings and effective communication between SLT and business managers. ▪ Measures in place to ensure IR35 compliance ▪ Schedules review of Corporate Governance (Q4 19/20) ▪ Governance review ongoing with support from change to Executive Arrangements completed in May 2022 – 6-month review of effectiveness of arrangements to be considered by Audit and Governance Committee in November 2022 ▪ Internal Audit of governance arrangements for Council-owned companies in 2022-3 audit programme
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<p>Risk Categories</p>	<ul style="list-style-type: none"> • Service delivery • Governance • Fraud • Poor decision making/leadership • Reputation • Financial • Legal compliance • Partners/stakeholders
<p>Trigger/Event</p>	<ul style="list-style-type: none"> • Failure to communicate, define, review and uphold governance standards policies to ensure fitness for purpose. • Failure of staff and councillors to understand their governance roles and responsibilities. • Failure to observe good governance. • Failure to adequately manage risk or monitor performance. • Failure in Policy adherence (All policies). • Malicious event e.g., Fraud, money laundering, etc. • Reduction in capacity and loss of key personnel and resources

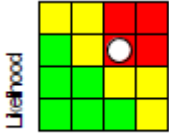
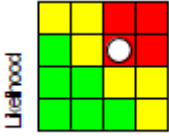
	<ul style="list-style-type: none"> • Failure to adequately oversee governance standards of partnerships and other entities that the Council is involved in. • Failure of governance in wholly council owned companies • Failure of governance in partnership organisations • Negative findings identified by other organisations/bodies – Ombudsman and External Audit • Overuse of “Call-in”, “Call for action” or “Urgency provision” • Inexperience with new system – procedures set out in constitution not followed • Influx of new elected members • No overall control achieved
Impact	<ul style="list-style-type: none"> • Loss of opportunity and ability to meet corporate priorities • Financial resource loss. • Poor or inadequate decision making. • Service delivery issues. • Criminal or civil liability. • Risk of successful judicial review • Regulator finding fault e.g. Internal Audit, External Audit, Ombudsman. • Government or peer intervention. • Failure of Council owned companies • Failure of partnerships • Ombudsman findings – Maladministration • Significant Audit findings – e.g. Public interest report • Reputational risk to the Council. • Negative media coverage. • Policies could be open to challenge. • Excessive legal costs incurred. • Poor staff morale. • High staff turnover. • Community disengagement. • Capacity redirected to address failures. • Inappropriate use of public office • Fraud and corrupt practice identified. • Fraud and corruption practices not identified or dealt with leading to an incident of fraud and corruption. • Slowing down of decision making

SR307 Data Management and Security

Generated on: 06 November 2023



SR307 Data management and security	
Description	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation
Lead Officer	Kohli, Sanjiv (SLT)
Support Officers	Dave Richardson, Sue Bearman, Stacy Carter

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
 <p>Likelihood</p> <p>Impact</p>	28-Sep-2023	3	C	Control Pending	 <p>Likelihood</p> <p>Impact</p>
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<p><u>Policy and Guidance</u> Policy suite and supporting guidance including: ISMS Cyber security strategy IG strategy</p> <p><u>Training/ Guidance</u></p> <ul style="list-style-type: none"> • Training for all staff taking payments in line with PCI-DSS requirements. • Training for ICT staff. • Data protection training including a section on information security and targeted training ongoing for staff located elsewhere and forms part of the induction process. • Information governance check on furniture that is being disposed of. • Information E Training completed by all staff. • Annual review of Information Asset Register. • Annual mandatory GDPR, cyber and spear phishing online training for all staff and councillors. • Guidance and training available for elected members. 3 GDPR sessions provided for newly elected members. • Guidance on security breach procedures for Business Managers as Information Asset Owners • Data security communications to all staff following identification of risk <p><u>Governance and Compliance</u></p> <ul style="list-style-type: none"> ○ CIO/SIRO/DPO appointed ○ Compliance with the government’s security arrangements. ○ PSN compliant data & internet connections implemented ○ Compliance with new Cabinet Office email standards achieved. ○ Weekly review of ICO guidance. ○ Periodic PCI/DSS compliance checks ○ Data Privacy Impact Assessment. ○ Annual SIRO audit. ○ Review of policies and procedures to ensure compliance with latest Payment Card Industry- Data Security Standard (PCI-DSS) ○ Cyber Security now standing agenda item on monthly business unit management meetings. ○ Governance arrangements established through CIGG with monthly review. ○ CIGG meeting every quarter to review risks. ○ External Audit on ICT security annually. ○ Implementation of an ISMS project team <p><u>ICT/Equipment specific controls</u> Encryption for mobile devices.</p> <ul style="list-style-type: none"> ▪ VASCO tokens and Google Authenticator. ▪ Quarterly ICT security checks internally.
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	<ul style="list-style-type: none"> ▪ Penetration test annually by external company - monthly scans of servers for weaknesses, monthly server updates and monthly scans of Microsoft Office and Windows. ▪ Perimeter software - eg. mailmarshall & webmarshall. ▪ Hardening test on new virtual servers. ▪ Documents scanned reducing the need for paper. ▪ Secure server room. ▪ East Midlands WARP membership - alerting networking facility regarding any breaches. ▪ Monthly updates of Adobe products. ▪ Program in place to ensure the continual maintenance & upgrade of the ICT environment. ▪ Secure portal for Members to access the Extranet. ▪ Airwatch MDM (Mobile Device Management) implementation for mobile devices. ▪ DMark, DKim SPF and TLS secure email authentication software. ▪ Cryptshare for encrypting secure emails and large files for email. ▪ Report & record all cyber-attacks/attempts and escalate to CMT where appropriate Users own devices cannot connect to network ▪ 'Consent' tick box on appropriate forms. <p style="text-align: center;"><u>Partners and Stakeholder specific controls</u></p> <ul style="list-style-type: none"> ▪ Non-disclosure agreements in place for third party access. ▪ Use of data processing and agreements with partners. ▪ Use of licensed confidential waste handler. ▪ Letters sent to all third parties who process personal data on behalf of NSDC advising of additional responsibilities under GDPR and data processing agreements in place. ▪ Actions arising from report to SLT on third party users implemented.
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<p>Risk Categories</p>	<p>Loss of vulnerable, personal, sensitive valuable data Legal compliance Reputation Financial Partners/stakeholders Disruption of service- including from a cyber attack Supply chain</p>
<p>Trigger/Event</p>	<p>(Organisational)</p> <ul style="list-style-type: none"> • Personal, confidential or corporately sensitive/business critical information disclosed unintentionally or through error of judgement, data breach - intentional (malicious). • Theft or loss of equipment/papers/data belonging to the council, partners or third party companies. • Failure to respond to subject access requests/information requests accurately and within statutory timeframes • Failure to identify and respond to a data breach promptly and effectively • Failure to protect information from accidental loss, corruption or disclosure or other non compliance with Data Protection Principles, by NSDC or a third party, involving large volumes of personal data or smaller volumes of sensitive personal data • Repetition of reportable data security breach • Insufficient due diligence during procurement and termination of cloud base systems supported by third parties. • Accelerated delivery of digital agenda • Agile Working i.e. mobile/remote/home working/home printing/disposal of printed data/Outreach posts.

	<ul style="list-style-type: none"> • Loss of key resources/staff. • Reducing resources with less capacity for processing data. • New and inexperienced staff/elected members with access to data. • Lack of suitable training/competency/communications • Re-alignment and integration of new services <p>(Systems/assets)</p> <ul style="list-style-type: none"> ○ Cyber attack: (either targeted such as denial of service or unintentional human error e.g. - access to link on another website). ○ Failure to protect information assets from an internal malicious attack leading to a data breach, corruption of data assets, loss of asset or service. ○ Failure to adopt appropriate technical security measures for keeping data secure within our systems and platforms which results in a significant data breach ○ Accidental data breach through any electronic source ○ Use of BYOD (Bring your own device). ○ Unsupported software/unforeseen loss of support. ○ Decommissioning of property/asset <p>(Partners and stakeholders)</p> <ul style="list-style-type: none"> ▪ Collaborative working, sharing, outsourcing and partnership working (including external printing and hybrid mail)/involvement in other peoples' data ▪ Partnership working and sharing new service locations/data sharing issues. ▪ Partner's/contractor's/host's poor data management and information security leading to data breach/loss. ▪ Use of suppliers/third parties, etc. ▪ Government integration agenda e.g. Increased working between public bodies ▪ Local government reorganisation/Combined authority/change in service delivery model. ▪ Third party access to IT systems. ▪ Adoption of unsupported/dated systems from third parties <p>(Accreditations)</p> <ul style="list-style-type: none"> ▪ Termination of PSN/GCSX standards by the Cabinet Office limiting options for securely sharing with some Public Sector organisations ▪ Failure to comply with relevant standards and legislation including PCI-DSS/Cyber Essentials/NCSC best practice/PSN. <p>(External Factors)</p> <ul style="list-style-type: none"> ▪ Emergency event-eg power loss – leading to increased reliance upon ICT systems and potential loss of data/corruption of data
Impact	<p>(Finance/legal)</p> <ul style="list-style-type: none"> • Loss/damage to an individual where the Council inappropriately released their personal data • ICO fine/Civil claims. • Resource impact of Information Commissioner investigation.eg ICO actions • Breach of Access to Information legislation bringing about financial/legal damage - imposed on the Council by the Information Commissioner and other Statutory Bodies. • Disciplinary action taken against a member of staff and elected members if a breach is found to be deliberate/malicious. <p>(Resource)</p> <ul style="list-style-type: none"> ○ Drain on resources to process and enable conformity in legislation.

	<ul style="list-style-type: none"> ○ Greater demand on existing resource ○ Operational and resource issues eg. Service interruption - where focus has to be taken away from service delivery to dealing with the breach. ○ Reduced service provision resulting from lack of ability to work remotely and available physical resource ○ Increased demand on existing services ○ Inability to deliver critical/key services ○ Capability of infrastructure/system to deliver services – i.e. increased demand during emergencies <p>(Reputation)</p> <ul style="list-style-type: none"> ▪ Damage to reputation of the Council/trust by the public. ▪ Loss of confidence within the Council ▪ Loss of confidence with partners and stakeholders ▪ Negative media coverage <p>(Partners)</p> <ul style="list-style-type: none"> ▪ Loss of provision to customers and partners e.g. Active4Today, DWP, ▪ CCTV (under current arrangements) leading to disputes over SLAs and contracts and potential loss of income, e.g. partner rent for Castle House. ▪ Loss of partner data where the council is the data processor - subsequent impact on partner's reputation. ▪ Withdrawal of service from partners and stakeholder <ul style="list-style-type: none"> ▪ Cyber-attack leading to system downtime/damage/loss of data (Ransom Ware) and financial loss/ resource drain <p>(Contractors/supply chain)</p> <ul style="list-style-type: none"> ▪ Less direct control over data as we procure, migrate to and terminate cloud base systems
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SR308 Environment

Generated on: 06 November 2023



SR308 Environment	
Description	Ability to meet requirements of the government's green agenda and aspirations/expectations of the NSDC community in delivering a greener/carbon neutral service.
Lead Officer	Finch, Matthew (SLT)
Support Officers	Briony Ashton, Stephen Young

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
	07-Sep-2023	3	B	Control Pending	
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<ol style="list-style-type: none"> 1) Climate emergency declared 2) Approved date for net neutral – 2035 3) Costed action plan to support net neutral date 4) Appointed Environmental Policy and Projects Officer 5) Climate emergency project working group – meets quarterly 6) Project working group for depot development 7) Annual report to P&F – Activities undertaken and carbon footprint 8) Internal Audit 9) Urban tree challenge grant – 4000 trees planted 10) Developed business cases for kerb side food Roll out of KGC 11) Financial planning – MTFP 12) Elected member working party utilised to develop climate emergency strategy plan 13) Community plan 14) Successful bidding - LAD2 funding allocation (£750k) 15) 2 x posts agreed for decarbonisation– 1 appointed
Risk Categories	<p>Financial Reputation Statutory compliance Disruption of service-Pressure groups /community action Negative media/comms Capacity to deliver on successful funding</p>
Trigger/Event	<p>Climate change conference Government policies and legislation- i.e. national waste and resources strategy, environment bill, 2030 internal combustion engine phase out, national tree strategy. Budget pressure/planning/demand - MTFP Lack of financial support from government to implement Availability/cost/maturity of technology Incentivising of tariffs – cost v return Legacy issues -housing/fuels/infrastructure Resident/User engagement/participation - Behaviour change Active pressure groups Political influence Declaration of climate emergency Impact of media/social media events/influential individuals Poor communications Partnership failure Bidding arrangements/competition – restrictive nature of government funding to date Future resourcing to deliver Knowledge/skills gap within workforce</p>
Impact	<p>Not meeting governmental targets/internal targets Penalties -TBC Reputation Negative media Political/public pressure for improvement/campaigns against Increased scrutiny and workload Budget gaps Impact on other service provision Lack of infrastructure to improve Lack/loss of control in light of government mandated service provision Increased costs arising from emerging technology, reduced tariffs and government policy Unable to deliver due to access/obtain government funding/ technology Unable to deliver on climate strategy Customer disengagement Greater demand on external expertise leading to greater costs lower internal expertise</p>

SR309 Statutory Compliance Management



Generated on: 06 November 2023

SR309 Statutory compliance management	
Description	Implementation and maintenance of suitable statutory safety compliance management systems.
Lead Officer	Kohli, Sanjiv (SLT); Shead, Suzanne (SLT)
Support Officers	Mark Plant, Mark Eyre, Caroline Wagstaff

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
	27-Sep-2023	3	C	Control Pending	
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<ul style="list-style-type: none"> • Policies and procedures – (Need for policy review) • Dedicated Compliance teams and compliance reporting • Dedicated software –asset compliance/management software ICT systems • Contract management systems • Performance management systems • Training and competence Staff/tenants/contractor • Information/education to tenants • Enforcement of tenancy agreements • Assurance and scrutiny process – operational and committee levels • Use of specialist contractors/advisors • Competent/licenced/registered engineers/inspectors • Auditing and inspection processes • Reconciliation processes • Complaints processes • Tenant engagement • Maintenance/inspection programmes • Pre let inspections • Business planning • Compliance with regulatory standards • Legal/enforcement action/Fines/Regulatory judgement • H&S • Civil claims • Service delivery - Loss of essential service & System/equipment failure/out of use • Negative media coverage • Reputation • Customer satisfaction/impact • Financial impact (rectification) • Increased resource demand • Housing Assurance Board
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Risk Categories	<ul style="list-style-type: none"> • Legal/enforcement action/Fines/Regulatory judgement • H&S • Civil claims
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	<ul style="list-style-type: none"> • Service delivery - Loss of essential service & System/equipment failure/out of use • Negative media coverage • Reputation • Customer satisfaction/impact • Financial impact (rectification) • Increased resource demand
Trigger/Event	<ul style="list-style-type: none"> • Poor management systems • Failure to undertake statutory examinations • Poor record keeping /management • Remedial works not undertaken in a timely manner • Contract management – controls to manage/address poor performance/contract exit arrangements, use of evergreen contracts (non-ending), poor procurement • Poor contractor engagement • Cyber-attack/Ransom ware –denied/denying access to records • Data protection loss/GDPR • Routine inspection/audit identifies failure • Incorrect response to an accusation, complaint or request for service • Unauthorised repairs, Sabotage, maintenance, alterations and installations • Pandemic • Emergency incident – fire, gas, flood, etc. • Hospitalisation/fatality - Investigations to establish cause/identify reports • Essential supplier chain failure/goes into administration. • Incorrect sub-contracting procedures • Change in legal/regulatory requirements • Failure of ICT and associated support systems • Recruitment – inability due to market demands • Loss of key personnel • Insufficient finance • Insufficient Resourcing • Changes in legislative/guidance requirements • Damp/mould – introduction of Social Housing Bill 2023
Impact	<ul style="list-style-type: none"> • Fines/enforcement action • Regulatory notice issued • Unable to deliver a suitable service/essential service • Resource demand/conflict • Financial – budget overspend, income generation/protection, rent loss, MTFP, viability of HRA business plan. Effect on GF income • Loss/reduction of service to Council, partners and tenants(commercial and domestic) • Reputation • Need to re home tenants • Leaseholders litigate • Negative local or national press coverage • Increased scrutiny/monitoring – customer, committees, Regulator etc. • Regulatory body short notice inspection • Self-referral to regulatory (co-regulation) • Commercial viability of building/site • Tenancy enforcement

	<ul style="list-style-type: none"> • Contract failure/suspension • Contract dispute • Increase turnover of staff • Inability to recruit the right staff • Poor morale/stress of workforce • Political engagement • Enforcement agency engagement • Accident/incident/poisoning • Civil claim due to failure • Criminal proceedings • Investigations to establish cause/identify reports for hospitalisation/fatality
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SR310 Cost of Living

Generated on: 06 November 2023



SR310 Cost of Living	
Description	Impact of cost of living crisis on the delivery of NSDC services, supporting vulnerable people, income and supporting new needs as they arise.
Lead Officer	Shead, Suzanne (SLT)
Support Officers	MF, NW, PW, AB, JD, DP, DW, CC, VE, NC, HE

Current Risk Matrix	Date Last Reviewed	Impact	Likelihood	Risk Management	Target Risk Matrix
	26-Sep-2023	2	C		
Reason For Increased Score	If your score has increased, please explain why here.				

Controls/Actions In Place	<p>Cost of living response group</p> <p>Implementation of "Place board"</p> <p>Provision of employee support – loans, mental health champions, health and wellbeing activities, reduce leisure centre membership, free parking, agile working</p> <p>Workforce development strategy</p> <p>Health and Well Being Support to staff via intranet</p> <p>Financial advice support for staff – home budgeting etc.</p> <p>MTFP review and revision</p> <p>Supporting and delivering foodbanks/food clubs/ social supermarkets and hygiene banks</p> <p>Referrals to NCC household support fund</p> <p>Referrals to Holiday activity and food programme (HAF)</p> <p>Review of council tax relief re eligibility</p> <p>Council tax reduction scheme</p> <p>Benefits process scheme</p> <p>Supporting credit unions</p> <p>Third sector support – CAB, NS CVS, Homestart, NS community HUB</p> <p>Efficiency east midlands small grant funding</p>
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	<p>Community grants fund Introduction of fuel bank scheme Helping hand scheme for NSDC tenants in arrears Increase in discretionary housing payments Referral to CAB for debt advice Starting well for new NSDC tenants Support identified for NSDC tenants by Tenancy assistance team Business growth and resilience programme Shared prosperity fund -22/25 (community, people and economy) Economic development service Tenant Welfare Fund Register of major employers maintained (relationship management for top 20) Government initiative take up where possible. Swimming pool fund – successful external funding £187k LAHF funding – Successful bid £1.2m Speeding up new HB and CT support claims and change in circumstance claims to minimise over payments. COL initiative project plan</p>
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Risk Categories	<p>Service delivery Resourcing Financing Local economy Impact in known vulnerable groups GRT/elderly/single young families etc Legislative/Regulatory/Non compliance Housing stock deterioration/disrepair issues Litigation</p>
Trigger/Event	<p>Increase in interest rates Cost of essential food increase Cost of utilities increase Cost of Fuel Cost of borrowing increases Cost of materials/services Availability of gas Inability to deliver discretionary grants Withdrawal/reduction of joint partnership services Rent increase limit applied Governmental directives issued Previously unknown need/demand– Customers/residents Extreme weather – harsh winter/extreme heat Increase in mortgage defaults and homelessness approaches Inability to recruit and return Requests for hybrid working that cannot be accommodated Benefit claims exceed current capacity Demand exceeds resources No skills or expertise to support some needs Major employer becomes insolvent. Recession</p>
Impact	<p><u>FINANCE</u> Increased costs to maintain critical services – i.e. housing with care, workplaces, vehicles, core services etc Loss or significant reduction in income/fees Increase in debt to the council – i.e., rent arrears/council tax/business rates Loss of funding (including joint partnership funding) Impact on MTFP and 30-year HRA business plan Increase in willingness to litigate Management fees increase – A4T Reduced investment return from Arkwood</p> <p><u>SERVICE DELIVERY</u></p>

	<p>Restrict or stop delivery of non-core services Impact on delivery of community plan Significant/key projects stalling Increased demands on council services to support those in crisis New demands on council services Partners withdrawing from projects/services Increase in homeless applications/housing need Increase in demands for support/discount schemes Reduction in third sector provision Procurement/contract issues Contractor/supplier goes into administration Loss of commercial tenants Deterioration in quality of property stock Increased demands/costs in repairing/maintaining property portfolio Increased need to take action due to reduction in maintenance of commercial stock by tenants</p> <p><u>LOCAL ECONOMY</u> Loss of local businesses Reduction in local providers/contractors to provide services/goods Bankruptcy/administration</p> <p><u>LEGISLATIVE</u> Self-referral to regulator for breaches in consumer standards Enforcement action – Notices & fines</p> <p><u>HEALTH</u> Deterioration in Health and wellbeing of general population Widened food/fuel poverty</p> <p><u>WORKFORCE</u> Workforce wellbeing/retention Increased sickness/burnout and deterioration of workforce health Increased demands on staff Restriction of services due to demand</p> <p>Loss of significant partner/contractor Loss of income via business rates</p>
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Report to: Audit & Governance Committee Meeting
22 November 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

Report Summary	
Report Title	Constitution Update – Public Speaking at Planning Committee
Purpose of Report	To seek Committee’s endorsement of updates to the Council’s Constitution to enable Planning Committee to revise the Council’s Protocol for Dealing with Planning Matters to allow for public speaking at Planning Committee.
Recommendations	To recommend to Full Council that the Council’s Constitution is amended as set out in paragraphs 2.2 to 2.4 below to enable Planning Committee to make provision for public speaking.
Reason for Recommendation	Allowing members of the public to comment directly on planning applications to the councillors who make the decisions will enhance the public participation provisions in the Council’s Constitution. Delegating authority to Planning Committee to make specific arrangements will give the Committee flexibility to test and amend as necessary to ensure the correct balance between public participation and efficient dispatch of business.

1.0 Background

- 1.1 The Planning Development Business Unit has been tasked with investigating allowing public speaking at Planning Committee. Initial investigations establish that the Council is one of the few in England and Wales who do not permit public speaking.
- 1.2 The Full Council has delegated authority to the Planning Committee to adopt a Protocol for Planning Committee. This Protocol sets out the current arrangements for speaking at Committee, which includes provision for parish councillors and ward (including neighbouring ward) councillors. It currently states that members of the public, including any applicant or objector, are not entitled to speak.

- 1.3 The Council's Constitution includes provision for public speaking at Full Council but is silent on whether any committees can make arrangements for public speaking. The Committee Procedure rules do not include provision for public speaking.

2.0 Proposal/Options Considered

- 2.1 Audit & Governance Committee is asked to consider recommending that Full Council approve some minor amendments to the Council's Constitution to approve the principle of public speaking. It will be for the Planning Committee to finalise arrangements and, if adopted, to keep them under review.
- 2.2 Part B of the Council's Constitution sets out the Council's arrangements for public participation. It is proposed to add a new Section 4 entitled 'Planning Committee', stating 'The Planning Committee's Protocol for Dealing with Planning Matters sets out who is entitled to speak at meetings of the Committee.'
- 2.3 Part C of the Council's Constitution sets out the terms of reference for Committees. Under the terms of reference for Planning Committee it is proposed to add at paragraph 14, which requires the Committee to adopt a Protocol for Planning Committee, 'and may include provision for public speaking'.
- 2.4 Part D of the Council's Constitution includes the Committee Procedure Rules. It is proposed to add a new Section 6.8 entitled 'Public Speaking', stating 'Planning Committee may make arrangements for public speaking in its Protocol for Dealing with Planning Matters'.
- 2.5 The intention of these minor amendments is for the Constitution to be permissive rather than prescriptive on public speaking; to delegate Planning Committee autonomy to make appropriate arrangements.
- 2.6 The **Appendix** to this report shows the proposed amendments as tracked changes.

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.

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 Planning Committee 9 November 2023 - <https://democracy.newark-sherwooddc.gov.uk/documents/s18065/FINAL%20Public%20Speaking%20Planning%20Constitution%20Update.pdf>

The Council's Constitution is published - <https://www.newark-sherwooddc.gov.uk/constitution/>

NEWARK & SHERWOOD DISTRICT COUNCIL

**CONSTITUTION
MAY 2022**

**Part B – Public Participation
Page B1**

4. ~~ACCESS TO INFORMATION PROCEDURE RULES~~ PLANNING COMMITTEE

~~4.1. Introduction~~

The Planning Committee’s Protocol for Dealing with Planning Matters sets out who is entitled to speak at meetings of the Committee.

45. ACCESS TO INFORMATION PROCEDURE RULES

45.1. Introduction

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NEWARK & SHERWOOD DISTRICT COUNCIL

**CONSTITUTION
JULY 2023**

**Part C – Responsibility for Functions
Page C1**

7.3 PLANNING COMMITTEE

Rules

- The Committee Procedure Rules and the Access to Information Procedure Rules shall apply to the Planning Committee.
- The Protocol for Planning Committee shall apply to the Planning Committee and shall take precedence in the event of their conflicting with the Committee Procedure Rules.

Membership, Chair and Quorum

Number of Members	15
Substitute Members Permitted	No

Political Proportionality Rules Apply	Yes
Appointments/Removals	Resolution of Full Council
Restrictions on Membership	<ul style="list-style-type: none"> All Members of the Planning Committee must have undertaken the required training, a minimum of once a year.
Restrictions on Chair/Vice-Chair	None
Quorum	One quarter (1/4) of the committee members rounded up
Number of Ordinary Meetings per Council Year	At least 4 per year

Remit and Terms of Reference

1. To perform the duties and exercise the powers of the Council as the local planning authority.
2. To determine and advise on all planning and development management applications, including but not limited to:-
 - a. Planning obligations;
 - b. All matters concerning public path orders required as a result of planning legislation;
 - c. Advertisement consents;
 - d. Conservation area consents and notices;
 - e. Revocation or modification of planning permissions by order under planning legislation;
 - f. Enforcement action including in respect of advertisement contraventions;
 - g. Tree preservation orders;
 - h. Consent to carry out work to protected trees;
 - i. Listed building consents and notices;
 - j. Certificates of alternative development;
 - k. Direct action by execution of works, taking steps and/or carrying out operations, by or on behalf of the Council under any current planning legislation, including the recovery of any costs or expenses;
 - l. Legal proceedings in respect of any breach of planning obligations;
 - m. Any other notices, orders, demands, permissions, consents and grants under current planning legislation; and
 - n. Observations, comments and representations on development proposals being determined by other bodies and/or in adjoining or nearby administrative areas.
3. To determine planning and development management applications referred by Members or Officers of the Council.
4. To determine planning and development management applications submitted by, or on behalf of, the Council or such applications in which the Council has an interest;

5. To determine planning and development management applications submitted by Members, Senior Officers (Senior Leadership Team and Business Managers) and Officers who would otherwise be involved in the determination of the application.
6. The monitoring of enforcement action taken under planning and other applicable legislation.
7. To administer the registration and record keeping provisions required under applicable legislation.
8. To exercise the Council's statutory duties in respect of the Building Regulations and associated legislation.
9. To exercise the Council's statutory powers in respect of land drainage and associated legislation.
10. To exercise the Council's statutory powers in respect of highways and associated legislation.
11. To consider and make recommendations on the formulation of the Local Development Framework and other plans, policies, protocols or guidance impacting on functions within the remit of the committee.
12. To do anything which is incidental, conducive or calculated to facilitate any of the Committee's functions or which are necessary for the discharge of the functions.
13. To adopt a scheme of delegation to Officers, including the ability for District Councillors to reserve matters to Committee in circumstances prescribed by the scheme; the scheme to be reviewed as necessary and at least annually, and
14. To adopt a Protocol for Planning Committee which must take Probity in Planning or equivalent national guidance into account and may include provision for public speaking.

NEWARK & SHERWOOD DISTRICT COUNCIL

**CONSTITUTION
MAY 2022**

**Part D – Council Procedure Rules
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6.7 Attendance of other District Councillors

- 6.7.1 Any District Councillor who wishes to attend a meeting of Cabinet, a committee or sub-committee of which they are not a member will be entitled to do so. With the consent of the Chair they will be entitled to speak once on any matter that is of primary importance to their electoral division or its inhabitants rather than a general matter, but not to vote.

6.7.2 A District Councillor who attends a meeting in this capacity will be entitled to remain in the meeting when a resolution excluding the public is in force.

6.7.3 These provisions apply to Planning Committee, subject to its Protocol for Members on Dealing with Planning Matters, but not to any other committee or sub-committee that is exercising a function which is judicial in nature.

6.8 Public Speaking

Planning Committee may make arrangements for public speaking in its Protocol for Dealing with Planning Matters.

6.98 Suspension of Committee Procedure Rules

These Committee Procedure Rules except Rule 2.7.1 (signing minutes) and Rules 6.1, 6.3 and 6.4 (conduct and general disturbance) may be suspended by the Chair of a Committee or by motion without notice if at least one half of the whole number of members of the Committee or Sub-Committee, are present. Suspension can either be for an item or for the duration of the meeting.



Report to: Audit & Governance Committee Meeting
22 November 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 22nd NOVEMBER 2023

WORK PLAN

Meeting date at which action to be undertaken	Subject and Brief Description	Who will present the report	Intended Outcome
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
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
	Governance Working Group	Sue Bearman	
	Local Government and Social Care Ombudsman Annual Review Update – reference to Minute 20 from Audit & Governance Committee meeting of 27 September 2023	Jill Baker	
	Risk Management report to include an Exempt Appendix, move to April meeting if not available	Richard Bates	Gain assurance that appropriate risk management arrangements are in place
	External Audit Annual Report 2022/23	Mark Surridge (Mazars)	Gain assurance over the financial statements for the Council
	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
	Review of the Council's Governance Arrangements	Sue Bearman	Review the Council's Governance Arrangements – Governance Review Working Party
	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	